

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**For the quarterly period ended October 31, 2023**☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number: 0-7928



(Exact name of registrant as specified in its charter)

Delaware**11-2139466**

(State or other jurisdiction of incorporation /organization)

(I.R.S. Employer Identification Number)

**68 South Service Road, Suite 230,
Melville, NY****11747**

(Address of principal executive offices)

(Zip Code)

(631) 962-7000

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.10 per share	CMTL	Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data file required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☒ Yes ☐ No

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

Large accelerated filer ☐ Accelerated filer ☒ Emerging growth company ☐
 Non-accelerated filer ☐ Smaller reporting company ☐

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

☐

Indicate by check mark whether registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

As of December 1, 2023, the number of outstanding shares of Common Stock, par value \$0.10 per share, of the registrant was 28,478,950 shares.

COMTECH TELECOMMUNICATIONS CORP.
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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

COMTECH TELECOMMUNICATIONS CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

Assets	October 31, 2023	July 31, 2023
Current assets:		
Cash and cash equivalents	\$ 18,116,000	18,961,000
Accounts receivable, net	185,065,000	163,159,000
Inventories, net	85,440,000	105,845,000
Prepaid expenses and other current assets	20,230,000	17,521,000
Assets of disposal group held for sale	44,894,000	—
Total current assets	353,745,000	305,486,000
Property, plant and equipment, net	50,648,000	53,029,000
Operating lease right-of-use assets, net	37,209,000	44,410,000
Goodwill	333,105,000	347,692,000
Intangibles with finite lives, net	220,618,000	225,907,000
Deferred financing costs, net	1,879,000	2,349,000
Other assets, net	15,339,000	17,364,000
Total assets	\$ 1,012,543,000	996,237,000
Liabilities, Convertible Preferred Stock and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 66,501,000	64,241,000
Accrued expenses and other current liabilities	57,677,000	66,990,000
Current portion of long-term debt	183,503,000	4,375,000
Operating lease liabilities, current	8,169,000	8,645,000
Contract liabilities	63,106,000	66,351,000
Interest payable	1,426,000	1,368,000
Liabilities of disposal group held for sale	10,557,000	—
Total current liabilities	390,939,000	211,970,000
Non-current portion of long-term debt	—	160,029,000
Operating lease liabilities, non-current	34,626,000	41,763,000
Income taxes payable	2,602,000	2,208,000
Deferred tax liability, net	11,359,000	9,494,000
Long-term contract liabilities	20,323,000	18,419,000
Other liabilities	1,854,000	1,844,000
Total liabilities	461,703,000	445,727,000
Commitments and contingencies (See Note 19)		
Convertible preferred stock, par value \$0.10 per share; authorized 125,000 shares; issued 100,000 at October 31, 2023 and July 31, 2023 (includes accrued dividends of \$614,000 and \$604,000, respectively)	114,034,000	112,211,000
Stockholders' equity:		
Preferred stock, par value \$0.10 per share; authorized and unissued 1,875,000 shares	—	—
Common stock, par value \$0.10 per share; authorized 100,000,000 shares; issued 43,268,782 and 43,096,271 shares at October 31, 2023 and July 31, 2023, respectively	4,327,000	4,310,000
Additional paid-in capital	638,652,000	636,925,000
Retained earnings	235,676,000	238,913,000
	878,655,000	880,148,000
Less:		
Treasury stock, at cost (15,033,317 shares at October 31, 2023 and July 31, 2023)	(441,849,000)	(441,849,000)
Total stockholders' equity	436,806,000	438,299,000
Total liabilities, convertible preferred stock and stockholders' equity	\$ 1,012,543,000	996,237,000

See accompanying notes to condensed consolidated financial statements.

COMTECH TELECOMMUNICATIONS CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended October 31,	
	2023	2022
Net sales	\$ 151,911,000	131,139,000
Cost of sales	104,029,000	84,336,000
Gross profit	47,882,000	46,803,000
Expenses:		
Selling, general and administrative	32,695,000	29,337,000
Research and development	7,812,000	12,751,000
Amortization of intangibles	5,289,000	5,349,000
CEO transition costs	—	9,090,000
	45,796,000	56,527,000
Operating income (loss)	2,086,000	(9,724,000)
Other expenses (income):		
Interest expense	4,932,000	2,235,000
Interest (income) and other	(65,000)	(255,000)
Loss before benefit from income taxes	(2,781,000)	(11,704,000)
Benefit from income taxes	(1,344,000)	(608,000)
Net loss	\$ (1,437,000)	(11,096,000)
Adjustments to reflect redemption value of convertible preferred stock:		
Dividend on convertible preferred stock	(1,823,000)	(1,710,000)
Net loss attributable to common stockholders	\$ (3,260,000)	(12,806,000)
Net loss per common share (See Note 6):		
Basic	\$ (0.11)	(0.46)
Diluted	\$ (0.11)	(0.46)
Weighted average number of common shares outstanding – basic	28,745,000	27,830,000
Weighted average number of common and common equivalent shares outstanding – diluted	28,745,000	27,830,000

See accompanying notes to condensed consolidated financial statements.

COMTECH TELECOMMUNICATIONS CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY
(Unaudited)

	Three months ended October 31, 2023 and 2022								
	Series A Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Stock		Stockholders' Equity
	Shares	Amount	Shares	Amount			Shares	Amount	
Balance as of July 31, 2022	100,000	\$ 105,204,000	42,672,827	\$ 4,267,000	\$ 625,484,000	\$ 278,683,000	15,033,317	\$ (441,849,000)	\$ 466,585,000
Equity-classified stock award compensation	—	—	—	—	904,000	—	—	—	904,000
CEO transition costs related to equity-classified stock-based awards (See Note 1)	—	—	—	—	3,764,000	—	—	—	3,764,000
Issuance of employee stock purchase plan shares	—	—	15,017	2,000	117,000	—	—	—	119,000
Issuance of restricted stock, net of forfeiture	—	—	10,718	1,000	(1,000)	—	—	—	—
Net settlement of stock-based awards	—	—	112,284	11,000	(1,241,000)	—	—	—	(1,230,000)
Adjustment to reflect redemption value of convertible preferred stock (including accrued dividends)	—	1,710,000	—	—	—	(1,710,000)	—	—	(1,710,000)
Cash dividends declared, net (\$0.10 per share)	—	—	—	—	—	(2,774,000)	—	—	(2,774,000)
Accrual of dividend equivalents, net of reversal (\$0.10 per share)	—	—	—	—	—	(201,000)	—	—	(201,000)
Net loss	—	—	—	—	—	(11,096,000)	—	—	(11,096,000)
Balance as of October 31, 2022	<u>100,000</u>	<u>\$ 106,914,000</u>	<u>42,810,846</u>	<u>\$ 4,281,000</u>	<u>\$ 629,027,000</u>	<u>\$ 262,902,000</u>	<u>15,033,317</u>	<u>\$ (441,849,000)</u>	<u>\$ 454,361,000</u>
Balance as of July 31, 2023	100,000	\$ 112,211,000	43,096,271	\$ 4,310,000	\$ 636,925,000	\$ 238,913,000	15,033,317	\$ (441,849,000)	\$ 438,299,000
Equity-classified stock award compensation	—	—	—	—	2,645,000	—	—	—	2,645,000
Issuance of employee stock purchase plan shares	—	—	12,799	1,000	93,000	—	—	—	94,000
Issuance of restricted stock, net of forfeiture	—	—	13,904	2,000	(2,000)	—	—	—	—
Net settlement of stock-based awards	—	—	145,808	14,000	(1,009,000)	—	—	—	(995,000)
Adjustment to reflect redemption value of convertible preferred stock (including accrued dividends)	—	1,823,000	—	—	—	(1,823,000)	—	—	(1,823,000)
Reversal of dividend equivalents (\$0.10 per share)	—	—	—	—	—	23,000	—	—	23,000
Net loss	—	—	—	—	—	(1,437,000)	—	—	(1,437,000)
Balance as of October 31, 2023	<u>100,000</u>	<u>\$ 114,034,000</u>	<u>43,268,782</u>	<u>\$ 4,327,000</u>	<u>\$ 638,652,000</u>	<u>\$ 235,676,000</u>	<u>15,033,317</u>	<u>\$ (441,849,000)</u>	<u>\$ 436,806,000</u>

See accompanying notes to condensed consolidated financial statements.

COMTECH TELECOMMUNICATIONS CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Three months ended October 31,	
	2023	2022
Cash flows from operating activities:		
Net loss	\$ (1,437,000)	(11,096,000)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization of property, plant and equipment	3,022,000	2,798,000
Amortization of intangible assets with finite lives	5,289,000	5,349,000
Amortization of stock-based compensation	2,645,000	904,000
Amortization of cost to fulfill assets	240,000	240,000
CEO transition costs related to equity-classified stock-based awards	—	3,764,000
Amortization of deferred financing costs	594,000	203,000
Changes in other liabilities	(1,033,000)	(1,033,000)
Loss on disposal of property, plant and equipment	6,000	71,000
Provision for allowance for doubtful accounts	143,000	242,000
Provision for excess and obsolete inventory	78,000	847,000
Deferred income tax expense (benefit)	1,114,000	(1,217,000)
Changes in assets and liabilities, net of effects of acquisitions and divestitures:		
Accounts receivable	(26,269,000)	(5,318,000)
Inventories	2,656,000	(4,278,000)
Prepaid expenses and other current assets	997,000	1,581,000
Other assets	2,802,000	(714,000)
Accounts payable	5,100,000	(1,555,000)
Accrued expenses and other current liabilities	(6,538,000)	5,256,000
Contract liabilities	(685,000)	(3,048,000)
Other liabilities, non-current	145,000	(61,000)
Interest payable	58,000	78,000
Income taxes payable	(3,472,000)	790,000
Net cash used in operating activities	(14,545,000)	(6,197,000)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(3,216,000)	(7,221,000)
Net cash used in investing activities	(3,216,000)	(7,221,000)
Cash flows from financing activities:		
Net borrowings of long-term debt under Revolving Loan Facility	19,600,000	18,700,000
Repayment of debt under Term Loan	(625,000)	—
Cash dividends paid on common stock	(111,000)	(3,092,000)
Payment of deferred financing costs	(308,000)	—
Remittance of employees' statutory tax withholding for stock awards	(1,682,000)	(2,332,000)
Proceeds from issuance of employee stock purchase plan shares	94,000	119,000
Payment of shelf registration costs	—	(101,000)
Repayment of principal amounts under finance lease liabilities	—	(2,000)
Net cash provided by financing activities	16,968,000	13,292,000
Net decrease in cash and cash equivalents, including cash classified within assets of disposal group held for sale	(793,000)	(126,000)
Less: net increase in cash classified within assets of disposal group held for sale	(52,000)	—
Net decrease in cash and cash equivalents	(845,000)	(126,000)
Cash and cash equivalents at beginning of period	18,961,000	21,654,000
Cash and cash equivalents at end of period	\$ 18,116,000	21,528,000

(Continued)

See accompanying notes to condensed consolidated financial statements.

COMTECH TELECOMMUNICATIONS CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(Unaudited)

	Three months ended October 31,	
	2023	2022
<u>Supplemental cash flow disclosures:</u>		
Cash paid (received) during the period for:		
Interest	\$ 4,278,000	1,947,000
Income taxes, net	\$ 1,019,000	(181,000)
Non-cash investing and financing activities:		
Accrued additions to property, plant and equipment	\$ 1,154,000	1,818,000
Adjustment to reflect redemption value of convertible preferred stock	\$ 1,823,000	1,710,000
Accrued deferred financing costs	\$ 444,000	—
Accrued remittance of employees' statutory tax withholdings	\$ 526,000	—
Cash dividends declared on common stock but unpaid (including accrual of dividend equivalents)	\$ (23,000)	2,975,000
Reclassification of finance lease right-of-use assets to property, plant and equipment	\$ —	12,000

See accompanying notes to condensed consolidated financial statements.

COMTECH TELECOMMUNICATIONS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(1) General

The accompanying condensed consolidated financial statements of Comtech Telecommunications Corp. and its subsidiaries ("Comtech," "we," "us," or "our") as of and for the three months ended October 31, 2023 and 2022 are unaudited. In the opinion of management, the information furnished reflects all material adjustments (which include normal recurring adjustments) necessary for a fair presentation of the results for the unaudited interim periods. Our results of operations for such periods are not necessarily indicative of the results of operations to be expected for the full fiscal year.

The preparation of our condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the condensed consolidated financial statements, and the reported amounts of net sales and expenses during the reported period. Actual results may differ from those estimates.

Our condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements, filed with the Securities and Exchange Commission ("SEC"), for the fiscal year ended July 31, 2023 and the notes thereto contained in our Annual Report on Form 10-K, and all of our other filings with the SEC.

Liquidity and Going Concern

The accompanying unaudited condensed consolidated financial statements have been prepared assuming we will continue as a going concern. The going concern basis of presentation assumes that we will continue in operation one year after the date these unaudited condensed consolidated financial statements are issued and will be able to realize our assets and discharge our liabilities and commitments in the normal course of business.

Pursuant to the requirements of ASC Topic 205-40, "*Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*," we are required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about our ability to continue as a going concern. This evaluation does not take into consideration the potential mitigating effect of our plans that have not been fully implemented or are not within our control as of the date the unaudited condensed consolidated financial statements are issued. When substantial doubt exists, we evaluate whether the mitigating effect of our plans sufficiently alleviates substantial doubt about our ability to continue as a going concern. The mitigating effect of our plans, however, is only considered if both (i) it is probable that the plans will be effectively implemented within one year after the date that the unaudited condensed consolidated financial statements are issued, and (ii) it is probable that the plans, when implemented, will mitigate the relevant conditions or events that raise substantial doubt about our ability to continue as a going concern within one year after the date that the unaudited condensed consolidated financial statements are issued.

As of the date these financial statements were issued (the "issuance date"), we evaluated whether the following adverse conditions or events, considered in the aggregate, raise substantial doubt about the Company's ability to continue as a going concern over the next twelve months beyond the issuance date.

Over the past three fiscal years, we incurred operating losses of \$14,660,000, \$33,752,000, and \$68,298,000 in fiscal 2023, 2022 and 2021, respectively. More recently, we recognized operating income of \$2,086,000 in the three months ended October 31, 2023. In addition, over the past three fiscal years, net cash used in operating activities was \$4,433,000 and \$40,638,000 in fiscal 2023 and 2021, respectively, and net cash provided by operating activities was \$1,997,000 in fiscal 2022. More recently, net cash used in operating activities was \$14,545,000 in the three months ended October 31, 2023.

COMTECH TELECOMMUNICATIONS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

As of October 31, 2023, we were in compliance with all of the restrictive and financial covenants under our Credit Facility (See *Note (10) – “Credit Facility”* for defined terms). As of October 31, 2023, our Secured Leverage Ratio was 3.53x trailing twelve months (“TTM”) Adjusted EBITDA compared to the maximum allowable Secured Leverage Ratio of 3.75x TTM Adjusted EBITDA. Our Interest Expense Coverage Ratio as of October 31, 2023 was 3.37x TTM Adjusted EBITDA compared to the Minimum Interest Expense Coverage Ratio of 3.25x TTM Adjusted EBITDA. Our Minimum Liquidity was \$29,240,000 compared to the Minimum Liquidity requirement of \$25,000,000. However, over the next twelve months beyond the issuance date, we anticipate we may be unable to remain in compliance with one or more of these financial covenants.

As disclosed in *Note (10) – “Credit Facility,”* on November 7, 2023, we entered into the Third Amended and Restated Credit Agreement which, effective January 31, 2024, among other things, lowers our borrowing limit under the Revolving Loan Facility from \$150,000,000 to \$140,000,000 and increases the quarterly Term Loan amortization payment from \$1,250,000 to \$1,875,000. As of the issuance date, our available sources of liquidity included cash and cash equivalents of approximately \$18,000,000. In addition, as of the issuance date, borrowings under our Credit Facility, which has a maturity date of October 31, 2024, aggregated \$180,500,000, of which \$149,300,000 and \$31,200,000 related to the Revolving Loan Facility and Term Loan, respectively. Accordingly, as of the issuance date, there was no additional borrowing capacity under the Revolving Loan Facility.

Our ability to meet our current obligations as they come due may be impacted by our ability to remain compliant with the financial covenants under the Credit Facility or to obtain waivers or amendments that impact the related financial covenants. If we are unable to satisfy certain covenants and not able to obtain waivers or amendments, such event would constitute an Event of Default and could cause an immediate acceleration and repayment of all outstanding principal, interest and fees due under the Credit Facility. If there is an Event of Default, there can be no assurances that we will be able to continue as a going concern, which could force us to delay, reduce or discontinue certain aspects of our business strategy. Additionally, our ability to meet future anticipated liquidity needs will largely depend on our ability to generate positive cash inflows from operations, as well as refinance our Credit Facility, and/or secure other sources of outside capital.

Based on our current business plans, including projected capital expenditures, we do not believe our current level of cash and cash equivalents, or liquidity expected to be generated from future cash flows will be sufficient to fund our operations over the next twelve months beyond the issuance date and repay the outstanding borrowings scheduled to mature under the Credit Facility on or before October 31, 2024. In anticipation of this maturity, we engaged with third party financial advisors to assist us in our discussions and negotiations with our existing lenders and holders of Convertible Preferred Stock to extend or refinance the Credit Facility and/or amend or restructure our Convertible Preferred Stock, as well as seeking other sources of credit or outside capital. If we are unable to obtain sufficient, timely financial resources or outside capital, our business, financial condition and results of operations could be materially and adversely affected. Our ability to generate cash in the future or have sufficient access to credit from financial institutions and/or financing from public and/or private debt and equity markets on acceptable terms, or at all, (i) is subject to (a) general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control and (b) a majority vote consent right of the Holders of the Convertible Preferred Stock (as discussed further in *Note (17) – “Convertible Preferred Stock”*), and (ii) could (x) dilute the ownership interest of our stockholders, (y) include terms that adversely affect the rights of our common stockholders, or (z) restrict our ability to take specific actions such as incurring additional debt, making acquisitions or capital expenditures or declaring dividends. Also, our transition to sustained profitability is dependent upon the successful completion of our ongoing One Comtech transformation and integration of individual businesses into two segments and related restructuring activities to optimize our cost structure.

COMTECH TELECOMMUNICATIONS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

In addition to our plan to refinance the Credit Facility and/or secure new sources of credit or outside capital, our plans also include, among other things:

- implementing certain cost savings and restructuring activities to reduce cash used in operations, as discussed further in Note (20) – “*Cost Reduction*,”
- pursuing initiatives to reduce investments in working capital, namely accounts receivable and inventory;
- improving process disciplines to attain and maintain profitable operations by entering into more favorable sales or service contracts;
- reevaluating our business plans to identify opportunities to further reduce capital expenditures;
- seeking opportunities to improve liquidity through any combination of debt and or equity financing (including possibly restructuring our existing Convertible Preferred Stock); and
- seeking other strategic transactions and or measures including, but not limited to, the potential sale or divestiture of assets.

While we believe the implementation of some or all of the elements of our plans over the next twelve months beyond the issuance date will be successful, these plans are not all solely within management’s control and, as such, we can provide no assurance our plans are probable of being effectively implemented as of the issuance date. Therefore, these adverse conditions and events described above raise substantial doubt about the Company’s ability to continue as a going concern as of the issuance date. We prepared these unaudited condensed consolidated financial statements on a going concern basis, assuming our financial resources will be sufficient to meet our capital needs over the next twelve months and did not include any adjustments relating to the recoverability and realization of assets and classification of liabilities that might be necessary should we be unable to continue in operation for the next twelve months.

CEO Transition Costs & Related

On August 9, 2022, our Board of Directors appointed our Chairman of the Board, Ken Peterman, as President and Chief Executive Officer ("CEO"). Transition costs related to our former President and CEO, Michael D. Porcelain, pursuant to his separation agreement with the Company, were \$7,424,000, of which \$3,764,000 related to the acceleration of unamortized stock based compensation, with the remaining \$3,660,000 related to his severance payments and benefits upon termination of employment. The cash portion of the transition costs of \$3,660,000 was paid to Mr. Porcelain in October 2022. Also, in connection with Mr. Peterman entering into an employment agreement with the Company, effective as of August 9, 2022, we incurred a \$1,000,000 expense related to a cash sign-on bonus, which was paid to Mr. Peterman in January 2023. CEO transition costs related to Mr. Porcelain and Mr. Peterman were expensed in our Unallocated segment during the first quarter of fiscal 2023. There were no similar costs incurred in the first quarter of fiscal 2024.

COMTECH TELECOMMUNICATIONS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(2) Business Divestiture

On November 7, 2023, we completed the divestiture of our solid-state RF microwave high power amplifiers and control components ("Power Systems Technology") product line, which was included in our Satellite and Space Communications segment, pursuant to a stock sale agreement entered into on October 11, 2023 (the "PST Sale"). The preliminary sales price for this divestiture was \$35,700,000 in cash (including adjustments for estimated closing date net working capital and cash on hand), plus contingent consideration of up to \$5,000,000 based on the achievement of a revenue target or the receipt of an anticipated contract award as specified in the stock sale agreement. The sales price is subject to adjustment based on the final closing date net working capital of the divested business. We received cash proceeds of \$32,500,000 at closing, net of \$2,200,000 of transaction costs and \$1,000,000 held in escrow until finalization of closing date net working capital.

During the three months ended October 31, 2023, we determined the criteria to be classified as held for sale were met with respect to the Power Systems Technology product line ("PST disposal group") and classified the assets and liabilities of the PST disposal group as held for sale as of October 31, 2023. The carrying amount of the major classes of assets and liabilities classified as held for sale as of October 31, 2023 are as follows:

	October 31, 2023
Cash and cash equivalents	\$ 52,000
Accounts receivable, net	4,220,000
Inventories, net	17,671,000
Prepaid expenses and other current assets	161,000
Property, plant and equipment, net	2,789,000
Operating lease right-of-use assets, net	5,379,000
Goodwill	14,587,000
Other assets, net	35,000
Total assets of disposal group held for sale	<u>\$ 44,894,000</u>
Accounts payable	\$ 3,160,000
Accrued expenses and other current liabilities	1,753,000
Operating lease liabilities, current	545,000
Contract liabilities	656,000
Operating lease liabilities, non-current	4,894,000
Deferred tax liability, net	(451,000)
Total liabilities of disposal group held for sale	<u>\$ 10,557,000</u>

(3) Adoption of Accounting Standards and Updates

We are required to prepare our condensed consolidated financial statements in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") which is the source for all authoritative U.S. generally accepted accounting principles, which are commonly referred to as "GAAP." The FASB ASC is subject to updates by the FASB, which are known as Accounting Standards Updates ("ASUs"). ASUs issued, but not effective until after October 31, 2023, are not expected to have a material impact on our condensed consolidated financial statements or disclosures.

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(4) Revenue Recognition

In accordance with FASB ASC 606 - Revenue from Contracts with Customers ("ASC 606"), we record revenue in an amount that reflects the consideration to which we expect to be entitled in exchange for goods or services promised to customers. Under ASC 606, we follow a five-step model to: (1) identify the contract with our customer; (2) identify our performance obligations in our contract; (3) determine the transaction price for our contract; (4) allocate the transaction price to our performance obligations; and (5) recognize revenue using one of the following two methods:

- Over time - We recognize revenue using the over time method when there is a continuous transfer of control to the customer over the contractual period of performance. This generally occurs when we enter into a long-term contract relating to the design, development or manufacture of complex equipment or technology platforms to a buyer's specification (or to provide services related to the performance of such contracts). Continuous transfer of control is typically supported by contract clauses which allow our customers to unilaterally terminate a contract for convenience, pay for costs incurred plus a reasonable profit and take control of work-in-process. Revenue recognized over time is generally based on the extent of progress toward completion of the related performance obligations. The selection of the method to measure progress requires judgment and is based on the nature of the products or services provided. In certain instances, typically for firm fixed-price contracts, we use the cost-to-cost measure because it best depicts the transfer of control to the customer which occurs as we incur costs on our contracts. Under the cost-to-cost measure, the extent of progress toward completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion, including warranty costs. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred. Costs to fulfill generally include direct labor, materials, subcontractor costs, other direct costs and an allocation of indirect costs. When these contracts are modified, the additional goods or services are generally not distinct from those already provided. As a result, these modifications form part of an existing contract and we must update the transaction price and our measure of progress for the single performance obligation and recognize a cumulative catch-up to revenue and gross profits.

For over time contracts using a cost-to-cost measure of progress, we have an estimate at completion ("EAC") process in which management reviews the progress and execution of our performance obligations. This EAC process requires management judgment relative to assessing risks, estimating contract revenue and costs, and making assumptions for schedule and technical issues. Since certain contracts extend over a long period of time, the impact of revisions in revenue and or cost estimates during the progress of work may impact current period earnings through a cumulative adjustment. Additionally, if the EAC process indicates a loss, a provision is made for the total anticipated loss in the period that it becomes evident. Contract revenue and cost estimates for significant contracts are generally reviewed and reassessed at least quarterly.

The cost-to-cost method is principally used to account for contracts in our Satellite and Space Communications segment and, to a lesser extent, certain location-based and messaging infrastructure contracts in our public safety and location technologies product line within our Terrestrial and Wireless Networks segment. For service-based contracts in our Terrestrial and Wireless Networks segment, we also recognize revenue over time. These services are typically recognized as a series of services performed over the contract term using the straight-line method, or based on our customers' actual usage of the networks and platforms which we provide.

- Point in time - When a performance obligation is not satisfied over time, we must record revenue using the point in time accounting method which generally results in revenue being recognized upon shipment or delivery of a promised good or service to a customer. This generally occurs when we enter into short-term contracts or purchase orders where items are provided to customers with relatively quick turn-around times. Modifications to such contracts and or purchase orders, which typically provide for additional quantities or services, are accounted for as a new contract because the pricing for these additional quantities or services are based on standalone selling prices.

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Point in time accounting is principally applied to contracts in our satellite ground station technologies product line (which includes satellite modems, solid-state and traveling wave tube amplifiers) and certain contracts for our solid-state, high-power RF amplifiers. The contracts related to these product lines do not meet the requirements for over time revenue recognition because our customers cannot utilize the equipment for its intended purpose during any phase of our manufacturing process; customers do not simultaneously receive and or consume the benefits provided by our performance; customers do not control the asset (i.e., prior to delivery, customers cannot direct the use of the asset, sell or exchange the equipment, etc.); and, although many of our contracts have termination for convenience clauses and or an enforceable right to payment for performance completed to date, our performance creates an asset with an alternative use through the point of delivery.

In determining that our equipment has alternative use, we considered the underlying manufacturing process for our products. In the early phases of manufacturing, raw materials and work in process (including subassemblies) consist of common parts that are highly fungible among many different types of products and customer applications. Finished products are either configured to our standard configuration or based on our customers' specifications. Finished products, whether built to our standard specification or to a customers' specification, can be sold to a variety of customers and across many different end use applications with minimal rework, if needed, and without incurring a significant economic loss.

When identifying a contract with our customer, we consider when it has approval and commitment from both parties, if the rights of the parties are identified, if the payment terms are identified, if it has commercial substance and if collectability is probable.

When identifying performance obligations, we consider whether there are multiple promises and how to account for them. In our contracts, multiple promises are separated if they are distinct, both individually and in the context of the contract. If multiple promises in a contract are highly interrelated or comprise a series of distinct services performed over time, they are combined into a single performance obligation. In some cases, we may also provide the customer with an additional service-type warranty, which we recognize as a separate performance obligation. Service-type warranties do not represent a significant portion of our consolidated net sales. When service-type warranties represent a separate performance obligation, the revenue is deferred and recognized ratably over the extended warranty period. Our contracts, from time-to-time, may also include options for additional goods and services. To date, these options have not represented material rights to the customer as the pricing for them reflects standalone selling prices. As a result, we do not consider options we offer to be performance obligations for which we must allocate a portion of the transaction price. In many cases, we provide assurance-type warranty coverage for some of our products for a period of at least one year from the date of delivery.

When identifying the transaction price, we typically utilize the contract's stated price as a starting point. The transaction price in certain arrangements may include estimated amounts of variable consideration, including award fees, incentive fees or other provisions that can either increase or decrease the transaction price. We estimate variable consideration as the amount to which we expect to be entitled, and we include estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the estimation uncertainty is resolved. The estimation of this variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of our anticipated performance and all information (e.g., historical, current and forecasted) that is reasonably available to us.

When allocating the contract's transaction price, we consider each distinct performance obligation. For contracts with multiple performance obligations, we allocate the contract's transaction price to each performance obligation using our best estimate of the standalone selling price of each distinct good or service in the contract. We determine standalone selling price based on the price at which the performance obligation is sold separately. If the standalone selling price is not observable through past transactions, we estimate the standalone selling price taking into account available information such as market conditions, including geographic or regional specific factors, competitive positioning, internal costs, profit objectives and internally approved pricing guidelines related to the performance obligations.

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Most of our contracts with customers are denominated in U.S. dollars and typically are either firm fixed-price or cost reimbursable type contracts (including fixed-fee, incentive-fee and time-and-material type contracts). In almost all of our contracts with customers, we are the principal in the arrangement and report revenue on a gross basis. Transaction prices for contracts with U.S. domestic and international customers are usually based on specific negotiations with each customer and in the case of the U.S. government, sometimes based on estimated or actual costs of providing the goods or services in accordance with applicable regulations. Sales by geography and customer type, as a percentage of consolidated net sales, are as follows:

	Three months ended October 31,	
	2023	2022
<u>United States</u>		
U.S. government	35.3 %	32.1 %
Domestic	40.2 %	46.7 %
Total United States	75.5 %	78.8 %
International	24.5 %	21.2 %
Total	100.0 %	100.0 %

Sales to U.S. government customers include sales to the U.S. Department of Defense ("DoD"), intelligence and civilian agencies, as well as sales directly to or through prime contractors. Domestic sales include sales to commercial customers, as well as to U.S. state and local governments. For the three months ended October 31, 2023, except for the U.S. government, there were no customers that represented more than 10.0% of consolidated net sales. For the three months ended October 31, 2022, included in domestic sales are sales to Verizon Communications Inc. ("Verizon"), which accounted for 12.5% of consolidated net sales. Except for the U.S., no individual country (including sales to U.S. domestic companies for inclusion in products that are sold to a foreign country) represented more than 10.0% of consolidated net sales for the three months ended October 31, 2023 and 2022.

The following tables summarize our disaggregation of revenue consistent with information reviewed by our Chief Operating Decision Maker ("CODM") for the three months ended October 31, 2023 and 2022. We believe these categories best depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors which impact our business:

		Three months ended October 31, 2023		
		Satellite and Space Communications	Terrestrial and Wireless Networks	Total
<u>Geographical region and customer type</u>				
U.S. government	\$	53,006,000	596,000	\$ 53,602,000
Domestic		15,952,000	45,190,000	61,142,000
Total United States		68,958,000	45,786,000	114,744,000
International		33,430,000	3,737,000	37,167,000
Total	\$	102,388,000	49,523,000	\$ 151,911,000
<u>Contract type</u>				
Firm fixed-price	\$	85,408,000	49,523,000	\$ 134,931,000
Cost reimbursable		16,980,000	—	16,980,000
Total	\$	102,388,000	49,523,000	\$ 151,911,000
<u>Transfer of control</u>				
Point in time	\$	45,741,000	647,000	\$ 46,388,000
Over time		56,647,000	48,876,000	105,523,000
Total	\$	102,388,000	49,523,000	\$ 151,911,000

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	Three months ended October 31, 2022		
	Satellite and Space Communications	Terrestrial and Wireless Networks	Total
<u>Geographical region and customer type</u>			
U.S. government	\$ 41,013,000	1,038,000	\$ 42,051,000
Domestic	15,244,000	46,011,000	61,255,000
Total United States	56,257,000	47,049,000	103,306,000
International	24,616,000	3,217,000	27,833,000
Total	\$ 80,873,000	50,266,000	\$ 131,139,000
<u>Contract type</u>			
Firm fixed-price	\$ 69,875,000	50,266,000	\$ 120,141,000
Cost reimbursable	10,998,000	—	10,998,000
Total	\$ 80,873,000	50,266,000	\$ 131,139,000
<u>Transfer of control</u>			
Point in time	\$ 55,000,000	84,000	\$ 55,084,000
Over time	25,873,000	50,182,000	76,055,000
Total	\$ 80,873,000	50,266,000	\$ 131,139,000

The timing of revenue recognition, billings and collections results in receivables, unbilled receivables and contract liabilities on our Condensed Consolidated Balance Sheet. Under typical payment terms for our contracts accounted for over time, amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly) or upon achievement of contractual milestones. For certain contracts with provisions that are intended to protect customers in the event we do not satisfy our performance obligations, billings occur subsequent to revenue recognition, resulting in unbilled receivables. Under ASC 606, unbilled receivables constitute contract assets. There were no material impairment losses recognized on contract assets during the three months ended October 31, 2023 and 2022, respectively. On large long-term contracts, and for contracts with international customers that do not do business with us regularly, payment terms typically require advanced payments and deposits. Under ASC 606, payments received from customers in excess of revenue recognized to-date results in a contract liability. These contract liabilities are not considered to represent a significant financing component of the contract because we believe these cash advances and deposits are generally used to meet working capital demands which can be higher in the earlier stages of a contract. Also, advanced payments and deposits provide us with some measure of assurance that the customer will perform on its obligations under the contract. Under the typical payment terms for our contracts accounted for at a point in time, costs are accumulated in inventory until the time of billing, which generally coincides with revenue recognition. Of the current contract liability balance of \$66,351,000 at July 31, 2023 and \$64,601,000 at July 31, 2022, \$20,737,000 and \$21,628,000 was recognized as revenue during the three months ended October 31, 2023 and 2022, respectively.

We recognize the incremental costs to obtain or fulfill a contract as an expense when incurred if the amortization period of the asset is one year or less; otherwise, such costs are capitalized and amortized over the estimated life of the contract. During the three months ended October 31, 2023 and 2022, incremental costs to obtain or fulfill contracts with an amortization period greater than one year were not material.

As commissions payable to our internal sales and marketing employees or contractors are contingent upon multiple factors, such commissions are not considered direct costs to obtain or fulfill a contract with a customer and are expensed as incurred in selling, general and administrative expenses on our Condensed Consolidated Statements of Operations. As for commissions payable to our third-party sales representatives related to long-term contracts, we do consider these types of commissions both direct and incremental costs to obtain and fulfill such contracts. Therefore, such types of commissions are included in total estimated costs at completion for such contracts and expensed over time through cost of sales on our Condensed Consolidated Statements of Operations.

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Remaining performance obligations represent the transaction price of firm orders for which work has not been performed as of the end of a fiscal period. Remaining performance obligations, which we refer to as backlog, exclude unexercised contract options and potential orders under indefinite delivery / indefinite quantity ("IDIQ") contracts. As of October 31, 2023, the aggregate amount of the transaction price allocated to remaining performance obligations was \$695,867,000 (which represents the amount of our consolidated funded backlog). We estimate that a substantial portion of our remaining performance obligations at October 31, 2023 will be completed and recognized as revenue during the next twenty-four month period, with the rest thereafter. During the three months ended October 31, 2023, revenue recognized from performance obligations satisfied, or partially satisfied, in previous periods (for example due to changes in the transaction price) was not material.

(5) Fair Value Measurements and Financial Instruments

Using the fair value hierarchy described in FASB ASC 820 "*Fair Value Measurements and Disclosures*," we valued our cash and cash equivalents using Level 1 inputs that were based on quoted market prices. We believe that the carrying amounts of our other current financial assets (such as accounts receivable) and other current liabilities (including accounts payable, accrued expenses and the current portion of long-term debt) approximate their fair values due to their short-term maturities.

The fair value of the non-current portion of our credit facility approximates its carrying amount due to its variable interest rate and pricing grid that is dependent upon our leverage ratio as of the end of each fiscal quarter. See *Note (10) - "Credit Facility"* for more information.

As of October 31, 2023 and July 31, 2023, other than the cash and cash equivalents discussed above, we had no other significant assets or liabilities included in our Condensed Consolidated Balance Sheets recorded at fair value, as such term is defined by FASB ASC 820.

(6) Earnings Per Share

Our basic earnings per share ("EPS") is computed based on the weighted average number of common shares (including vested but unissued stock units, share units, performance shares and restricted stock units ("RSUs")) outstanding during each respective period. Our diluted EPS reflects the dilution from potential common stock issuable pursuant to the exercise of equity-classified stock-based awards, settlement of escrow arrangements related to our acquisition of UHP Networks Inc. ("UHP") and the assumed conversion of Convertible Preferred Stock, if dilutive, outstanding during each respective period. Pursuant to FASB ASC 260 "*Earnings Per Share*," shares whose issuance is contingent upon the satisfaction of certain conditions are included in diluted EPS based on the number of shares, if any, that would be issuable if the end of the reporting period were the end of the contingency period. When calculating our diluted earnings per share, we consider the amount an employee must pay upon assumed exercise of stock-based awards and the amount of stock-based compensation cost attributed to future services and not yet recognized.

There were no repurchases of our common stock during the three months ended October 31, 2023 and 2022. See *Note (18) - "Stockholders' Equity"* for more information.

Weighted average stock options, RSUs and restricted stock outstanding of 1,168,000 and 1,169,000 shares for the three months ended October 31, 2023 and 2022, respectively, were not included in our diluted EPS calculation because their effect would have been anti-dilutive. Our EPS calculations exclude 680,000 and 383,000 weighted average performance shares outstanding for the three months ended October 31, 2023 and 2022, respectively, as the performance conditions have not yet been satisfied. However, the numerator for EPS calculations for each respective period is reduced by the compensation expense related to these awards.

Weighted average common shares of 162,000 and 324,000 related to our acquisition of UHP in March 2021 were not included in our diluted EPS calculation for the three months ended October 31, 2023 and 2022, respectively, because their effect would have been anti-dilutive.

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Weighted average common shares of 4,757,000 and 4,460,000 underlying the assumed conversion of Convertible Preferred Stock, on an if-converted basis, were not included in our diluted EPS calculation for the three months ended October 31, 2023 and 2022, respectively, because their effect would have been anti-dilutive. As a result, the numerator for our basic and diluted EPS calculation for the three months ended October 31, 2023 and 2022 is the respective net loss attributable to common stockholders.

The following table reconciles the numerators and denominators used in the basic and diluted EPS calculations:

	Three months ended October 31,	
	2023	2022
Numerator:		
Net loss	\$ (1,437,000)	(11,096,000)
Dividend on convertible preferred stock	(1,823,000)	(1,710,000)
Net loss attributable to common stockholders	<u>\$ (3,260,000)</u>	<u>(12,806,000)</u>
Denominator:		
Denominator for basic and diluted calculation	<u>28,745,000</u>	<u>27,830,000</u>

As discussed further in *Note (17) - "Convertible Preferred Stock,"* the Convertible Preferred Stock issued in October 2021 represents a "participating security" as defined in ASC 260. As a result, our EPS calculations for the three months ended October 31, 2023 and 2022 were based on the two-class method. Given the net loss attributable to common stockholders for the three months ended October 31, 2023 and 2022, there was no impact of applying the two-class method to our reported basic or diluted earnings per common share.

(7) Accounts Receivable

Accounts receivable consist of the following at:

	October 31, 2023	July 31, 2023
Receivables from commercial and international customers	\$ 53,001,000	52,438,000
Unbilled receivables from commercial and international customers	68,474,000	54,469,000
Receivables from the U.S. government and its agencies	19,269,000	31,149,000
Unbilled receivables from the U.S. government and its agencies	46,239,000	27,192,000
Total accounts receivable	<u>186,983,000</u>	<u>165,248,000</u>
Less allowance for doubtful accounts	1,918,000	2,089,000
Accounts receivable, net	<u>\$ 185,065,000</u>	<u>163,159,000</u>

Unbilled receivables as of October 31, 2023 relate to contracts-in-progress for which revenue has been recognized, but for which we have not yet earned the right to bill the customer for work performed to-date. Under ASC 606, unbilled receivables constitute contract assets. Management estimates that a substantial portion of the amounts not yet billed at October 31, 2023 will be billed and collected within one year. Accounts receivable in the table above excludes \$2,993,000 of long-term unbilled receivables presented within "Other assets, net" in the consolidated balance sheet as of July 31, 2023.

As of October 31, 2023, except for the U.S. government (and its agencies), which represented 35.0% of total accounts receivable, there were no other customers which accounted for greater than 10% of total accounts receivable.

As of July 31, 2023, except for the U.S. government (and its agencies) and AT&T, which represented 35.3% and 11.0% of total accounts receivable, respectively, there were no other customers which accounted for greater than 10% of total accounts receivable.

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(8) Inventories

Inventories consist of the following at:

	October 31, 2023	July 31, 2023
Raw materials and components	\$ 75,591,000	87,139,000
Work-in-process and finished goods	26,749,000	43,365,000
Total inventories	102,340,000	130,504,000
Less reserve for excess and obsolete inventories	16,900,000	24,659,000
Inventories, net	<u>\$ 85,440,000</u>	<u>105,845,000</u>

As of October 31, 2023 and July 31, 2023, the amount of inventory directly related to long-term contracts (including contracts-in-progress) was \$4,575,000 and \$5,911,000, respectively, and the amount of inventory related to contracts from third-party commercial customers who outsource their manufacturing to us was \$2,707,000 and \$3,277,000, respectively.

(9) Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following at:

	October 31, 2023	July 31, 2023
Accrued wages and benefits	\$ 18,804,000	21,994,000
Accrued contract costs	11,182,000	19,041,000
Accrued warranty obligations	9,250,000	8,285,000
Accrued commissions and royalties	4,539,000	4,659,000
Accrued legal costs	794,000	688,000
Other	13,108,000	12,323,000
Accrued expenses and other current liabilities	<u>\$ 57,677,000</u>	<u>66,990,000</u>

Accrued contract costs represent direct and indirect costs on contracts as well as estimates of amounts owed for invoices not yet received from vendors or reflected in accounts payable.

Accrued warranty obligations as of October 31, 2023 relate to estimated liabilities for assurance type warranty coverage that we provide to our customers. We generally provide warranty coverage for some of our products for a period of at least one year from the date of delivery. We record a liability for estimated warranty expense based on historical claims, product failure rates, consideration of contractual obligations, future costs to resolve software issues and other factors. Some of our product warranties are provided under long-term contracts, the costs of which are incorporated into our estimates of total contract costs.

Changes in our accrued warranty obligations during the three months ended October 31, 2023 and 2022 were as follows:

	Three months ended October 31,	
	2023	2022
Balance at beginning of period	\$ 8,285,000	9,420,000
Provision for (benefit from) warranty obligations	1,694,000	409,000
Charges incurred	(311,000)	(435,000)
Reclassification to liabilities of disposal group held for sale ⁽¹⁾	(418,000)	—
Balance at end of period	<u>\$ 9,250,000</u>	<u>9,394,000</u>

⁽¹⁾ Represents the reclassification of accrued warranty to liabilities held for sale due to an agreement to sell the PST disposal group. See Note (2) - "Business Divestiture" for additional information.

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(10) Credit Facility

On October 31, 2018, we entered into a First Amended and Restated Credit Agreement (the "Credit Facility") with a syndicate of lenders. On November 30, 2022, we refinanced the amount outstanding under the Credit Facility by entering into a Second Amended and Restated Credit Agreement (also referred to herein as the "Credit Facility") with the existing lenders. The Credit Facility provides a senior secured loan facility of up to \$300,000,000 consisting of: (i) a revolving loan facility ("Revolving Loan Facility") with a borrowing limit of \$150,000,000, including a \$20,000,000 letter of credit sublimit and a swingline loan credit sublimit of \$15,000,000; (ii) a \$50,000,000 term loan A ("Term Loan"); and (iii) an accordion feature allowing us to make a request to borrow up to an additional \$100,000,000 subject to the satisfaction of specified conditions, including approval by our lenders. The Credit Facility has a maturity date of October 31, 2024 ("Maturity Date"). In connection with entering the Credit Facility, we capitalized \$3,809,000 of financing costs, and accounted for the amendment to the Credit Facility as a debt modification.

As of October 31, 2023, the amount outstanding under our Credit Facility was as follows:

	October 31, 2023	July 31, 2023
Term Loan	\$ 47,500,000	\$ 48,125,000
Less unamortized deferred financing costs related to Term Loan	497,000	621,000
Term Loan, net	47,003,000	47,504,000
Revolving Loan Facility	136,500,000	116,900,000
Amount outstanding under Credit Facility, net	\$ 183,503,000	\$ 164,404,000
Less current portion of long-term debt	183,503,000	4,375,000
Non-current portion of long-term debt	\$ —	\$ 160,029,000

At October 31, 2023, we had \$604,000 of standby letters of credit outstanding under our Credit Facility related to guarantees of future performance on certain customer contracts and no outstanding commercial letters of credit. During the three months ended October 31, 2023, we had outstanding balances under the Credit Facility ranging from \$165,025,000 to \$184,625,000.

As of October 31, 2023, total net deferred financing costs related to the Credit Facility were \$2,376,000 and are being amortized over the term of our Credit Facility through the Maturity Date.

Interest expense related to our Credit Facility, including amortization of deferred financing costs, recorded during the three months ended October 31, 2023 and 2022 was \$4,910,000 and \$2,240,000, respectively. Our blended interest rate approximated 10.54% and 5.85%, respectively, for the three months ended October 31, 2023 and 2022.

Borrowings under the Revolving Loan Facility and Term Loan are either: (i) Alternate Base Rate borrowings, which would bear interest from the applicable borrowing date at a rate per annum equal to (x) the highest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 0.50% and (c) the Adjusted Term SOFR for a one-month tenor in effect on such day (or, if such day is not a business day, the immediately preceding business day) plus 1.00%, plus (y) the Applicable Rate, or (ii) SOFR borrowings, which would bear interest from the applicable borrowing date at a rate per annum equal to (x) the Adjusted Term SOFR for such interest period plus (y) the Applicable Rate. Determination of the Applicable Rate is based on a pricing grid that is dependent upon our Leverage Ratio as of the end of each fiscal quarter for which consolidated financial statements have been most recently delivered.

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The Credit Facility contains customary representations, warranties and affirmative covenants. The Credit Facility also contains customary conditions to drawing the Revolving Loan Facility and customary negative covenants, subject to negotiated exceptions, including but not limited to: (i) liens, (ii) investments, (iii) indebtedness, (iv) significant corporate changes, including mergers and acquisitions, (v) dispositions, including the disposition of assets by any Loan Party to any Subsidiary that is not a Subsidiary Loan Party, (vi) restricted payments, including stockholder dividends, (vii) distributions, including the repayment of subordinated intercompany and third party indebtedness, and (viii) certain other restrictive agreements. The Credit Facility also contains certain financial covenants and customary events of default (subject to grace periods, as appropriate), such as payment defaults, cross-defaults to other material indebtedness, bankruptcy and insolvency, the occurrence of a defined change in control and the failure to observe the negative covenants and other covenants related to the operation of our business. In addition, under certain circumstances, we may be required to enter into amendments to the Credit Facility in connection with any further syndication of the Credit Facility.

The Credit Facility provides for, among other things: (i) scheduled payments of principal under the Term Loan totaling \$2,500,000 in the first year after closing (of which \$2,500,000 was paid through October 31, 2023), and \$5,000,000 in the second year after closing, with the remaining balance of the Term Loan due upon maturity; (ii) a maximum Leverage Ratio of 3.75x TTM Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") at the fiscal quarter ended October 31, 2023, stepping down to 3.50x at the fiscal quarter ending January 31, 2024 and thereafter; (iii) a Minimum Interest Coverage Ratio of 3.25x TTM Adjusted EBITDA; and (iv) Minimum Liquidity of \$25,000,000.

As of October 31, 2023, our Secured Leverage Ratio was 3.53x TTM Adjusted EBITDA compared to the maximum allowable Secured Leverage Ratio of 3.75x TTM Adjusted EBITDA. Our Interest Expense Coverage Ratio as of October 31, 2023 was 3.37x TTM Adjusted EBITDA compared to the Minimum Interest Expense Coverage Ratio of 3.25x TTM Adjusted EBITDA. Our Minimum Liquidity was \$29,240,000 compared to the Minimum Liquidity requirement of \$25,000,000.

The obligations under the Credit Facility are guaranteed by certain of our domestic and foreign subsidiaries (the "Guarantors"). As collateral security under the Credit Facility and the guarantees thereof, we and the Guarantors have granted to the administrative agent, for the benefit of the lenders, a lien on, and first priority security interest in, substantially all of our tangible and intangible assets.

Capitalized terms used but not defined herein have the meanings set forth for such terms in the Credit Facility, which has been documented and filed with the SEC.

The Credit Facility Maturity Date is one year out from the balance sheet date and, because as of such date we have not entered into an agreement to extend the Maturity Date or refinance our existing Credit Facility, the outstanding amount is classified as a current liability on the balance sheet as of October 31, 2023. In anticipation of the upcoming Maturity Date, we engaged third-party financial advisors to assist us with the refinancing of our existing Credit Facility and/or amending or restructuring our Convertible Preferred Stock, seeking other sources of credit or outside capital and evaluating other capital structure-related alternatives.

Subsequent Event

On November 7, 2023, we entered into a Third Amended and Restated Credit Agreement (also referred to herein as the "Amended Credit Facility") with our existing lenders. The amendment was entered into in connection with the PST Sale.

The Amended Credit Facility provides a senior secured loan facility of up to \$200,000,000 consisting of: (i) a revolving loan facility ("Revolving Loan Facility") with a borrowing limit of \$150,000,000, including a \$20,000,000 letter of credit sublimit; (ii) a \$50,000,000 term loan A ("Term Loan") which had an outstanding balance of \$47,500,000 at October 31, 2023. The Amended Credit Facility provided a modification of prepayment terms to allow 50% of the net proceeds from the PST Sale to prepay the Term Loan.

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The Amended Credit Facility provides the following additional updates effective January 31, 2024, among others: (i) our borrowing limit under the Revolving Loan Facility reduces to \$140,000,000 from \$150,000,000 and reduces by an additional \$5,000,000 each quarter, thereafter; (ii) the Term Loan amortization increases from \$1,250,000 to \$1,875,000; (iii) the accordion feature is eliminated; (iv) the swingline loan is reduced to \$0; and (v) the Applicable Rate increases 0.25%. There are no changes to the financial covenants discussed above.

(11) Leases

Our leases historically relate to the leasing of facilities and equipment. In accordance with FASB ASC 842 - "Leases" ("ASC 842"), we determine at inception whether an arrangement is, or contains, a lease and whether the lease should be classified as an operating or a financing lease. At lease commencement, we recognize a right-of-use ("ROU") asset and lease liability based on the present value of the future lease payments over the estimated lease term. We have elected to not recognize a ROU asset or lease liability for any leases with terms of twelve months or less. Instead, for such short-term leases, we recognize lease expense on a straight-line basis over the lease term. Certain of our leases include options to extend the term of the lease or to terminate the lease early. When it is reasonably certain that we will exercise a renewal option or will not exercise a termination option, we include the impact of exercising or not exercising such option, respectively, in the estimate of the lease term. As our lease agreements do not explicitly state the discount rate implicit in the lease, we use our incremental borrowing rate ("IBR") on the commencement date to calculate the present value of future lease payments. Such IBR represents our estimated rate of interest to borrow on a collateralized basis over a term commensurate with the expected lease term.

Some of our leases include payments that are based on the Consumer Price Index ("CPI") or other similar indices. These variable lease payments are included in the calculation of the ROU asset and lease liability using the index as of the lease commencement date. Other variable lease payments, such as common area maintenance, property taxes, and usage-based amounts, are required by ASC 842 to be excluded from the ROU asset and lease liability and expensed as incurred. In addition to the present value of the future lease payments, the calculation of the ROU asset would also consider, to the extent applicable, any deferred rent upon adoption, lease pre-payments or initial direct costs of obtaining the lease (e.g., such as commissions).

For all classes of leased assets, we elected the practical expedient to not separate lease components (i.e., the actual item being leased, such as the facility or piece of equipment) from non-lease components (i.e., the distinct elements of a contract not related to securing the use of the leased asset, such as common area maintenance and consumable supplies).

Certain of our facility lease agreements (which are classified as operating leases) contain rent holidays or rent escalation clauses. For rent holidays and rent escalation clauses during the lease term, we record rental expense on a straight-line basis over the term of the lease. As of October 31, 2023, none of our leases contained a residual value guarantee and covenants included in our lease agreements are customary for the types of facilities and equipment being leased.

The components of lease expense are as follows:

	Three months ended October 31,	
	2023	2022
Finance lease expense:		
Amortization of ROU assets	\$ —	3,000
Operating lease expense	2,258,000	2,837,000
Short-term lease expense	108,000	101,000
Variable lease expense	1,029,000	1,087,000
Sublease income	(17,000)	(17,000)
Total lease expense	<u>\$ 3,378,000</u>	<u>4,011,000</u>

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Additional information related to leases is as follows:

	Three months ended October 31,	
	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating leases - Operating cash outflows	\$ 2,319,000	\$ 2,906,000
Finance leases - Financing cash outflows	—	3,000
ROU assets obtained in the exchange for lease liabilities (non-cash):		
Operating leases	\$ 20,000	\$ 2,573,000

The following table is a reconciliation of future cash flows relating to operating lease liabilities presented on our Condensed Consolidated Balance Sheet as of October 31, 2023:

Remainder of fiscal 2024	\$ 6,571,000
Fiscal 2025	8,089,000
Fiscal 2026	6,652,000
Fiscal 2027	4,546,000
Fiscal 2028	3,812,000
Thereafter	18,793,000
Total future undiscounted cash flows	48,463,000
Less: Present value discount	5,668,000
Lease liabilities	<u>\$ 42,795,000</u>
Weighted-average remaining lease terms (in years)	8.08
Weighted-average discount rate	3.49%

We lease our Melville, New York production facility from a partnership controlled by our former CEO. Lease payments made during the three months ended October 31, 2023 and 2022 were \$180,000 and \$171,000, respectively. The current lease provides for our use of the premises as they exist through December 2031. The annual rent of the facility for calendar year 2024 is \$733,000 and is subject to customary adjustments. We have a right of first refusal in the event of a sale of the facility.

As of October 31, 2023, we do not have any material rental commitments that have not already commenced.

(12) Income Taxes

Our effective tax rate for the three months ended October 31, 2023 was 48.3%, which includes a net discrete tax expense of \$2,049,000 primarily related to our decision to sell our Power Systems Technology product line in a taxable transaction and settlement of stock-based awards. Our effective tax rate for the three months ended October 31, 2022 was 5.2%, which includes a net discrete tax benefit of \$111,000 primarily related to the deductible portion of CEO transition costs, partially offset by the settlement of stock-based awards.

Excluding discrete items, our effective tax rate for the three months ended October 31, 2023 and 2022 was 122.0% and 19.0%, respectively. The increase in our effective tax rate, excluding discretionary items, is primarily due to changes in expected product and geographic mix.

At October 31, 2023 and July 31, 2023, total unrecognized tax benefits were \$9,258,000 and \$9,166,000, respectively, including interest of \$245,000 and \$210,000, respectively. Unrecognized tax benefits result from income tax positions taken or expected to be taken on our income tax returns for which a tax benefit has not been recorded in our consolidated financial statements. We believe it is reasonably possible that the gross unrecognized tax benefits could decrease by as much as \$610,000 in the next twelve months due to the expiration of a statute of limitations related to federal, state and foreign tax positions.

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Our U.S. federal income tax returns for fiscal 2020 through 2022 are subject to potential future Internal Revenue Service ("IRS") audit. None of our state income tax returns prior to fiscal 2019 are subject to audit. Future tax assessments or settlements could have a material adverse effect on our consolidated results of operations and financial condition.

(13) Stock-Based Compensation

Overview

We issue stock-based awards to certain of our employees and our Board of Directors pursuant to our 2000 Stock Incentive Plan, as amended and/or restated from time to time (the "Plan") and our 2001 Employee Stock Purchase Plan, as amended and/or restated from time to time (the "ESPP"), and recognize related stock-based compensation in our condensed consolidated financial statements. The Plan provides for the granting to employees and consultants of Comtech (including prospective employees and consultants): (i) incentive and non-qualified stock options, (ii) restricted stock units ("RSUs"), (iii) RSUs with performance measures (which we refer to as "performance shares"), (iv) restricted stock, (v) stock units (reserved for issuance to non-employee directors) and share units (reserved for issuance to employees) (collectively, "share units") and (vi) stock appreciation rights ("SARs"), among other types of awards. Our non-employee directors are eligible to receive non-discretionary grants of stock-based awards, subject to certain limitations.

As of October 31, 2023, the aggregate number of shares of common stock which may be issued, pursuant to the Plan, may not exceed 11,962,500. Stock options granted may not have a term exceeding ten years or, in the case of an incentive stock award granted to a stockholder who owns stock representing more than 10.0% of the voting power, no more than five years. We expect to settle all outstanding awards under the Plan and employee purchases under the ESPP with the issuance of new shares of our common stock.

As of October 31, 2023, we had granted stock-based awards pursuant to the Plan representing the right to purchase and/or acquire an aggregate of 11,466,709 shares (net of 5,863,266 expired and canceled awards), of which an aggregate of 8,780,323 have been exercised or settled.

As of October 31, 2023, the following stock-based awards, by award type, were outstanding:

	<u>October 31, 2023</u>
Stock options	234,260
Performance shares	827,802
RSUs, restricted stock, share units and other stock-based awards	<u>1,624,324</u>
Total	<u><u>2,686,386</u></u>

Our ESPP provides for the issuance of up to 1,300,000 shares of our common stock. Our ESPP is intended to provide our eligible employees the opportunity to acquire our common stock at 85% of fair market value on the first or last day of each calendar quarter, whichever is lower. Through October 31, 2023, we have cumulatively issued 1,011,305 shares of our common stock to participating employees in connection with our ESPP.

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Stock-based compensation for awards issued is reflected in the following line items in our Condensed Consolidated Statements of Operations:

	Three months ended October 31,	
	2023	2022
Cost of sales	\$ 282,000	158,000
Selling, general and administrative expenses	2,176,000	648,000
Research and development expenses	187,000	98,000
Stock-based compensation expense before CEO transition costs	2,645,000	904,000
CEO transition costs related to equity-classified stock-based awards	—	3,764,000
Total stock-based compensation expense before income tax benefit	2,645,000	4,668,000
Estimated income tax benefit	(584,000)	(493,000)
Net stock-based compensation expense	\$ 2,061,000	4,175,000

Stock-based compensation for equity-classified awards is measured at the date of grant, based on an estimate of the fair value of the award and is generally expensed over the vesting period of the award. At October 31, 2023, unrecognized stock-based compensation of \$13,988,000, net of estimated forfeitures of \$803,000, is expected to be recognized over a weighted average period of 2.3 years. Total stock-based compensation capitalized and included in ending inventory at both October 31, 2023 and July 31, 2023 was \$198,000. There are no liability-classified stock-based awards outstanding as of October 31, 2023 or July 31, 2023.

Stock-based compensation expense, by award type, is summarized as follows:

	Three months ended October 31,	
	2023	2022
Stock options	\$ 19,000	25,000
Performance shares	357,000	74,000
RSUs, restricted stock and share units	2,244,000	774,000
ESPP	25,000	31,000
Stock-based compensation expense before CEO transition costs	2,645,000	904,000
CEO transition costs related to equity-classified stock-based awards	—	3,764,000
Total stock-based compensation expense before income tax benefit	2,645,000	4,668,000
Estimated income tax benefit	(584,000)	(493,000)
Net stock-based compensation expense	\$ 2,061,000	4,175,000

ESPP stock-based compensation expense primarily relates to the 15% discount offered to participants in the ESPP.

The estimated income tax benefit as shown in the above table was computed using income tax rates expected to apply when the awards are settled. Such deferred tax asset was recorded net as part of our non-current deferred tax liability on our Condensed Consolidated Balance Sheet as of October 31, 2023 and July 31, 2023. The actual income tax benefit recognized for tax reporting is based on the fair market value of our common stock at the time of settlement and can significantly differ from the estimated income tax benefit recorded for financial reporting.

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Stock Options

The following table summarizes the Plan's activity:

	Awards (in Shares)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at July 31, 2023	240,510	\$ 23.96		
Expired/canceled	(6,250)	24.31		
Outstanding at October 31, 2023	234,260	\$ 23.95	3.82	\$ —
Exercisable at October 31, 2023	206,880	\$ 24.75	3.46	\$ —
Vested and expected to vest at October 31, 2023	233,021	\$ 23.98	3.81	\$ —

Stock options outstanding as of October 31, 2023 have exercise prices ranging from \$17.88 - \$33.94, representing the fair market value of our common stock on the date of grant, a contractual term of ten years and a vesting period of five years.

Performance Shares, RSUs, Restricted Stock Share Units and Other Stock-based Awards

The following table summarizes the Plan's activity relating to performance shares, RSUs, restricted stock, share units and other stock-based awards:

	Awards (in Shares)	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value
Outstanding at July 31, 2023	1,876,230	\$ 13.21	
Granted	913,908	9.93	
Settled	(296,198)	16.03	
Canceled/Forfeited	(41,814)	15.80	
Outstanding at October 31, 2023	2,452,126	\$ 11.60	\$ 29,916,000
Vested at October 31, 2023	774,430	\$ 12.98	\$ 9,448,000
Vested and expected to vest at October 31, 2023	2,380,255	\$ 11.62	\$ 29,039,000

The total intrinsic value relating to fully-vested awards settled during the three months ended October 31, 2023 and 2022 was \$2,656,000 and \$2,769,000, respectively.

The performance shares granted to employees principally vest over a three-year performance period, if pre-established performance goals are attained, or as specified pursuant to the Plan and related agreements. As of October 31, 2023, the number of outstanding performance shares included in the above table, and the related compensation expense prior to consideration of estimated pre-vesting forfeitures, assume achievement of the pre-established goals at a target level, except for our former CEO's, whose achievement was based on maximum performance pursuant to their pre-existing change-in-control agreements.

RSUs and restricted stock granted to non-employee directors prior to August 2022 had a vesting period of five years and are convertible into shares of our common stock generally at the time of termination, on a one-for-one basis for no cash consideration, or earlier under certain circumstances. Commencing in August 2022, such awards have a vesting period of one year. Also, restricted stock granted to our former non-executive Chairman of the Board of Directors, pursuant to his Senior Technology Advisor consulting agreement, vests 1/12th on the date of grant and in eleven equal monthly installments thereafter.

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RSUs granted to employees prior to August 2022 have a vesting period of five years and are convertible into shares of our common stock generally at the time of vesting, on a one-for-one basis for no cash consideration. Commencing in August 2022, such RSUs have a vesting period of three years.

Share units granted prior to July 31, 2017 were vested when issued and are convertible into shares of our common stock, generally at the time of termination, on a one-for-one basis for no cash consideration, or earlier under certain circumstances. Share units granted on or after July 31, 2017 were granted to certain employees in lieu of non-equity incentive compensation and are convertible into shares of our common stock on the one-year anniversary of the respective grant date.

The fair value of performance shares, RSUs, restricted stock and share units is determined using the closing market price of our common stock on the date of grant, less the present value of any estimated future dividend equivalents such awards are not entitled to receive and an applicable estimated discount for any post-vesting transfer restrictions. RSUs, performance shares and restricted stock are entitled to dividend equivalents, as applicable, unless forfeited before vesting occurs. Share units and other stock-based awards would be entitled to dividend equivalents while the underlying shares are unissued.

Dividend equivalents are subject to forfeiture, similar to the terms of the underlying stock-based awards, and are payable in cash generally at the time of settlement of the underlying award. During the three months ended October 31, 2023, we reversed \$23,000 of previously accrued dividend equivalents due to forfeitures and paid out \$114,000. During the three months ended October 31, 2022, we accrued \$201,000 of dividend equivalents (net of forfeitures) and paid out \$346,000. Accrued dividend equivalents were recorded as a reduction to retained earnings. As of October 31, 2023 and July 31, 2023, accrued dividend equivalents were \$554,000 and \$691,000, respectively.

With respect to the actual settlement of stock-based awards for income tax reporting, during the three months ended October 31, 2023 and 2022, we recorded an income tax expense of \$444,000 and \$363,000, respectively.

Subsequent Event

At our Fiscal 2023 Annual Meeting of Stockholders, scheduled to be held on December 14, 2023, our stockholders will be asked to approve the 2023 Equity and Incentive Plan (the "2023 Plan"), which, if approved, will replace the Plan and provide 1,600,000 shares of common stock issuable under the 2023 Plan.

(14) Segment Information

Reportable operating segments are determined based on Comtech's management approach. The management approach, as defined by FASB ASC 280 "*Segment Reporting*" is based on the way that the CODM organizes the segments within an enterprise for making decisions about resources to be allocated and assessing their performance. Our CODM, for purposes of FASB ASC 280, is our Chief Executive Officer.

Satellite and Space Communications is organized into four technology areas: satellite modem technologies and amplifier technologies, troposcatter and SATCOM solutions, space components and antennas, and high-power amplifiers and switches technologies. This segment offers customers: satellite ground station technologies, services and system integration that facilitate the transmission of voice, video and data over GEO, MEO and LEO satellite constellations, including solid-state and traveling wave tube power amplifiers, modems, VSAT platforms and frequency converters; satellite communications and tracking antenna systems, including high precision full motion fixed and mobile X/Y tracking antennas, RF feeds, reflectors and radomes; over-the-horizon microwave equipment that can transmit digitized voice, video, and data over distances up to 200 miles using the troposphere and diffraction, including the Comtech COMET™; solid-state, RF microwave high-power amplifiers and control components designed for radar, electronic warfare, data link, medical and aviation applications; and procurement and supply chain management of high reliability Electrical, Electronic and Electromechanical ("EEE") parts for satellite, launch vehicle and manned space applications.

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Terrestrial and Wireless Networks is organized into three service areas: next generation 911 and call delivery, Solacom call handling solutions, and trusted location and messaging solutions. This segment offers customers: SMS text to 911 services, providing alternate paths for individuals who need to request assistance (via text messaging) a method to reach Public Safety Answering Points ("PSAPs"); next generation 911 solutions, providing emergency call routing, location validation, policy-based routing rules, logging and security functionality; Emergency Services IP Network transport infrastructure for emergency services communications and support of next generation 911 services; call handling applications for PSAPs; wireless emergency alerts solutions for network operators; and software and equipment for location-based and text messaging services for various applications, including for public safety, commercial and government services.

Our CODM primarily uses a metric that we refer to as Adjusted EBITDA to measure an operating segment's performance and to make decisions about resources to be allocated. Our Adjusted EBITDA metric for the Satellite and Space Communications and Terrestrial and Wireless Networks segments do not consider any allocation of indirect expense, or any of the following: income taxes, interest, change in fair value of the convertible preferred stock purchase option liability, write-off of deferred financing costs, amortization of stock-based compensation, amortization of intangibles, depreciation expense, amortization of cost to fulfill assets, acquisition plan expenses, restructuring costs, COVID-19 related costs, strategic emerging technology costs (for next-generation satellite technology), facility exit costs, CEO transition costs, proxy solicitation costs, strategic alternatives expenses and other. These items, while periodically affecting our results, may vary significantly from period to period and may have a disproportionate effect in a given period, thereby affecting the comparability of results. Any amounts shown in the Adjusted EBITDA calculation for our Satellite and Space Communications and Terrestrial and Wireless Networks segments are directly attributable to those segments. Our Adjusted EBITDA is also used by our management in assessing the Company's operating results. Although closely aligned, the Company's definition of Adjusted EBITDA is different than the Consolidated EBITDA (as such term is defined in our Credit Facility) utilized for financial covenant calculations and also may differ from the definition of EBITDA or Adjusted EBITDA used by other companies and, therefore, may not be comparable to similarly titled measures used by other companies.

Operating segment information, along with a reconciliation of segment net income (loss) and consolidated net income (loss) to Adjusted EBITDA is presented in the tables below:

	Three months ended October 31, 2023			
	Satellite and Space Communications	Terrestrial and Wireless Networks	Unallocated	Total
Net sales	\$ 102,388,000	49,523,000	—	\$ 151,911,000
Operating income (loss)	\$ 10,105,000	4,040,000	(12,059,000)	\$ 2,086,000
Net income (loss)	\$ 9,303,000	4,145,000	(14,885,000)	\$ (1,437,000)
Provision for (benefit from) income taxes	227,000	(300,000)	(1,271,000)	(1,344,000)
Interest expense	872,000	—	4,060,000	4,932,000
Interest (income) and other	(297,000)	195,000	37,000	(65,000)
Amortization of stock-based compensation	—	—	2,645,000	2,645,000
Amortization of intangibles	1,672,000	3,617,000	—	5,289,000
Depreciation	954,000	1,973,000	95,000	3,022,000
Amortization of cost to fulfill assets	240,000	—	—	240,000
Restructuring costs	790,000	7,000	2,919,000	3,716,000
Strategic emerging technology costs	1,370,000	—	—	1,370,000
Adjusted EBITDA	\$ 15,131,000	9,637,000	(6,400,000)	\$ 18,368,000
Purchases of property, plant and equipment	\$ 903,000	1,736,000	577,000	\$ 3,216,000
Total assets at October 31, 2023	\$ 527,343,000	460,088,000	25,112,000	\$ 1,012,543,000

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	Three months ended October 31, 2022			
	Satellite and Space Communications	Terrestrial and Wireless Networks	Unallocated	Total
Net sales	\$ 80,873,000	50,266,000	—	\$ 131,139,000
Operating income (loss)	\$ 5,016,000	744,000	(15,484,000)	\$ (9,724,000)
Net income (loss)	\$ 5,815,000	605,000	(17,516,000)	\$ (11,096,000)
Benefit from income taxes	(222,000)	(165,000)	(221,000)	(608,000)
Interest expense	(2,000)	—	2,237,000	2,235,000
Interest (income) and other	(575,000)	304,000	16,000	(255,000)
Amortization of stock-based compensation	—	—	904,000	904,000
Amortization of intangibles	1,828,000	3,521,000	—	5,349,000
Depreciation	1,020,000	1,737,000	41,000	2,798,000
Amortization of cost to fulfill assets	240,000	—	—	240,000
Restructuring costs	1,056,000	—	269,000	1,325,000
Strategic emerging technology costs	746,000	—	—	746,000
CEO transition costs	—	—	9,090,000	9,090,000
Adjusted EBITDA	\$ 9,906,000	6,002,000	(5,180,000)	\$ 10,728,000
Purchases of property, plant and equipment	\$ 4,435,000	2,542,000	244,000	\$ 7,221,000
Total assets at October 31, 2022	\$ 486,636,000	467,594,000	23,595,000	\$ 977,825,000

Unallocated expenses result from corporate expenses such as executive compensation, accounting, legal and other regulatory compliance related costs and also includes all of our amortization of stock-based compensation. See *Note (1) - "General - CEO Transition Costs & Related"* for information related to such costs. During the three months ended October 31, 2023, our Unallocated segment incurred \$2,919,000 of restructuring costs focused on streamlining our operations and legal and other divestiture related expenses for the PST Sale. During the three months ended October 31, 2022, our Unallocated segment incurred \$269,000 of restructuring costs focused on streamlining our operations.

During the three months ended October 31, 2023 and 2022, our Satellite and Space Communications segment recorded \$790,000 and \$1,056,000, respectively, of restructuring costs primarily incurred to streamline our operations and improve efficiency, including costs related to the relocation of certain of our satellite ground station production facilities to our new 146,000 square foot facility in Chandler, Arizona. In addition, during the three months ended October 31, 2023 and 2022, we incurred \$1,370,000 and \$746,000 of strategic emerging technology costs for next-generation satellite technology to advance our solutions offerings to be used with new broadband satellite constellations.

Interest expense in the tables above primarily relates to our Credit Facility, and includes the amortization of deferred financing costs. See *Note (10) - "Credit Facility"* for further discussion.

Intersegment sales for both the three months ended October 31, 2023 and 2022 between the Satellite and Space Communications segment and the Terrestrial and Wireless Networks segment were nominal. All intersegment sales are eliminated in consolidation and are excluded from the tables above.

Unallocated assets at October 31, 2023 consist principally of cash and cash equivalents, income taxes receivable, corporate property, plant and equipment and deferred financing costs. The large majority of our long-lived assets are located in the U.S.

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(15) Goodwill

The following table represents goodwill by reportable operating segment as of October 31, 2023 and July 31, 2023.

	Satellite and Space Communications	Terrestrial and Wireless Networks	Total
Balance as of July 31, 2023	\$ 173,602,000	174,090,000	\$ 347,692,000
Reclassification to assets of disposal group held for sale ⁽²⁾	(14,587,000)	—	(14,587,000)
Balance as of October 31, 2023	<u>\$ 159,015,000</u>	<u>174,090,000</u>	<u>\$ 333,105,000</u>

⁽²⁾ Represents the reclassification of goodwill to assets held for sale due to an agreement to sell the PST disposal group. See *Note (2) - "Business Divestiture"* for additional information.

In accordance with FASB ASC 350, we perform a goodwill impairment analysis at least annually (in the first quarter of each fiscal year), unless indicators of impairment exist in interim periods. If we fail the quantitative assessment of goodwill impairment ("quantitative assessment"), we would be required to recognize an impairment loss equal to the amount that a reporting unit's carrying value exceeded its fair value; however, any loss recognized should not exceed the total amount of goodwill allocated to that reporting unit.

On August 1, 2023 (the first day of fiscal 2024), we performed our annual quantitative assessment using market participant assumptions to determine if the fair value of each of our reporting units with goodwill exceeded its carrying value. In making this assessment, we considered, among other things, expectations of projected net sales and cash flows, assumptions impacting the weighted average cost of capital, trends in trading multiples of comparable companies, changes in our stock price and changes in the carrying values of our reporting units with goodwill. We also considered overall business conditions.

In performing the quantitative assessment, we estimated the fair value of each of our reporting units using a combination of the income and market approaches. The income approach, also known as the discounted cash flow ("DCF") method, utilizes the present value of cash flows to estimate fair value. The future cash flows for our reporting units were projected based on our estimates, at that time, of future revenues, operating income and other factors (such as working capital and capital expenditures). For purposes of conducting our impairment analysis, we assumed revenue growth rates and cash flow projections that are below our actual long-term expectations. The discount rates used in our DCF method were based on a weighted-average cost of capital ("WACC") determined from relevant market comparisons, adjusted upward for specific reporting unit risks (primarily the uncertainty of achieving projected operating cash flows). A terminal value growth rate was applied to the final year of the projected period, which reflects our estimate of stable, perpetual growth. We then calculated a present value of the respective cash flows for each reporting unit to arrive at an estimate of fair value under the income approach. Under the market approach, we estimated a fair value based on comparable companies' market multiples of revenues and earnings before interest, taxes, depreciation and amortization and factored in a control premium. Finally, we compared our estimates of fair values to our total public market capitalization and assessed implied control premiums based on our common stock price of \$10.09 as of the date of testing.

Ultimately, based on our quantitative evaluations, we determined that our Satellite and Space Communications and Terrestrial and Wireless Networks reporting units had estimated fair values in excess of their carrying values of at least 18.3% and 8.9%, respectively, and concluded that our goodwill was not impaired and that neither of our two reporting units was at risk of failing the quantitative assessment.

During the three months ended October 31, 2023, we determined the criteria to be classified as held for sale were met with respect to the PST disposal group. Because the divestiture of the PST disposal group represented the disposal of a portion of the Satellite and Space Communications reporting unit, we assigned \$14,587,000 goodwill to the PST disposal group on a relative fair value basis.

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For purposes of allocating goodwill to the PST disposal group, we determined the fair value of the PST disposal group based on the consideration received from the sale transaction, and the fair value of the retained businesses of the Satellite and Space Communications reporting unit based on a combination of the income and market approaches. In conjunction with the relative fair value allocation, we tested goodwill assigned to the PST disposal group and goodwill assigned to the retained businesses of the Satellite and Space Communications reporting unit for impairment and concluded that no goodwill impairment existed at the time the held for sale criteria were met.

It is possible that, during the remainder of fiscal 2024 or beyond, business conditions (both in the U.S. and internationally) could deteriorate from the current state, our current or prospective customers could materially postpone, reduce or even forgo purchases of our products and services to a greater extent than we currently anticipate, or our common stock price could fluctuate.

A significant decline in our customers' spending that is greater than we anticipate or a shift in funding priorities may also have a negative effect on future orders, sales, income and cash flows and we might be required to perform a quantitative assessment during fiscal 2024 or beyond. If assumed net sales and cash flow projections are not achieved in future periods or our common stock price significantly declines from current levels, our Satellite and Space Communications and Terrestrial and Wireless Networks reporting units could be at risk of failing the quantitative assessment and goodwill assigned to the respective reporting units could be impaired.

In any event, we are required to perform our next annual goodwill impairment analysis on August 1, 2024 (the start of our fiscal 2025). If our assumptions and related estimates change in the future, or if we change our reporting unit structure or other events and circumstances change (e.g., a sustained decrease in the price of our common stock (considered on both absolute terms and relative to peers)), we may be required to record impairment charges when we perform these tests, or in other future periods. Any impairment charges that we may record in the future could be material to our results of operations and financial condition.

(16) Intangible Assets

Intangible assets with finite lives are as follows:

October 31, 2023				
	Weighted Average Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	20.2	\$ 302,058,000	125,454,000	\$ 176,604,000
Technologies	14.8	114,949,000	81,734,000	33,215,000
Trademarks and other	16.7	32,926,000	22,127,000	10,799,000
Total		<u>\$ 449,933,000</u>	<u>229,315,000</u>	<u>\$ 220,618,000</u>

July 31, 2023				
	Weighted Average Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	20.2	\$ 302,058,000	121,786,000	\$ 180,272,000
Technologies	14.8	114,949,000	80,672,000	34,277,000
Trademarks and other	16.7	32,926,000	21,568,000	11,358,000
Total		<u>\$ 449,933,000</u>	<u>224,026,000</u>	<u>\$ 225,907,000</u>

The weighted average amortization period in the above table excludes fully amortized intangible assets.

Amortization expense for the three months ended October 31, 2023 and 2022 was \$5,289,000 and \$5,349,000, respectively.

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(Unaudited)

The estimated amortization expense consists of the following for the fiscal years ending July 31:

2024	\$ 21,154,000
2025	21,039,000
2026	19,888,000
2027	18,534,000
2028	18,534,000

We review net intangible assets with finite lives for impairment when an event occurs indicating the potential for impairment. Based on our last assessment, we believe that the carrying values of our net intangible assets were recoverable as of October 31, 2023. However, if business conditions deteriorate, we may be required to record impairment losses, and or increase the amortization of intangibles in the future. Any impairment charges that we may record in the future could be material to our results of operations and financial condition.

(17) Convertible Preferred Stock

On October 18, 2021, we entered into a Subscription Agreement (the "Subscription Agreement") with certain affiliates and related funds of White Hat Capital Partners LP and Magnetar Capital LLC (collectively, the "Investors"), relating to the issuance and sale of up to 125,000 shares of a new series of the Company's Series A Convertible Preferred Stock, par value \$0.10 per share (the "Convertible Preferred Stock"), for an aggregate purchase price of up to \$125,000,000, or \$1,000 per share. On October 19, 2021 (the "Initial Closing Date"), pursuant to the terms of the Subscription Agreement, the Investors purchased an aggregate of 100,000 shares of Convertible Preferred Stock (the "Initial Issuance") for an aggregate purchase price of \$100,000,000. The Investors had a one-time option exercisable at any time on or prior to March 31, 2023 to purchase additional shares of Convertible Preferred Stock for an aggregate purchase price of \$25,000,000. This purchase option, commonly referred to as a "Green Shoe" expired unexercised and together with the Initial Issuance, is collectively referred to as the "Issuance."

The adjusted conversion price for the shares issued in the Initial Issuance is \$23.97, subject to certain adjustments set forth in the Certificate of Designations filed with the Secretary of State of the State of Delaware.

The Convertible Preferred Stock ranks senior to the shares of our common stock, with respect to the payment of dividends and the distribution of assets upon a liquidation, dissolution or winding up of the Company. The Convertible Preferred Stock initially had a liquidation preference of \$1,000 per share with each share entitled to a cumulative dividend (the "Dividend") at the rate of 6.5% per annum, compounding quarterly, paid-in-kind or paid in cash, at our election. For any quarter in which we elect not to pay the Dividend in cash with respect to a share of Convertible Preferred Stock, such Dividend becomes part of the liquidation preference of such share. In addition, no dividend or other distribution on our common stock in excess of \$0.10 per share per quarter will be declared or paid on the common stock unless, at the time of such declaration and payment, an equivalent dividend or distribution is declared and paid on the Convertible Preferred Stock (the "Participating Dividend"), provided that in the case of any such dividend in the form of cash, in lieu of a cash payment, such Participating Dividend will become part of the liquidation preference of the shares of the Convertible Preferred Stock. Such Participating Dividend results in the Convertible Preferred Stock meeting the definition of a "participating security" for purposes of our earnings per share calculations.

Effective September 29, 2022, the Convertible Preferred Stock is convertible into shares of common stock at the option of the holders. At any time after October 19, 2024, we have the right to mandate the conversion of the Convertible Preferred Stock, subject to certain restrictions, based on the price of the common stock in the preceding thirty trading days.

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Holders of the Convertible Preferred Stock are entitled to vote with the holders of the common stock on an as-converted basis, as well as are entitled to a separate class vote with respect to, among other things, amendments to our organizational documents that have an adverse effect on the Convertible Preferred Stock, authorizations or issuances of securities of the Company, the payment of dividends other than dividends on common stock in the ordinary course consistent with past practice on a quarterly basis in an amount not to exceed our current dividend rate of \$0.10 per share per quarter, related party transactions, repurchases or redemptions of securities of the Company (other than the repurchase of up to \$25,000,000 of shares of common stock), dispositions of businesses or assets, the incurrence of certain indebtedness and certain amendments or extensions of our existing Credit Facility.

Holders will have the right to require the Company to repurchase such holder's Convertible Preferred Stock on a date occurring either (a) on or after October 19, 2026 (the "Optional Repurchase Trigger Date") at a price equal to the liquidation preference or (b) in connection with a conversion of Convertible Preferred Stock, pursuant to which the number of shares of common stock issuable upon such conversion would exceed 19.99% of the issued and outstanding shares of common stock as of October 18, 2021 (such excess shares, "Excess Conversion Shares"), at any time after the date that is 91 days after the maturity date of the Company's existing Credit Facility, at a price per share equal to the number of Excess Conversion Shares multiplied by the Last Reported Sales Price (as defined) of common stock on the applicable conversion date. In addition, each holder will have the right to cause the Company to repurchase its shares of Convertible Preferred Stock in connection with a Change of Control, at a price equal to the liquidation preference.

We determined that our obligation to issue the Green Shoe at any time on or prior to March 31, 2023 met the definition of a freestanding financial instrument that should be accounted for as a liability. As such, we established an initial convertible preferred stock purchase option liability of \$1,005,000 and reduced the proceeds from the Initial Issuance by such amount. The liability was remeasured to its estimated fair value each reporting period until such instrument expired. Changes in its estimated fair value were recognized as a non-cash charge or benefit and presented on the condensed consolidated statement of operations.

In accordance with ASC 480, "*Distinguishing Liabilities from Equity*," specifically ASC 480-10-S99-3A(2), SEC Staff Announcement: *Classification and Measurement of Redeemable Securities*, we have classified the Convertible Preferred Stock outside of permanent equity as temporary equity since the redemption of such shares is not solely within our control and we could be required by the holder to redeem the shares for cash or other assets, at their option. Upon the Initial Issuance, we recorded the Convertible Preferred Stock, net of issuance costs of \$4,007,000 and net of the portion of such proceeds allocated to the convertible preferred stock purchase option liability described above, which resulted in an initial carrying value of the Convertible Preferred Stock less than its initial redemption value of \$100,000,000. We have elected to adjust the carrying value of the Convertible Preferred Stock to its current redemption value of \$114,034,000, which includes \$13,420,000 of cumulative dividends paid in kind and \$614,000 of accumulated and unpaid dividends. As such, a total adjustment of \$1,823,000 to increase the carrying value of the Convertible Preferred Stock was recorded against retained earnings during the three months ended October 31, 2023.

(18) Stockholders' Equity

Shelf Registration

On July 13, 2022, we filed a \$200,000,000 shelf registration statement with the SEC for the sale of various types of securities, including debt securities. This shelf registration statement was declared effective by the SEC as of July 25, 2022 and expires on July 25, 2025. As of the date of this Quarterly Report on Form 10-Q, we have not issued any securities pursuant to our \$200,000,000 shelf registration statement.

Common Stock Repurchase Program

On September 29, 2020, our Board of Directors authorized a new \$100,000,000 stock repurchase program, which replaced our prior program. The new \$100,000,000 stock repurchase program has no time restrictions and repurchases may be made from time to time in open-market or privately negotiated transactions, or by other means in accordance with federal securities laws. There were no repurchases of our common stock during the three months ended October 31, 2023 or 2022.

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(19) Legal Proceedings and Other Matters

Other Matters

In the ordinary course of business, we include indemnification provisions in certain of our customer contracts to indemnify, hold harmless and reimburse such customers for certain losses, including but not limited to losses related to third-party claims of intellectual property infringement arising from the customer's use of our products or services. We may also, from time to time, receive indemnification requests from customers related to third-party claims that 911 calls were improperly routed during an emergency. We evaluate such claims as and when they arise. We do not always agree with customers that they are entitled to indemnification and in such cases reject their claims. Despite maintaining that we have properly carried out our duties, we may seek coverage under our various insurance policies; however, we cannot be sure that we will be able to maintain or obtain insurance coverage at acceptable costs or in sufficient amounts or that our insurer will not disclaim coverage as to such claims. Accordingly, pending or future claims asserted against us by a party that we are obligated to indemnify could result in legal costs and damages that could have a material adverse effect on our consolidated results of operations and financial condition.

There are certain other pending and threatened legal actions which arise in the normal course of business. Although the ultimate outcome of litigation is difficult to accurately predict, we believe that the outcome of these other pending and threatened actions will not have a material adverse effect on our consolidated financial condition or results of operations.

Employment Change of Control and Indemnification Agreements

On August 9, 2022, our Board of Directors appointed our Chairman of the Board, Ken Peterman, as President and CEO, and the Company entered an employment agreement with Mr. Peterman generally providing for an annual salary, bonus award, sign-on bonus, equity incentive awards and, under certain terminations of employment, severance payment.

We have also entered into legacy change of control agreements prior to 2022 with certain of our executive officers and certain key employees. All of these agreements may require payments by us, in certain circumstances, including, but not limited to, a change in control of the Company or termination of the employee.

(20) Cost Reduction

In fiscal 2023, we transformed and integrated our individual businesses into two segments to improve operational performance. This transformation has provided insight into opportunities to manage costs, streamline operations, improve efficiency, and accelerate decision-making by eliminating management layers and other redundancies. In doing so, during fiscal 2023, we recorded \$3,872,000 of severance costs in selling, general and administrative expenses in our Consolidated Statements of Operations, of which \$1,989,000, \$1,220,000 and \$663,000 related to our Satellite and Space Communications, Terrestrial and Wireless Networks and Unallocated segments, respectively. We paid \$2,320,000 of severance costs during fiscal 2023 and our severance liability as of July 31, 2023 was \$1,552,000. In the first quarter of fiscal 2024 the severance liability was further reduced by net payments of \$952,000 resulting in a severance liability of \$600,000 as of October 31, 2023.

ITEM 2.

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

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain information in this Quarterly Report on Form 10-Q contains, and oral statements made by our representatives from time to time may contain, forward-looking statements. Forward-looking statements can be identified by words such as: "anticipate," "believe," "continue," "could," "estimate," "expect," "future," "goal," "outlook," "intend," "likely," "may," "plan," "potential," "predict," "project," "seek," "should," "strategy," "target," "will," "would," and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding our future performance and financial condition, plans to address our ability to continue as a going concern, plans and objectives of our management and our assumptions regarding such future performance, financial condition, and plans and objectives that involve certain significant known and unknown risks and uncertainties and other factors not under our control which may cause our actual results, future performance and financial condition, and achievement of our plans and objectives of our management to be materially different from the results, performance or other expectations implied by these forward-looking statements. These factors include, among other things: our ability to access capital and liquidity so that we are able to continue as a going concern; the possibility that the expected synergies and benefits from acquisitions will not be fully realized, or will not be realized within the anticipated time periods; the risk that the acquired businesses will not be integrated successfully; the possibility of disruption from acquisitions or dispositions, making it more difficult to maintain business and operational relationships or retain key personnel; the risk that we will be unsuccessful in implementing our "One Comtech" transformation and integration of individual businesses into two segments; the risk that we will be unsuccessful in implementing a tactical shift in our Satellite and Space Communications segment away from bidding on large commodity service contracts and toward pursuing contracts for our niche products and solutions with higher margins; the nature and timing of our receipt of, and our performance on, new or existing orders that can cause significant fluctuations in net sales and operating results; the timing and funding of government contracts; adjustments to gross profits on long-term contracts; risks associated with international sales; rapid technological change; evolving industry standards; new product announcements and enhancements; changing customer demands and or procurement strategies; changes in prevailing economic and political conditions, including as a result of Russia's military incursion into Ukraine and the Israel-Hamas war; changes in the price of oil in global markets; changes in prevailing interest rates and foreign currency exchange rates; risks associated with our legal proceedings, customer claims for indemnification, and other similar matters; risks associated with our obligations under our credit facility and our ability to refinance our credit facility; risks associated with our large contracts; risks associated with supply chain disruptions; and other factors described in this and our other filings with the Securities and Exchange Commission ("SEC").

OVERVIEW

We are a leading global provider of next-generation 911 emergency systems ("NG-911") and secure wireless and satellite communications technologies. This includes the critical communications infrastructure that people, businesses, and governments rely on when durable, trusted connectivity is required, no matter where they are – on land, at sea, or in the air – and no matter what the circumstances – from armed conflict to a natural disaster. Our solutions are designed to fulfill our customers' needs for secure wireless communications in the most demanding environments, including those where traditional communications are unavailable or cost-prohibitive, and in mission-critical and other scenarios where performance is crucial. We anticipate future growth in our business due to a trend of increasing demand for global voice, video and data usage in recent years, upgraded ground stations and related services resulting from the large quantities of satellites anticipated to be launched for new LEO and MEO constellations, digitization and virtualization of modems, the resurgence of troposcatter as a viable form of primary or backup communications, enhanced location positioning combined with data-rich geospatial intelligence, and the growth of 988 networks. We provide our solutions to both commercial and governmental customers within the converging satellite and space communications and terrestrial and wireless networking markets.

We manage our business through two reportable operating segments:

- **Satellite and Space Communications** - is organized into three technology areas: satellite modem technologies and amplifier technologies, troposcatter and SATCOM solutions and space components and antennas. This segment offers customers: satellite ground station technologies, services and system integration that facilitate the transmission of voice, video and data over GEO, MEO and LEO satellite constellations, including traveling wave tube power amplifiers, modems, VSAT platforms and frequency converters; satellite communications and tracking antenna systems, including high precision full motion fixed and mobile X/Y tracking antennas, RF feeds, reflectors and radomes; over-the-horizon microwave equipment that can transmit digitized voice, video, and data over distances up to 200 miles using the troposphere and diffraction, including the Comtech COMET™; and procurement and supply chain management of high reliability Electrical, Electronic and Electromechanical ("EEE") parts for satellite, launch vehicle and manned space applications.
- **Terrestrial and Wireless Networks** - is organized into three service areas: next generation 911 and call delivery, Solacom call handling solutions, and trusted location and messaging solutions. This segment offers customers SMS text to 911 services, providing alternate paths for individuals who need to request assistance (via text messaging) a method to reach Public Safety Answering Points ("PSAPs"); next generation 911 solutions, providing emergency call routing, location validation, policy-based routing rules, logging and security functionality; Emergency Services IP Network transport infrastructure for emergency services communications and support of next generation 911 services; call handling applications for PSAPs; wireless emergency alerts solutions for network operators; and software and equipment for location-based and text messaging services for various applications, including for public safety, commercial and government services.

Our Quarterly Financial Information

Quarterly and period-to-period sales and operating results may be significantly affected by either short-term or long-term contracts with our customers. In addition, our gross profit is affected by a variety of factors, including the mix of products, systems and services sold, production efficiencies, estimates of warranty expense, price competition and general economic conditions. Our gross profit may also be affected by the impact of any cumulative adjustments to contracts that are accounted for over time.

In particular, our contracts with the U.S. government can be terminated for convenience by it at any time and orders are subject to unpredictable funding, deployment and technology decisions by the U.S. government. Some of these contracts are indefinite delivery/indefinite quantity ("IDIQ") contracts and, as such, the U.S. government is not obligated to purchase any equipment or services under these contracts. We have, in the past, experienced and we continue to expect significant fluctuations in sales and operating results from quarter-to-quarter and period-to-period due to these factors. As such, comparisons between periods and our current results may not be indicative of a trend or future performance.

CRITICAL ACCOUNTING POLICIES

We consider certain accounting policies to be critical due to the estimation process involved in each.

Revenue Recognition. In accordance with FASB ASC 606 - Revenue from Contracts with Customers ("ASC 606"), we record revenue in an amount that reflects the consideration to which we expect to be entitled in exchange for goods or services promised to customers. See "*Notes to Condensed Consolidated Financial Statements - Note (4) - Revenue Recognition*" for further information.

Impairment of Goodwill and Other Intangible Assets. As of October 31, 2023, total goodwill recorded on our Condensed Consolidated Balance Sheet aggregated \$333.1 million (of which \$159.0 million relates to our Satellite and Space Communications segment and \$174.1 million relates to our Terrestrial and Wireless Networks segment). Additionally, as of October 31, 2023, net intangibles recorded on our Condensed Consolidated Balance Sheet aggregated \$220.6 million (of which \$63.4 million relates to our Satellite and Space Communications segment and \$157.2 million relates to our Terrestrial and Wireless Networks segment). For purposes of reviewing impairment and the recoverability of goodwill and other intangible assets, our Satellite and Space Communications and Terrestrial and Wireless Networks segments each constitute a reporting unit and we must make various assumptions in determining their estimated fair values. See "*Notes to Condensed Consolidated Financial Statements - Note (15) - Goodwill and Note (16) - Intangible Assets*" for further information.

Provision for Warranty Obligations. We provide warranty coverage for most of our products, including products under long-term contracts, for a period of at least one year from the date of shipment. We record a liability for estimated warranty expense based on historical claims, product failure rates and other factors. Costs associated with some of our warranties that are provided under long-term contracts are incorporated into our estimates of total contract costs. There exist inherent risks and uncertainties in estimating warranty expenses, particularly on larger or longer-term contracts. If we do not accurately estimate our warranty costs, any changes to our original estimates could be material to our results of operations and financial condition.

Accounting for Income Taxes. Our deferred tax assets and liabilities are determined based on temporary differences between financial reporting and tax bases of assets and liabilities and applying enacted tax rates expected to be in effect for the year in which we expect the differences to reverse. Our provision for income taxes is based on domestic (including federal, state and local) and international statutory income tax rates in the tax jurisdictions where we operate, permanent differences between financial reporting and tax reporting and available credits and incentives. The U.S. federal government is our most significant income tax jurisdiction.

Significant judgment is required in determining income tax provisions and tax positions. We may be challenged upon review by the applicable taxing authority and positions taken by us may not be sustained. We recognize all or a portion of the benefit of income tax positions only when we have made a determination that it is more likely than not that the tax position will be sustained upon examination, based upon the technical merits of the position and other factors. For tax positions that are determined as "more likely than not" to be sustained upon examination, the tax benefit recognized is the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. We recognize potential interest and penalties related to uncertain tax positions in income tax expense.

On a quarterly basis, we assess the realizability of deferred tax assets, based on all available evidence, including historical taxable income and estimates about future taxable income, and valuation allowances are established, when necessary, to reduce net deferred tax assets to the amount "more likely than not" expected to be realized. If actual outcomes differ materially from these subjective critical estimates, we will adjust these estimates in future periods, which could have a material impact on our results of operations and financial condition.

Research and Development Costs. We generally expense all research and development costs. Research and development expenses include payroll, employee benefits, stock-based compensation expense, and other personnel-related expenses associated with product development. Research and development expenses also include third-party development and programming costs. Costs incurred internally in researching and developing software to be sold are charged to expense until technological feasibility has been established for the software. Judgment is required in determining when technological feasibility of a product is established. Technological feasibility for our advanced communication software solutions is generally reached after all high-risk development issues have been resolved through coding and testing. Generally, this occurs shortly before the products are released to customers and when we are able to validate the marketability of such product. Once technological feasibility is established, all software costs are capitalized until the product is available for general release to customers. To date, capitalized internally developed software costs were not material.

Provisions for Excess and Obsolete Inventory. We record a provision for excess and obsolete inventory based on historical and projected usage trends. Other factors may also influence our provision, including decisions to exit a product line, technological change and new product development. These factors could result in a change in the amount of excess and obsolete inventory on hand. Additionally, our estimates of future product demand may prove to be inaccurate, in which case we may have understated or overstated the provision required for excess and obsolete inventory. In the future, if we determine that our inventory was overvalued, we would be required to recognize such costs in our financial statements at the time of such determination. Any such charge could be material to our results of operations and financial condition.

Allowance for Doubtful Accounts. We perform credit evaluations of our customers and adjust credit limits based upon customer payment history and current creditworthiness, as determined by our review of our customers' current credit information. Generally, we will require cash in advance or payment secured by irrevocable letters of credit before an order is accepted from an international customer that we do not do business with regularly. In addition, we seek to obtain insurance for certain domestic and international customers.

We monitor collections and payments from our customers and maintain an allowance for doubtful accounts based upon our historical experience and any specific customer collection issues that we have identified. In light of ongoing tight credit market conditions and high interest rates, we continue to see requests from our customers for higher credit limits and longer payment terms. We have, on a limited basis, approved certain customer requests. We continue to monitor our accounts receivable credit portfolio. To-date, there has been no material changes in our credit portfolio as a result of the challenging business conditions.

Although our overall credit losses have historically been within the allowances we established, we may not be able to accurately predict our future credit loss experience, given the current poor business environment. Measurement of credit losses requires consideration of historical loss experience, including the need to adjust for changing business conditions, and judgments about the probable effects of relevant observable data, including present economic conditions such as delinquency rates and the financial health of specific customers. Future changes to the estimated allowance for doubtful accounts could be material to our results of operations and financial condition.

Fiscal 2024: First Quarter Highlights and Business Outlook

Financial highlights for the first quarter of fiscal 2024 include:

- Consolidated net sales were \$151.9 million, up 2.1% sequentially from the fourth quarter of fiscal 2023 and up 15.9% from the first quarter of fiscal 2023;
- Gross margin was 31.5%, compared to 32.7% in our fourth quarter of fiscal 2023 and 35.7% in our first quarter of fiscal 2023;
- GAAP operating income of \$2.1 million, compared to \$1.1 million in our fourth quarter of fiscal 2023 and a GAAP operating loss of \$9.7 million in the first quarter of fiscal 2023;
- GAAP net loss attributable to common stockholders was \$3.3 million, and included \$3.7 million of restructuring costs and \$1.4 million of strategic emerging technology costs for next-generation satellite technology;
- GAAP EPS loss of \$0.11 and Non-GAAP EPS income of \$0.24;
- Adjusted EBITDA (a Non-GAAP financial measure discussed below) of \$18.4 million, or 12.1% of consolidated net sales, comparable to the \$18.9 million, or 12.7% of consolidated net sales for the fourth quarter of fiscal 2023, and an increase from the \$10.7 million, or 8.2% of consolidated net sales for the first quarter of fiscal 2023;
- New bookings (also referred to as orders) of \$185.6 million, representing a quarterly book-to-bill ratio of 1.22x (a measure defined as bookings divided by net sales) and the highest level of quarterly bookings looking back over the past five fiscal quarters;
- Backlog of \$695.9 million as of October 31, 2023, compared to \$662.2 million as of July 31, 2023 and \$668.2 million as of October 31, 2022;
- Revenue visibility of approximately \$1.7 billion, an increase from the \$1.1 billion as of July 31, 2023. The \$1.7 billion includes the \$544.0 million U.S. Army Global Field Service Representative (“GFSR”) contract and \$48.6 million U.S. Army Enterprise Digital Intermediate Frequency Multi-Carrier (“EDIM”) modem contract awarded to us in September 2023. We measure this revenue visibility as the sum of our \$695.9 million of funded backlog, plus the total unfunded value of certain multi-year contracts that we have received and from which we expect future orders; and
- Cash flows used in operating activities of \$14.5 million.

Non-GAAP financial measures discussed above are reconciled to the most directly comparable GAAP financial measures in the table included in the below section *“Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Comparison of the Results of Operations for the Three Months Ended October 31, 2023 and 2022.”*

Fiscal 2023 marked a year of tremendous change and accomplishments for our organization. Led by a new management team and refreshed Board of Directors, as we entered fiscal 2024, we continued to implement many important lean initiatives and process improvement activities anticipated to drive sustainable, profitable growth in our business. Several of these actions have already contributed to our improved financial performance, affording us the opportunity to report our second fiscal quarter of positive GAAP operating income since fiscal 2021. We are greatly encouraged by the progress we have made through our One Comtech transformation, which gives us the confidence to expect, subject to the risks highlighted in this Form 10-Q and our other filings with the SEC, that our Business Outlook for Fiscal 2024 will be even better than fiscal 2023. We base our enthusiasm about our future, in part, on our people as well as our recent large strategic contract wins, that serve to validate and reinforce our technology leadership positions in multiple growing end markets. Taken together, we believe these significant, strategic contracts demonstrate our ability to outperform in every facet of our business. For example:

In September 2023, we were awarded a large, multi-year GFSR contract by the U.S. Army. This contract has a total potential value of \$544.0 million and is expected to contribute significantly to our net sales in the second half of our fiscal 2024. Through this program, our Satellite and Space Communications segment will provide ongoing communications and IT infrastructure support for the U.S. Army, Air Force, Navy, Marine Corps and NATO, enabling U.S. and coalition forces to maintain robust, resilient and secure connectivity for global all-domain operations. Foundational to this success: Comtech's professional engineering services and extensive portfolio of resilient, blended, smart-enabled technologies.

Also, in September 2023, our Satellite and Space Communications segment was honored to win a highly competitive \$48.6 million contract to deliver next-generation EDIM modems for the U.S. Army's satellite communications ("SATCOM") digitization and modernization programs. The advanced, software defined EDIM modem is intended to: support multiple satellite providers; become one of the primary modems used for U.S. military SATCOM, eventually replacing the Enhanced Bandwidth Efficient Modem ("EBEM"); and provide the U.S. Army, Navy and Air Force with a digitized, hybrid satellite network architecture. The EDIM modem would allow SATCOM users to easily roam across orbital regimes, blend capabilities from traditionally disparate networks and maintain assured, resilient connectivity in the most demanding of environments.

In October 2023, our Satellite and Space Communications segment was also awarded an order in excess of \$20.0 million from our UK-based partners, Spectra Group. The order will allow Spectra Group, the appointed regional distributor of our Compact Over-the-Horizon Transportable Terminal ("COMET"), to service multiple orders already received, and several expected follow-on orders from undisclosed customers in the NATO and European regions. The COMET is designed to be easily integrated with other Department of Defense ("DoD") and coalition tactical, mobile, and fixed communications systems to provide resilient, secure beyond-line-of-sight ("BLOS") capabilities in some of the world's most challenging environments. Each COMET is an end-to-end, rapidly deployable BLOS system that utilizes a single fully integrated Troposcatter hub, which includes the company's CS67PLUS Troposcatter radio. The CS67PLUS is also embedded across each of Comtech's next generation Family of Systems ("FoS").

Finally, in October 2023, our Terrestrial and Wireless Networks segment extended enhanced 911 call routing services, valued in excess of \$30.0 million, for one of the largest wireless carriers in the United States. We believe Comtech's position as a trusted leader in 911 and public safety positions us increasingly well when it comes to delivering similarly sophisticated solutions for 988 emergencies.

In addition to optimizing our cost structure, securing key contract wins and expanding our pipeline of opportunities, we have also been busy addressing strategic questions about the composition of our business and the strength of our balance sheet. Following a careful review of our current business and product lines, considering the kind of software and solutions-based enterprise our customers need us to be in the future, we saw an opportunity to divest our solid-state RF microwave high power amplifiers and control components ("Power Systems Technology") product line. We completed this divestiture on November 7, 2023. We are also simultaneously addressing the need to refinance our Credit Facility, which expires in October 2024. In connection with these ongoing initiatives, we are in discussions with various potential sources of capital, including our existing preferred shareholders, regarding alternative investment structures.

As we enter the second quarter of fiscal 2024, business conditions continue to be challenging, and the operating environment is largely unpredictable, including factors such as inflation, rising interest rates, the repercussions of the military conflicts in Russia and Ukraine and the Middle East, and a potential global recession. Order and production delays, disruptions in component availability, increased pricing both for labor and parts, lower levels of factory utilization and higher logistics and operational costs have or could impact our business.

Nevertheless, despite these business conditions and resulting challenges and although we anticipate some variability from time to time as we move through our One Comtech transformational change, for our second quarter of fiscal 2024, subject to the risks highlighted in this Form 10-Q and other filings with the SEC, we are targeting consolidated net sales to increase approximately 1.0% to 3.0% and for our consolidated Adjusted EBITDA margin to range between 11.0% and 13.0%.

We do not provide forward-looking guidance on a GAAP basis because we are unable to predict certain items contained in the GAAP measure without unreasonable efforts. Because our consolidated Adjusted EBITDA, as a percentage of consolidated net sales, depends on the volume of sales, sales mix and related gross profit for each segment as well as unallocated spending, it is inherently difficult to forecast. Please refer to the discussion below under "Adjusted EBITDA" for more information.

As discussed in "Notes to Condensed Consolidated Financial Statements – Note (1) – General," and below under the heading "Liquidity and Capital Resources," we have evaluated whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about our ability to continue as a going concern over the next twelve months. Based on our current business plans, including projected capital expenditures, we do not believe our current level of cash and cash equivalents or liquidity expected to be generated from future cash flows will be sufficient to fund our operations over the next twelve months and repay current obligations under the Credit Facility, raising substantial doubt about the Company's ability to continue as a going concern as of the date of this Quarterly Report on Form 10-Q. We are actively pursuing strategies to mitigate these conditions and events and alleviate such substantial doubt about our ability to continue as a going concern. For more information, please see "Notes to Condensed Consolidated Financial Statements – Note (1) – General."

Additional information related to our Business Outlook for fiscal 2024 and a definition and explanation of Adjusted EBITDA is included in the below section "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations - Comparison of the Results of Operations for the Three Months Ended October 31, 2023 and 2022."

COMPARISON OF RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED OCTOBER 31, 2023 AND 2022

Net Sales. Consolidated net sales were \$151.9 million and \$131.1 million for the three months ended October 31, 2023 and 2022, respectively, representing an increase of \$20.8 million, or 15.9%. The period-over-period increase in consolidated net sales primarily reflects significantly higher net sales in our Satellite and Space Communications segment, as further discussed below.

Satellite and Space Communications

Net sales in our Satellite and Space Communications segment were \$102.4 million for the three months ended October 31, 2023 as compared to \$80.9 million for the three months ended October 31, 2022, an increase of \$21.5 million or 26.6%. Related segment net sales for the three months ended October 31, 2023 primarily reflect significantly higher net sales of our troposcatter and SATCOM solutions to U.S. government customers (including progress toward delivering next-generation troposcatter terminals to the U.S. Marine Corps and VSAT equipment for the U.S. Army), and sales of high power amplifiers and switches, X/Y antennas and satellite ground station technologies. Net sales in the comparable period of the prior year included sales related to an FMS contract awarded to us for beyond line-of-sight communications terminals and upgrades to the Ukrainian government's existing systems. Our Satellite and Space Communications segment represented 67.4% of consolidated net sales for the three months ended October 31, 2023 as compared to 61.7% for the three months ended October 31, 2022. Our book-to-bill ratio (a measure defined as bookings divided by net sales) in this segment for the three months ended October 31, 2023 was 1.34x.

Bookings, sales and profitability in our Satellite and Space Communications segment can fluctuate substantially from period-to-period due to many factors, including unpredictable funding, deployment and technology decisions by our U.S. and international government customers. Also, net sales in future periods will no longer include our Power Systems Technology product line due to the divestiture of this product line on November 7, 2023. Period-to-period fluctuations in bookings are normal for this segment. As such, period-to-period comparisons of our results may not be indicative of a trend or future performance.

Terrestrial and Wireless Networks

Net sales in our Terrestrial and Wireless Networks segment were \$49.5 million for the three months ended October 31, 2023, as compared to \$50.3 million for the three months ended October 31, 2022, a decrease of \$0.8 million, or 1.6%. Related segment net sales for the three months ended October 31, 2023 primarily reflect lower net sales in our location platforms and call routing product lines partially offset by higher net sales in our NG-911 solutions and services business. The lower net sales in the more recent period reflects the timing of rollout of 5G technologies and services by our major wireless carrier customers as well as longer testing and acceptance cycles resulting from the introduction of new technologies into carrier environments. In addition, net sales in the more recent period also reflect a transition in some of our call handling solutions customers to our hosted models. Our Terrestrial and Wireless Networks segment represented 32.6% of consolidated net sales for the three months ended October 31, 2023 as compared to 38.3% for the three months ended October 31, 2022. Our book-to-bill ratio in this segment for the three months ended October 31, 2023 was 0.98x.

Bookings, sales and profitability in our Terrestrial and Wireless Networks segment can fluctuate from period-to-period due to many factors, including changes in the general business environment. Period-to-period fluctuations in bookings are normal for this segment. As such, period-to-period comparisons of our results may not be indicative of a trend or future performance.

Geography and Customer Type

Sales by geography and customer type, as a percentage of related sales, for the three months ended October 31, 2023 and 2022 are as follows:

	Three months ended October 31,					
	2023	2022	2023	2022	2023	2022
	Satellite and Space Communications		Terrestrial and Wireless Networks		Consolidated	
U.S. government	51.8 %	50.7 %	1.2 %	2.1 %	35.3 %	32.1 %
Domestic	15.5 %	18.9 %	91.3 %	91.5 %	40.2 %	46.7 %
Total U.S.	67.3 %	69.6 %	92.5 %	93.6 %	75.5 %	78.8 %
International	32.7 %	30.4 %	7.5 %	6.4 %	24.5 %	21.2 %
Total	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Sales to U.S. government customers include sales to the DoD, intelligence and civilian agencies, as well as sales directly to or through prime contractors.

Domestic sales include sales to commercial customers, as well as to U.S. state and local governments. For the three months ended October 31, 2023, except for the U.S. government, there were no customers that represented more than 10% of consolidated net sales. For the three months ended October 31, 2022, included in domestic sales are sales to Verizon Communications Inc. ("Verizon"), which accounted for 12.5% of consolidated net sales.

International sales for the three months ended October 31, 2023 and 2022 (which include sales to U.S. domestic companies for inclusion in products that are sold to international customers) were \$37.2 million and \$27.8 million, respectively. Except for the U.S., no individual country (including sales to U.S. domestic companies for inclusion in products that are sold to a foreign country) represented more than 10% of consolidated net sales for the three months ended October 31, 2023 and 2022.

Gross Profit. Gross profit was \$47.9 million and \$46.8 million for the three months ended October 31, 2023 and 2022, respectively, an increase of \$1.1 million. Gross profit, as a percentage of consolidated net sales, for the three months ended October 31, 2023 was 31.5% as compared to 35.7% for the three months ended October 31, 2022. Our gross profit (both in dollars and as a percentage of consolidated net sales) reflects an increase in net sales and overall product mix changes, including significantly higher net sales of our troposcatter and SATCOM solutions to U.S. government customers, as discussed above. Gross profit in the comparable period of the prior year also reflects the benefit of higher net sales of our beyond line-of-sight communications terminals and upgrades to the Ukrainian government's existing systems as part of an FMS contract awarded to us during that quarter. Gross profit, as a percentage of related segment net sales, is further discussed below.

Our Satellite and Space Communications segment's gross profit, as a percentage of related segment net sales, for the three months ended October 31, 2023 decreased in comparison to the three months ended October 31, 2022. The gross profit percentage in the most recent three-month period reflects changes in products and services mix, as discussed above.

Our Terrestrial and Wireless Networks segment's gross profit, as a percentage of related segment net sales, for the three months ended October 31, 2023 decreased in comparison to the three months ended October 31, 2022. The gross profit percentage in the most recent three-month period reflects changes in products and services mix, as discussed above.

Included in consolidated cost of sales for the three months ended October 31, 2023 and 2022 are provisions for excess and obsolete inventory of \$0.1 million and \$0.8 million, respectively. As discussed in *"Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies - Provisions for Excess and Obsolete Inventory,"* we regularly review our inventory and record a provision for excess and obsolete inventory based on historical and projected usage trends.

Our consolidated gross profit, as a percentage of consolidated net sales, depends on the volume of sales, sales mix and related gross profit for each segment, and therefore is inherently difficult to forecast.

Selling, General and Administrative Expenses. Selling, general and administrative expenses were \$32.7 million and \$29.3 million for the three months ended October 31, 2023 and 2022, respectively. As a percentage of consolidated net sales, selling, general and administrative expenses were 21.5% and 22.3% for the three months ended October 31, 2023 and 2022, respectively.

During the three months ended October 31, 2023 and 2022, we incurred \$3.7 million and \$1.3 million of restructuring costs, respectively, primarily to streamline our operations and improve efficiency, including severance and costs related to the relocation of certain of our satellite ground station production facilities to our new 146,000 square foot facility in Chandler, Arizona, as well as legal and other expenses related to the divestiture of our Power Systems Technology product line, which closed on November 7, 2023. Excluding restructuring costs, selling, general and administrative expenses for the three months ended October 31, 2023 and 2022 would have been \$29.0 million or 19.1% and \$28.0 million or 21.4%, respectively, of consolidated net sales. The decrease in our selling, general and administrative expenses, as a percentage of consolidated net sales, is primarily due to higher consolidated net sales, as discussed above. Our selling, general and administrative expenses in the most recent period also reflect lower labor costs associated with our One Comtech initiative offset by higher legal and other professional fees as compared to the three months ended October 31, 2022.

Amortization of stock-based compensation expense recorded as selling, general and administrative expenses was \$2.2 million in the three months ended October 31, 2023 as compared to \$0.6 million in the three months ended October 31, 2022. Amortization of stock-based compensation is not allocated to our two reportable operating segments.

Research and Development Expenses. Research and development expenses were \$7.8 million and \$12.8 million for the three months ended October 31, 2023 and 2022, respectively, representing a decrease of \$5.0 million or 38.7%. As a percentage of consolidated net sales, research and development expenses were 5.1% and 9.8% for the three months ended October 31, 2023 and 2022, respectively.

For the three months ended October 31, 2023 and 2022, research and development expenses of \$4.7 million and \$6.4 million, respectively, related to our Satellite and Space Communications segment and \$2.9 million and \$6.3 million, respectively, related to our Terrestrial and Wireless Networks segment. The remaining research and development expenses of \$0.2 million and \$0.1 million in the three months ended October 31, 2023 and 2022, respectively, related to the amortization of stock-based compensation expense. Lower research and development expenses were driven by our One Comtech initiative and prioritization of resources across various programs.

During the three months ended October 31, 2023 and 2022, we incurred \$1.4 million and \$0.7 million, respectively, of strategic emerging technology costs in our Satellite and Space Communications segment for next-generation satellite technology to advance our solutions offerings to be used with new broadband satellite constellations. We are evaluating this new market in relation to our long-term business strategies, and we may incur additional costs in the future.

Whenever possible, we seek customer funding for research and development to adapt our products to specialized customer requirements. During the three months ended October 31, 2023 and 2022, customers reimbursed us \$4.0 million and \$2.2 million, respectively, which is not reflected in the reported research and development expenses but is included in net sales with the related costs included in cost of sales.

Amortization of Intangibles. Amortization relating to intangible assets with finite lives for both the three months ended October 31, 2023 and 2022 was \$5.3 million (of which \$1.7 million was for the Satellite and Space Communications segment and \$3.6 million was for the Terrestrial and Wireless Networks segment).

CEO Transition Costs. On August 9, 2022, our Board of Directors appointed our Chairman of the Board, Mr. Peterman, as President and CEO. Transition costs related to our former President and CEO, Mr. Porcelain, pursuant to his separation agreement with the Company, were \$7.4 million, of which \$3.8 million related to the acceleration of unamortized stock-based compensation, with the remaining \$3.6 million related to his severance payments and benefits upon termination of employment. The cash portion of the transition costs of \$3.6 million was paid to Mr. Porcelain in October 2022. Also, in connection with Mr. Peterman entering into an employment agreement with the Company, effective as of August 9, 2022, we incurred a \$1.0 million expense related to a cash sign-on bonus, which was paid in January 2023. CEO transition costs related to Mr. Porcelain and Mr. Peterman were expensed in our Unallocated segment during the first quarter of fiscal 2023.

Operating Income (Loss). Operating income (loss) for the three months ended October 31, 2023 and 2022 was \$2.1 million and \$(9.7) million, respectively. Operating income (loss) by reportable segment is shown in the table below:

(\$ in millions)	Three months ended October 31,							
	2023	2022	2023	2022	2023	2022	2023	2022
	Satellite and Space Communications		Terrestrial and Wireless Networks		Unallocated		Consolidated	
Operating income (loss)	\$ 10.1	5.0	4.0	0.7	(12.1)	(15.5)	\$ 2.1	(9.7)
Percentage of related net sales	9.9 %	6.2 %	8.2 %	1.5 %	NA	NA	1.4 %	NA

Our GAAP operating income of \$2.1 million for the three months ended October 31, 2023 reflects: (i) \$5.3 million of amortization of intangibles; (ii) \$3.7 million of restructuring costs (of which \$0.8 million and \$2.9 million related to our Satellite and Space Communications and Unallocated segments, respectively); (iii) \$2.6 million of amortization of stock-based compensation; (iv) \$1.4 million of strategic emerging technology costs; and (v) \$0.2 million of amortization of cost to fulfill assets, as discussed above. Excluding such items, our consolidated operating income for the three months ended October 31, 2023 would have been \$15.3 million, or 10.1% of consolidated net sales.

Our GAAP operating loss of \$9.7 million for the three months ended October 31, 2022 reflects: (i) \$9.1 million of CEO transition costs; (ii) \$5.3 million of amortization of intangibles; (iii) \$1.3 million of restructuring costs (of which \$1.1 million and \$0.2 million related to our Satellite and Space Communications and Unallocated segments, respectively); (iv) \$0.9 million of amortization of stock-based compensation; (v) \$0.7 million of strategic emerging technology costs; and (vi) \$0.2 million of amortization of cost to fulfill assets, as discussed above. Excluding such items, our consolidated operating income for the three months ended October 31, 2022 would have been \$7.9 million, or 6.0% of consolidated net sales. The increase in operating income, excluding the above items, from \$7.9 million to \$15.3 million for the most recent period reflects the benefit of our One Comtech lean initiatives implemented through October 31, 2023 and, to a lesser extent, higher consolidated net sales, as discussed above. Operating income (loss) by reportable segment is further discussed below.

The increase in our Satellite and Space Communications segment operating income, both in dollars and as a percentage of the related segment net sales, for the three months ended October 31, 2023 was driven primarily by an increase in related segment net sales and our One Comtech lean initiatives, as discussed above.

The increase in our Terrestrial and Wireless Networks segment operating income, both in dollars and as a percentage of the related segment net sales, for the three months ended October 31, 2023 was driven primarily by our One Comtech lean initiatives, offset in part by changes in products and services mix, as discussed above.

Excluding the impact of CEO transition costs and its respective portion of restructuring charges, Unallocated expenses for the three months ended October 31, 2023 would have been \$9.2 million, as compared to \$6.1 million for the three months ended October 31, 2022. The increase in Unallocated expenses excluding such items was primarily due to higher labor costs associated with our One Comtech transformation, as well as other investments we are making to achieve our long-term business goals.

Interest Expense and Other. Interest expense was \$4.9 million and \$2.2 million for the three months ended October 31, 2023 and 2022, respectively. The increase is due to a higher average debt balance outstanding during the most recent period, a general rise in interest rates as compared to the prior year period, as well as higher interest rates under our Credit Facility that we entered into in November 2022. Our effective interest rate (including amortization of deferred financing costs) in the three months ended October 31, 2023 was approximately 10.5%, as compared to 5.9% in the prior year period. Our current cash borrowing rate (which excludes the amortization of deferred financing costs) under our existing Credit Facility approximates 9.2%, as compared to 7.9% in the prior year period.

Interest (Income) and Other. Interest (income) and other for both the three months ended October 31, 2023 and 2022 was nominal. All of our available cash and cash equivalents are currently invested in bank deposits and money market deposit accounts which, at this time, are currently yielding an immaterial interest rate.

Benefit from Income Taxes. For the three months ended October 31, 2023 and 2022, we recorded a tax benefit of \$1.3 million and \$0.6 million, respectively. Our effective tax rate (excluding discrete tax items) for the three months ended October 31, 2023 and 2022 was 122.0% and 19.0%, respectively. The increase in the rate is primarily due to changes in expected product and geographic mix.

During the three months ended October 31, 2023, we recorded a net discrete tax expense of \$2.0 million primarily related to our decision to sell our Power Systems Technology product line in a taxable transaction and settlement of stock-based awards. Due to the timing of the closing of the divestiture on November 7, 2023 and the expected timing of the settlement of contingent consideration being subsequent to October 31, 2023, we expect there will be offsetting net discrete tax benefits recorded in subsequent periods. During the three months ended October 31, 2022, we recorded a net discrete tax benefit of \$0.1 million primarily related to the deductible portion of CEO transition costs, partially offset by the settlement of stock-based awards.

Our U.S. federal income tax returns for fiscal 2020 through 2022 are subject to potential future Internal Revenue Service ("IRS") audit. None of our state income tax returns prior to fiscal 2019 are subject to audit. Future tax assessments or settlements could have a material adverse effect on our consolidated results of operations and financial condition.

Net Loss Attributable to Common Stockholders. During the three months ended October 31, 2023 and 2022, consolidated net loss attributable to common stockholders was \$3.3 million and \$12.8 million, respectively.

Adjusted EBITDA. Adjusted EBITDA (both in dollars and as a percentage of related net sales) for both the three months ended October 31, 2023 and 2022 are shown in the table below (numbers in the table may not foot due to rounding):

(\$ in millions)	Three months ended October 31,							
	2023	2022	2023	2022	2023	2022	2023	2022
	Satellite and Space Communications		Terrestrial and Wireless Networks		Unallocated		Consolidated	
Net income (loss)	\$ 9.3	5.8	4.1	0.6	(14.9)	(17.5)	\$ (1.4)	(11.1)
Provision for (benefit from) income taxes	0.2	(0.2)	(0.3)	(0.2)	(1.3)	(0.2)	(1.3)	(0.6)
Interest (income) and other	(0.3)	(0.6)	0.2	0.3	—	—	(0.1)	(0.3)
Interest expense	0.9	—	—	—	4.1	2.2	4.9	2.2
Amortization of stock-based compensation	—	—	—	—	2.6	0.9	2.6	0.9
Amortization of intangibles	1.7	1.8	3.6	3.5	—	—	5.3	5.3
Depreciation	1.0	1.0	2.0	1.7	0.1	—	3.0	2.8
Amortization of cost to fulfill assets	0.2	0.2	—	—	—	—	0.2	0.2
CEO transition costs	—	—	—	—	—	9.1	—	9.1
Restructuring costs	0.8	1.1	—	—	2.9	0.3	3.7	1.3
Strategic emerging technology costs	1.4	0.7	—	—	—	—	1.4	0.7
Adjusted EBITDA	\$ 15.1	9.9	9.6	6.0	(6.4)	(5.2)	\$ 18.4	10.7
Percentage of related net sales	14.8 %	12.2 %	19.5 %	11.9 %	NA	NA	12.1 %	8.2 %

The increase in consolidated Adjusted EBITDA, both in dollars and as a percentage of consolidated net sales, for the three months ended October 31, 2023 as compared to the three months ended October 31, 2022 reflects higher gross profit from higher net sales in our Satellite and Space Communications segment and the benefit of our One Comtech lean initiatives implemented through October 31, 2023, as discussed above.

The increase in our Satellite and Space Communications segment's Adjusted EBITDA, both in dollars and as a percentage of related segment net sales, is primarily due to an increase in related segment net sales and One Comtech lean initiatives, as discussed above.

The increase in our Terrestrial and Wireless Networks segment's Adjusted EBITDA, both in dollars and as a percentage of related segment net sales, is primarily due to One Comtech lean initiatives, offset in part by changes in products and services mix, as discussed above.

A reconciliation of our fiscal 2023 GAAP Net Loss to Adjusted EBITDA is shown in the table below (numbers in the table may not foot due to rounding):

(\$ in millions)	Fiscal Year 2023	
Reconciliation of GAAP Net Loss to Adjusted EBITDA:		
Net loss	\$	(26.9)
Benefit from income taxes		(3.9)
Interest expense		15.0
Interest (income) and other		1.2
Amortization of stock-based compensation		10.1
Amortization of intangibles		21.4
Depreciation		11.9
Amortization of cost to fulfill assets		1.0
Restructuring costs		10.9
Strategic emerging technology costs		3.8
CEO transition costs		9.1
Adjusted EBITDA	\$	53.5

Our Adjusted EBITDA is a Non-GAAP measure that represents earnings (loss) before income taxes, interest, change in fair value of the convertible preferred stock purchase option liability, write-off of deferred financing costs, amortization of stock-based compensation, amortization of intangibles, depreciation expense, amortization of cost to fulfill assets, acquisition plan expenses, restructuring costs, COVID-19 related costs, strategic emerging technology costs (for next-generation satellite technology), facility exit costs, CEO transition costs, proxy solicitation costs, strategic alternatives analysis expenses and other. Although closely aligned, our definition of Adjusted EBITDA is different than the Consolidated EBITDA (as such term is defined in our Credit Facility) utilized for financial covenant calculations and also may differ from the definition of EBITDA or Adjusted EBITDA used by other companies and therefore may not be comparable to similarly titled measures used by other companies. Adjusted EBITDA is also a measure frequently requested by our investors and analysts. We believe that investors and analysts may use Adjusted EBITDA, along with other information contained in our SEC filings, including GAAP measures, in assessing our performance and comparability of our results with other companies. Our Non-GAAP measures reflect the GAAP measures as reported, adjusted for certain items as described herein and also excludes the effects of our outstanding convertible preferred stock.

These Non-GAAP financial measures have limitations as an analytical tool as they exclude the financial impact of transactions necessary to conduct our business, such as the granting of equity compensation awards, and are not intended to be an alternative to financial measures prepared in accordance with GAAP. These measures are adjusted as described in the reconciliation of GAAP to Non-GAAP measures in the tables presented herein, but these adjustments should not be construed as an inference that all of these adjustments or costs are unusual, infrequent or non-recurring. Non-GAAP financial measures should be considered in addition to, and not as a substitute for or superior to, financial measures determined in accordance with GAAP. Investors are advised to carefully review the GAAP financial results that are disclosed in our SEC filings. We have not quantitatively reconciled our second quarter fiscal 2024 Adjusted EBITDA target to the most directly comparable GAAP measure because items such as stock-based compensation, adjustments to the provision for income taxes, amortization of intangibles and interest expense, which are specific items that impact these measures, have not yet occurred, are out of our control, or cannot be predicted. For example, quantification of stock-based compensation expense requires inputs such as the number of shares granted and market price that are not currently ascertainable. Accordingly, reconciliations to the Non-GAAP forward looking metrics are not available without unreasonable effort and such unavailable reconciling items could significantly impact our financial results.

Reconciliations of our GAAP consolidated operating income (loss), net (loss) income attributable to common stockholders and net (loss) income per diluted common share for the three months ended October 31, 2023 and 2022 to the corresponding Non-GAAP measures are shown in the tables below (numbers and per share amounts in the tables may not foot due to rounding). Non-GAAP net (loss) income attributable to common stockholders and non-GAAP net (loss) income per diluted common share reflect Non-GAAP provisions for income taxes based on year-to-date results, as adjusted for the Non-GAAP reconciling items included in the tables below. We evaluate our Non-GAAP effective income tax rate on an ongoing basis, and it can change from time to time. Our Non-GAAP effective income tax rate can differ materially from our GAAP effective income tax rate. In addition, due to the GAAP net loss for the period, Non-GAAP net (loss) income per diluted common share for the three months ended October 31, 2023 and 2022 was computed using weighted average diluted shares outstanding of 28,982,000 and 28,271,000, respectively, during the period.

Three months ended October 31, 2023			
	Operating (Loss) Income	Net (Loss) Income Attributable to Common Stockholders	Net (Loss) Income per Diluted Common Share
(\$ in millions, except for per share amount)			
Reconciliation of GAAP to Non-GAAP Earnings:			
GAAP measures, as reported	\$ 2.1	\$ (3.3)	\$ (0.11)
Adjustments to reflect redemption value of convertible preferred stock	—	1.8	0.06
Amortization of intangibles	5.3	4.1	0.14
Restructuring costs	3.7	2.9	0.10
Amortization of stock-based compensation	2.6	2.1	0.07
Strategic emerging technology costs	1.4	1.1	0.04
Amortization of cost to fulfill assets	0.2	0.2	0.01
Net discrete tax benefit	—	(2.0)	(0.07)
Non-GAAP measures	<u>\$ 15.3</u>	<u>\$ 6.8</u>	<u>\$ 0.24</u>

Three months ended October 31, 2022			
	Operating (Loss) Income	Net (Loss) Income Attributable to Common Stockholders	Net (Loss) Income per Diluted Common Share
(\$ in millions, except for per share amount)			
Reconciliation of GAAP to Non-GAAP Earnings:			
GAAP measures, as reported	\$ (9.7)	\$ (12.8)	\$ (0.46)
Adjustment to reflect redemption value of convertible preferred stock	—	1.7	0.06
CEO transition costs	9.1	8.6	0.31
Amortization of intangibles	5.3	4.1	0.15
Restructuring costs	1.3	1.0	0.04
Amortization of stock-based compensation	0.9	0.7	0.03
Strategic emerging technology costs	0.7	0.6	0.02
Amortization of cost to fulfill assets	0.2	0.2	0.01
Net discrete tax expense	—	0.4	0.01
Non-GAAP measures	<u>\$ 7.9</u>	<u>\$ 4.6</u>	<u>\$ 0.16</u>

LIQUIDITY AND CAPITAL RESOURCES

Our cash and cash equivalents were \$18.1 million and \$19.0 million at October 31, 2023 and July 31, 2023, respectively. For the three months ended October 31, 2023, our cash flows reflect the following:

- Net cash used in operating activities was \$14.5 million for the three months ended October 31, 2023 as compared to net cash used in operating activities of \$6.2 million for the three months ended October 31, 2022. The period-over-period decrease in cash flow from operating activities reflects overall changes in net working capital requirements, principally the timing of shipments and progress toward completion on contracts accounted for over time, and related billings and payments.
- Net cash used in investing activities for the three months ended October 31, 2023 and 2022 was \$3.2 million and \$7.2 million, respectively. Net cash used in investing activities for the three months ended October 31, 2023 primarily reflects capital expenditures to build-out cloud-based computer networks to support our previously announced NG-911 contract wins and capital investments and building improvements in connection with the opening of our new high-volume technology manufacturing centers. Net cash used in both periods also relates to expenditures for property, plant and equipment upgrades and enhancements.
- Net cash provided by financing activities was \$17.0 million and \$13.3 million for the three months ended October 31, 2023 and 2022, respectively. During the three months ended October 31, 2023 and 2022, we had net borrowings under our Credit Facility of \$19.6 million and \$18.7 million, respectively. During the three months ended October 31, 2022, we paid \$3.1 million in cash dividends to our common stockholders. We also made \$1.7 million and \$2.3 million of payments to remit employees' statutory tax withholding requirements related to the net settlement of stock-based awards during the three months ended October 31, 2023 and 2022, respectively.

The Credit Facility is discussed below and in "*Notes to Condensed Consolidated Financial Statements – Note (10) – Credit Facility.*"

The Convertible Preferred Stock is discussed below and in "*Notes to Condensed Consolidated Financial Statements – Note (17) – Convertible Preferred Stock.*"

Our material cash requirements are for working capital, debt service (including interest), capital expenditures, income tax payments, facilities lease payments and dividends related to our Convertible Preferred Stock, which are payable in kind or in cash at our election.

Our material cash requirements could increase beyond our current expectations due to factors such as general economic conditions, a change in government spending priorities, larger than usual customer orders or a future redemption by the holders of our Series A Convertible Preferred Stock. Also, in light of our CEO's initiatives to grow the Company, we continue to review and evaluate our capital allocation plans. Furthermore, we may choose to raise additional funds through equity and debt financing transactions to provide additional flexibility or to pursue acquisitions. Although it is difficult in the current economic and credit environment to predict the terms and conditions of financing that may be available in the future, we believe that we would have sufficient access to credit from financial institutions and/or financing from public and private debt and equity markets.

We have historically met our cash requirements with funds provided by a combination of cash and cash equivalent balances, cash generated from operating activities and cash generated from equity and debt financing transactions. As discussed in "*Notes to Condensed Consolidated Financial Statements – Note (1) – General,*" as of the date these financial statements were issued (the "issuance date"), we evaluated whether the following adverse conditions or events, considered in the aggregate, raise substantial doubt about our ability to continue as a going concern over the next twelve months beyond the issuance date.

Over the past three fiscal years, we incurred operating losses of \$14.7 million, \$33.8 million, and \$68.3 million in fiscal 2023, 2022 and 2021, respectively. More recently, we recognized operating income of \$2.1 million in the three months ended October 31, 2023. In addition, over the past three fiscal years, net cash used in operating activities was \$4.4 million and \$40.6 million in fiscal 2023 and 2021, respectively, and net cash provided by operating activities was \$2.0 million in fiscal 2022. More recently, net cash used in operating activities was \$14.5 million in the three months ended October 31, 2023.

As of the issuance date, our available sources of liquidity included cash and cash equivalents of approximately \$18.0 million. In addition, as of the issuance date, borrowings under our Credit Facility, which has a maturity date of October 31, 2024, aggregated \$180.5 million, of which \$149.3 million and \$31.2 million related to the Revolving Loan Facility and Term Loan, respectively. Accordingly, as of the issuance date, there was no additional borrowing capacity under the Revolving Loan Facility.

Our ability to meet our current obligations as they come due may be impacted by our ability to remain compliant with the financial covenants under the Credit Facility or to obtain waivers or amendments that impact the related financial covenants. If we are unable to satisfy certain covenants and not able to obtain waivers or amendments, such event would constitute an Event of Default and could cause an immediate acceleration and repayment of all outstanding principal, interest and fees due under the Credit Facility. If there is an Event of Default, there can be no assurances that we will be able to continue as a going concern, which could force us to delay, reduce or discontinue certain aspects of our business strategy. Additionally, our ability to meet future anticipated liquidity needs will largely depend on our ability to generate positive cash inflows from operations, as well as refinance our Credit Facility, and/or secure other sources of outside capital.

Based on our current business plans, including projected capital expenditures, we do not believe our current level of cash and cash equivalents, or liquidity expected to be generated from future cash flows will be sufficient to fund our operations over the next twelve months beyond the issuance date and repay the outstanding borrowings scheduled to mature under the Credit Facility on or before October 31, 2024. In anticipation of this maturity, we engaged with third party financial advisors to assist us in our discussions and negotiations with our existing lenders and holders of Convertible Preferred Stock to extend or refinance the Credit Facility and/or amend or restructure our Convertible Preferred Stock, seeking other sources of credit or outside capital and evaluating other capital structure-related alternatives. If we are unable to obtain sufficient, timely financial resources or outside capital, our business, financial condition and results of operations could be materially and adversely affected. Our ability to generate cash in the future or have sufficient access to credit from financial institutions and/or financing from public and/or private debt and equity markets on acceptable terms, or at all, (i) is subject to (a) general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control and (b) a majority vote consent right of the holders of the Convertible Preferred Stock (as discussed further in "*Notes to Condensed Consolidated Financial Statements – Note (17) – 'Convertible Preferred Stock'*"), and (ii) could (x) dilute the ownership interest of our stockholders, (y) include terms that adversely affect the rights of our common stockholders, or (z) restrict our ability to take specific actions such as incurring additional debt, making acquisitions or capital expenditures or declaring dividends. Also, our transition to sustained profitability is dependent upon the successful completion of our ongoing One Comtech transformation and integration of individual businesses into two segments and related restructuring activities to optimize our cost structure.

In addition to our plan to refinance the Credit Facility and/or secure new sources of credit or outside capital, our plans also include, among other things:

- implementing certain cost savings and restructuring activities to reduce cash used in operations, as discussed further in "*Notes to Condensed Consolidated Financial Statements – Note (20) – 'Cost Reduction'*,"
- pursuing initiatives to reduce investments in working capital, namely accounts receivable and inventory;
- improving process disciplines to attain and maintain profitable operations by entering into more favorable sales or service contracts;
- reevaluating our business plans to identify opportunities to further reduce capital expenditures;
- seeking opportunities to improve liquidity through any combination of debt and or equity financing (including possibly restructuring our existing Convertible Preferred Stock); and
- seeking other strategic transactions and or measures including, but not limited to, the potential sale or divestiture of assets.

While we believe the implementation of some or all of the elements of our plans over the next twelve months beyond the issuance date will be successful, these plans are not all solely within management's control and, as such, we can provide no assurance our plans are probable of being effectively implemented as of the issuance date. Therefore, these adverse conditions and events described above raise substantial doubt about our ability to continue as a going concern as of the issuance date. We prepared our unaudited condensed consolidated financial statements as of October 31, 2023 on a going concern basis, assuming our financial resources will be sufficient to meet our capital needs over the next twelve months and did not include any adjustments relating to the recoverability and realization of assets and classification of liabilities that might be necessary should we be unable to continue in operation for the next twelve months.

In addition to making capital investments for our new high-volume manufacturing centers, we have been making significant capital expenditures and building out cloud-based computer networks to support our previously announced NG-911 contract wins for the states of Pennsylvania, South Carolina and Arizona. We expect capital investments for these and other initiatives to continue in fiscal 2024.

Our investment policy relating to our cash and cash equivalents is intended to minimize principal loss while at the same time maximize the income we receive without significantly increasing risk. To minimize risk, we generally invest our cash and cash equivalents in money market mutual funds (both government and commercial), certificates of deposit, bank deposits and U.S. Treasury securities. Many of our money market mutual funds invest in direct obligations of the U.S. government, bank securities guaranteed by the Federal Deposit Insurance Corporation, certificates of deposit and commercial paper and other securities issued by other companies. While we cannot predict future market conditions or market liquidity, we believe our investment policies are appropriate in the current environment. Ultimately, the availability of our cash and cash equivalents is dependent on a well-functioning liquid market.

On July 13, 2022, we filed a \$200.0 million shelf registration statement with the SEC for the sale of various types of securities, including debt securities. This shelf registration statement was declared effective by the SEC as of July 25, 2022 and expires on July 25, 2025.

On September 29, 2020, our Board of Directors authorized a \$100.0 million stock repurchase program, which replaced our prior program. The \$100.0 million stock repurchase program has no time restrictions and repurchases may be made from time to time in open-market or privately negotiated transactions, or by other means in accordance with federal securities laws. There were no repurchases of our common stock during the three months ended October 31, 2023 and 2022.

During the third quarter of fiscal 2023, the Board, together with management, adjusted the Company's capital allocation plans and determined to forgo a common stock dividend, thereby increasing our financial flexibility. Future common stock dividends, if any, remain subject to compliance with financial covenants under our Credit Facility, as well as Board approval and certain voting rights of holders of our Series A Convertible Preferred Stock.

Credit Facility

On October 31, 2018, we entered into a First Amended and Restated Credit Agreement (the "Credit Facility") with a syndicate of lenders. On November 30, 2022, we refinanced the amount outstanding under the Credit Facility by entering into a Second Amended and Restated Credit Agreement (also referred to herein as the "Credit Facility") with the existing lenders. On November 7, 2023, we entered into a Third Amended and Restated Credit Agreement (also referred to herein as the "Amended Credit Facility") with our existing lenders in connection with the sale of our Power Systems Technology product line to Stellant Systems, Inc. See "*Notes to Condensed Consolidated Financial Statements – Note (10) – Credit Facility*" for further information. Capitalized terms used but not defined herein have the meanings set forth for such terms in the Credit Facility, which have been documented and filed with the SEC.

As of October 31, 2023, the amount outstanding under our Credit Facility was \$184.0 million, comprised of \$136.5 million under the Revolving Loan Facility and \$47.5 million under the Term Loan. At October 31, 2023, we had \$0.6 million of standby letters of credit outstanding under our Credit Facility related to our guarantees of future performance on certain customer contracts and no outstanding commercial letters of credit. During the three months ended October 31, 2023, we had outstanding balances under the Credit Facility ranging from \$165.0 million to \$184.6 million.

As of October 31, 2023, our Secured Leverage Ratio was 3.53x trailing twelve months ("TTM") Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") compared to the maximum allowable Secured Leverage Ratio of 3.75x TTM Adjusted EBITDA. Our Interest Expense Coverage Ratio as of October 31, 2023 was 3.37x TTM Adjusted EBITDA compared to the Minimum Interest Expense Coverage Ratio of 3.25x TTM Adjusted EBITDA. Our Minimum Liquidity was \$29.2 million compared to the Minimum Liquidity requirement of \$25.0 million.

Our ability to meet our current obligations as they come due may be impacted by our ability to remain compliant with the financial covenants under the Credit Facility or to obtain waivers or amendments that impact the related financial covenants. If we are unable to satisfy certain covenants and not able to obtain waivers or amendments, such event would constitute an Event of Default and could cause an immediate acceleration and repayment of all outstanding principal, interest and fees due under the Credit Facility. If there is an Event of Default, there can be no assurances that we will be able to continue as a going concern, which could force us to delay, reduce or discontinue certain aspects of our business strategy. Additionally, our ability to meet future anticipated liquidity needs will largely depend on our ability to generate positive cash inflows from operations, as well as refinance our Credit Facility, and/or secure other sources of outside capital.

Based on our current business plans, including projected capital expenditures, we do not believe our current level of cash and cash equivalents or liquidity expected to be generated from future cash flows will be sufficient to fund our operations over the next twelve months and repay current obligations under the Credit Facility. Although we are actively pursuing strategies to mitigate these conditions and events and alleviate such substantial doubt about our ability to continue as a going concern, there can be no assurance that our plans will be successful.

Convertible Preferred Stock

As discussed further in "Notes to Condensed Consolidated Financial Statements - Note (17) - Convertible Preferred Stock," on October 18, 2021, we entered into a Subscription Agreement (the "Subscription Agreement") with certain affiliates and related funds of White Hat Capital Partners LP and Magnetar Capital LLC (collectively, the "Investors"), relating to the issuance and sale of up to 125,000 shares of a new series of the Company's Series A Convertible Preferred Stock, par value \$0.10 per share (the "Convertible Preferred Stock"), for an aggregate purchase price of up to \$125.0 million, or \$1,000 per share. On October 19, 2021 (the "Initial Closing Date"), pursuant to the terms of the Subscription Agreement, the Investors purchased an aggregate of 100,000 shares of Convertible Preferred Stock (the "Initial Issuance") for an aggregate purchase price of \$100.0 million.

Commitments

In the normal course of business, other than as discussed below, we routinely enter into binding and non-binding purchase obligations primarily covering anticipated purchases of inventory and equipment. We do not expect that these commitments, as of October 31, 2023, will materially adversely affect our liquidity. At October 31, 2023, cash payments due under contractual obligations (including estimated interest expense on our Credit Facility), excluding purchase orders that we entered into in our normal course of business, are as follows:

	Total	Due Within 1 Year
Credit Facility - principal payments	\$ 184,000	184,000
Credit Facility - interest payments	17,061	17,061
Operating lease obligations	48,463	8,669
Contractual cash obligations	<u>\$ 249,524</u>	<u>209,730</u>

The commitments under our Credit Facility are described in detail above.

As discussed in "Notes to Condensed Consolidated Financial Statements - Note (17) - Convertible Preferred Stock," the holders of the Convertible Preferred Stock have the option to redeem such shares for cash commencing in October 2026. As the Convertible Preferred Stock are not mandatorily redeemable for cash, the redemption value of such shares are not presented in the table above.

In the ordinary course of business, we include indemnification provisions in certain of our customer contracts. Pursuant to these agreements, we have agreed to indemnify, hold harmless and reimburse the indemnified party for certain losses suffered or incurred by the indemnified party, including but not limited to losses related to third-party intellectual property claims. It is not possible to determine the maximum potential amount under these agreements due to a history of nominal claims and the unique facts and circumstances involved in each particular agreement.

As discussed further in "Notes to Condensed Consolidated Financial Statements - Note (19) - Legal Proceedings and Other Matters," we are subject to a number of indemnification demands and we are incurring ongoing legal expenses in connection with these matters. Our insurance policies may not cover the cost of defending indemnification claims or providing indemnification. As a result, pending or future claims asserted against us by a party that we may agree or have agreed to indemnify could result in legal costs and damages that could have a material adverse effect on our consolidated results of operations and financial condition.

We entered into legacy change of control agreements prior to 2022 with certain of our executive officers and certain key employees. All of these agreements may require payments by us, in certain circumstances, including, but not limited to, a change in control of the Company or termination of the employee.

Our Condensed Consolidated Balance Sheet at October 31, 2023 includes total liabilities of \$9.3 million for uncertain tax positions, including interest, any or all of which may result in a cash payment. The future payments related to uncertain tax positions have not been presented in the table above due to the uncertainty of the amounts and timing of any potential cash settlement with the taxing authorities.

RECENT ACCOUNTING PRONOUNCEMENTS

We are required to prepare our condensed consolidated financial statements in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") which is the source for all authoritative U.S. generally accepted accounting principles, which is commonly referred to as "GAAP." The FASB ASC is subject to updates by the FASB, which are known as Accounting Standards Updates ("ASUs").

As further discussed in *"Notes to Condensed Consolidated Financial Statements – Note (3) - Adoption of Accounting Standards and Updates,"* ASUs issued, but not effective until after October 31, 2023, are not expected to have a material impact on our condensed consolidated financial statements or disclosures.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our earnings and cash flows are subject to fluctuations due to changes in interest rates primarily from borrowings under our Credit Facility. Based on the amount of outstanding debt under our Credit Facility, a hypothetical change in interest rates by 10% would change interest expense by approximately \$1.7 million over a one-year period. Although we do not currently use interest rate derivative instruments to manage exposure to interest rate changes, we may choose to do so in the future in connection with our Credit Facility.

Our earnings and cash flows are also subject to fluctuations due to changes in interest rates on our investment of available cash balances. As of October 31, 2023, we had cash and cash equivalents of \$18.1 million, which consisted of cash and highly-liquid money market deposit accounts. Many of these investments are subject to fluctuations in interest rates, which could impact our results. Based on our investment portfolio balance as of October 31, 2023, a hypothetical change in interest rates of 10% would have a nominal impact on interest income over a one-year period. Ultimately, the availability of our cash and cash equivalents is dependent on a well-functioning liquid market.

Item 4. Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934), was carried out by us under the supervision and with the participation of our management, including our President and Chief Executive Officer and Chief Financial Officer. Based on that evaluation, our President and Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by the report to provide reasonable assurance that the information required to be disclosed by us in reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and is accumulated and communicated to management, as appropriate, to allow timely decisions regarding required disclosure. A system of controls, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the system of controls are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

There have been no changes in our internal control over financial reporting during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

The certifications of our President and Chief Executive Officer and Chief Financial Officer, that are Exhibits 31.1 and 31.2, respectively, should be read in conjunction with the foregoing information for a more complete understanding of the references in those Exhibits to disclosure controls and procedures and internal control over financial reporting.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings

See "Notes to Condensed Consolidated Financial Statements – Note (19) – Legal Proceedings and Other Matters" of this Form 10-Q for information regarding legal proceedings and other matters.

Item 1A. Risk Factors

Our current cash and liquidity projections raise substantial doubt about our ability to continue as a going concern.

As discussed in "Notes to Condensed Consolidated Financial Statements – Note (1) – General," and in "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources," we have evaluated whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about our ability to continue as a going concern over the next twelve months. Based on our current business plans, including projected capital expenditures, we do not believe our current level of cash and cash equivalents or liquidity expected to be generated from future cash flows will be sufficient to fund our operations over the next twelve months and repay current obligations under the Credit Facility, raising substantial doubt about the Company's ability to continue as a going concern as of the date of this Quarterly Report on Form 10-Q. Although we are actively pursuing strategies to mitigate these conditions and events and alleviate such substantial doubt about our ability to continue as a going concern, there can be no assurance that our plans will be successful.

Our ability to meet our current obligations as they come due may be impacted by our ability to remain compliant with the financial covenants under our Credit Facility or to obtain waivers or amendments that impact the related financial covenants. If we are unable to satisfy certain covenants and not able to obtain waivers or amendments, such event would constitute an Event of Default (as such term is defined under the Credit Facility) and could cause an immediate acceleration and repayment of all outstanding principal, interest and fees due under the Credit Facility. If there is an Event of Default, there can be no assurances that we will be able to continue as a going concern, which could force us to delay, reduce or discontinue certain aspects of our business strategy. Additionally, our ability to meet future anticipated liquidity needs will largely depend on our ability to generate positive cash inflows from operations, as well as refinance our Credit Facility, and/or secure other sources of outside capital.

Our ability to generate cash in the future or have sufficient access to credit from financial institutions and/or financing from public and/or private debt and equity markets on acceptable terms, or at all, (i) is subject to (a) general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control and (b) a majority vote consent right of the holders of the Convertible Preferred Stock (as discussed further in Note (17) – "Convertible Preferred Stock"), and (ii) could (x) dilute the ownership interest of our stockholders, (y) include terms that adversely affect the rights of our common stockholders, or (z) restrict our ability to take specific actions such as incurring additional debt, making acquisitions or capital expenditures or declaring dividends. Also, our transition to sustained profitability is dependent upon the successful completion of our ongoing One Comtech transformation and integration of individual businesses into two segments and related restructuring activities to optimize our cost structure.

If we are unable to obtain sufficient, timely financial resources, our business, financial condition and results of operations could be materially and adversely affected and we may be forced to terminate, significantly curtail or cease our operations or to pursue other strategic alternatives, including commencing a case under the U.S. Bankruptcy Code.

In addition, the perception that we may not be able to continue as a going concern may cause customers, vendors and others to review and alter their business relationships and terms with us, and may affect our credit rating. If we seek additional financing to fund operations and there remains substantial doubt about our ability to continue as a going concern, financing sources may be unwilling to provide such funding to us on commercially reasonable terms, or at all. Uncertainty regarding our ability to continue as a going concern could also have a material and adverse impact on the price of our common stock, which could negatively impact our ability to obtain additional stock-based financing or enter into strategic transactions.

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

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Securities Trading Plans of Directors and Officers

During the three months ended October 31, 2023, none of our directors or officers adopted or terminated a Rule 10b5-1 trading plan or adopted or terminated a non-Rule 10b5-1 trading arrangement (as each term is defined in Item 408(a) of Regulation S-K).

Item 6. Exhibits

[Exhibit 3.1 - Comtech Telecommunications Corp. Second Amended and Restated Certificate of Designations Series A Convertible Preferred Stock, dated as of November 7, 2023 \(incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated November 7, 2023\)](#)

[Exhibit 10.1 - Third Amended and Restated Credit Agreement, dated as of November 7, 2023, among Comtech Telecommunications Corp., the lenders party thereto and Citibank N.A., as administrative agent, issuing bank and swingline lender](#)

[Exhibit 31.1 - Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)

[Exhibit 31.2 - Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)

[Exhibit 32.1 - Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

[Exhibit 32.2 - Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

Exhibit 101.INS - The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended October 31, 2023, formatted in inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Convertible Preferred Stock and Stockholders' Equity, (iv) Condensed Consolidated Statement of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements

Exhibit 101.SCH - Inline XBRL Taxonomy Extension Schema Document

Exhibit 101.CAL - Inline XBRL Taxonomy Extension Calculation Linkbase Document

Exhibit 101.LAB - Inline XBRL Taxonomy Extension Labels Linkbase Document

Exhibit 101.PRE - Inline XBRL Taxonomy Extension Presentation Linkbase Document

Exhibit 101.DEF - Inline XBRL Taxonomy Extension Definition Linkbase Document

Exhibit 104 - Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101)

SIGNATURES

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

COMTECH TELECOMMUNICATIONS CORP.
(Registrant)

Date: December 7, 2023
(Date)

By: /s/ Ken Peterman
Ken Peterman
Chairman of the Board
President and Chief Executive Officer
(Principal Executive Officer)

Date: December 7, 2023
(Date)

By: /s/ Michael A. Bondi
Michael A. Bondi
Chief Financial Officer
(Principal Financial and Accounting Officer)

THIRD AMENDED AND RESTATED CREDIT AGREEMENT

dated as of

November 7, 2023,

among

COMTECH TELECOMMUNICATIONS CORP.,

as Borrower,

The Lenders Party Hereto,

and

CITIBANK, N.A.,
as Administrative Agent and Issuing Bank

CITIBANK, N.A.,
MANUFACTURERS AND TRADERS TRUST COMPANY,
BMO HARRIS BANK, N.A. AND
SANTANDER BANK, N.A.,
as Joint Lead Arrangers,

CITIBANK, N.A.
and
MANUFACTURERS AND TRADERS TRUST COMPANY,
as Joint Bookrunners,
and

MANUFACTURERS AND TRADERS TRUST COMPANY,
as Syndication Agent and Documentation Agent

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THIRD AMENDED AND RESTATED CREDIT AGREEMENT
dated as of November 7, 2023 (this “Agreement”), among COMTECH
TELECOMMUNICATIONS CORP., a Delaware corporation (the
“Borrower”), the LENDERS party hereto and CITIBANK, N.A., as
Administrative Agent and Issuing Bank.

The Borrower, Citibank, N.A., as administrative agent, issuing bank and swingline lender, and certain other parties thereto entered into that certain Second Amended and Restated Credit Agreement dated as of November 30, 2022 (the “Existing Credit Agreement”), which amended and restated that certain First Amended and Restated Credit Agreement dated as of October 31, 2018 (as amended by that certain First Amendment dated as of December 6, 2018, that certain Second Amendment dated as of January 14, 2021 and that certain Third Amendment dated as of July 30, 2021), which amended and restated that certain Credit Agreement dated as of February 23, 2016 (as amended by that certain First Amendment dated as of June 6, 2017 and that certain Consent and Waiver to Credit Agreement dated as of September 5, 2017, the “Original Credit Agreement”), pursuant to which the lenders thereunder extended credit in the form of revolving commitments in an aggregate principal amount of \$300,000,000.

The Borrower has requested that the Lenders party hereto agree to further amend and restate the Existing Credit Agreement in its entirety in the form hereof to (i) increase certain Applicable Rates on a certain date, (ii) reduce the Revolving Commitments on certain specified dates, (iii) increase the amortization of the Term Loans on certain specified dates and (iv) make certain other changes, in each case as more fully set forth herein.

It is the intent of the parties hereto that the terms of this Agreement and the Third Amendment and Restatement Agreement shall not constitute a novation of the obligations and liabilities of the parties under the Existing Credit Agreement. It is further the intent of the Loan Parties to confirm that all Obligations of the Loan Parties under the Loan Documents, as amended hereby and by the Third Amendment and Restatement Agreement, shall continue in full force and effect. Each of the Lenders party hereto has consented to and approved this Agreement by executing the Third Amendment and Restatement Agreement and is willing to extend credit to the Borrower, and the Issuing Bank is willing to issue Letters of Credit for the account of the Borrower and each Subsidiary Loan Party, on the terms and subject to the conditions set forth herein.

Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

Section 1.01. Defined Terms. As used in this Agreement (including in the introductory paragraphs hereto), the following terms have the meanings specified below:

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

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

“Adjusted Term SOFR” means, for purposes of any calculation, the rate per annum equal to (a) Term SOFR for such calculation plus (b) the Term SOFR Adjustment; provided that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

“Administrative Agent” means Citibank, N.A., in its capacity as administrative agent hereunder and under the other Loan Documents, and its successors in such capacity as provided in Article VIII.

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

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified; provided, however, that for purposes of Section 6.09, the term “Affiliate” shall also include any person that directly, or indirectly through one or more intermediaries, owns 20% or more of any class of Equity Interests of the Person specified or that is an officer or director of the Person specified.

“Affiliate Transaction” has the meaning assigned to such term in Section 6.09.

“Aggregate Revolving Commitment” means, at any time, the sum of the Revolving Commitments of all the Revolving Lenders at such time.

“Aggregate Revolving Exposure” means, at any time, the sum of the Revolving Exposures of all the Revolving Lenders at such time.

“Agreement” has the meaning assigned to such term in the introductory statement to this Third Amended and Restated Credit Agreement.

“Alternate Base Rate” means, for any day, a rate per annum equal to the highest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 0.50% and (c) Adjusted Term SOFR for a one-month tenor in effect on such day plus 1.00%. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or Adjusted Term SOFR shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or Adjusted Term SOFR, respectively. Notwithstanding the foregoing, in no event shall the Alternate Base Rate at any time be less than 1.00% per annum.

“Anti-Corruption Laws” means the FCPA and all other laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery, corruption or money laundering.

“Applicable Percentage” means, at any time with respect to any Revolving Lender, the percentage of the Aggregate Revolving Commitment represented by such Lender’s Revolving Commitment at such time. If the Revolving Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Revolving Commitments most recently in effect, giving effect to any assignments of Revolving Loans and LC Exposures that occur after such termination or expiration.

“Applicable Rate” means, with respect to any Loan that is a Term Loan or a Revolving Loan, or with respect to the commitment fees payable hereunder, (i) with respect to any day prior to the Trigger Date, the applicable rate per annum set forth below in the table captioned “Prior to Trigger Date” and (ii) with respect to any day on or after the Trigger Date, the applicable rate per annum set forth below in the table captioned “On and After Trigger Date,” in each case under the caption “ABR Spread”, “SOFR Spread” or “Commitment Fee Rate”, as applicable, based upon the Leverage Ratio as of the end of the fiscal quarter of the Borrower for which consolidated financial statements have heretofore been most recently delivered pursuant to Section 5.01(a) or 5.01(b); provided that until the delivery to the Administrative Agent pursuant to Section 5.01(a) or 5.01(b) as of and for the first fiscal quarter of the Borrower ending after the Third A&R Effective Date, the Applicable Rate shall be the applicable rate per annum set forth below in Category 1:

<u>Prior to Trigger Date</u>			
<u>Leverage Ratio:</u>	<u>ABR Spread</u>	<u>SOFR Spread</u>	<u>Commitment Fee Rate</u>
<u>Category 1</u> ≥ 3.50 to 1.00	2.250%	3.750%	0.500%
<u>Category 2</u> < 3.50 to 1.00 but ≥ 3.00 to 1.00	2.000%	3.250%	0.450%
<u>Category 3</u> < 3.00 to 1.00 but ≥ 2.50 to 1.00	1.750%	2.750%	0.350%
<u>Category 4</u> < 2.50 to 1.00 but ≥ 2.00 to 1.00	1.500%	2.500%	0.300%
<u>Category 5</u> < 2.00 to 1.00 but ≥ 1.50 to 1.00	1.000%	2.000%	0.250%
<u>Category 6</u> < 1.50 to 1.00	0.750%	1.750%	0.250%

<u>On and After Trigger Date</u>			
<u>Leverage Ratio:</u>	<u>ABR Spread</u>	<u>SOFR Spread</u>	<u>Commitment Fee Rate</u>
<u>Category 1</u> ≥ 3.50 to 1.00	2.500%	4.000%	0.500%
<u>Category 2</u> < 3.50 to 1.00 but ≥ 3.00 to 1.00	2.250%	3.500%	0.450%
<u>Category 3</u> < 3.00 to 1.00 but ≥ 2.50 to 1.00	2.000%	3.000%	0.350%
<u>Category 4</u> < 2.50 to 1.00 but ≥ 2.00 to 1.00	1.750%	2.750%	0.300%
<u>Category 5</u> < 2.00 to 1.00 but ≥ 1.50 to 1.00	1.250%	2.250%	0.250%
<u>Category 6</u> < 1.50 to 1.00	1.000%	2.000%	0.250%

For purposes of the foregoing, each change in the Applicable Rate resulting from a change in the Leverage Ratio shall be effective during the period commencing on and including the date of delivery to the Administrative Agent of the consolidated financial statements pursuant to Section 5.01(a) or 5.01(b) and the accompanying certificate of a Financial Officer pursuant to Section 5.01(c) indicating such change and ending on the date immediately preceding the effective date of the next such change; provided that the Leverage Ratio shall be deemed to be in Category 1 (i) at any time that an Event of Default has occurred and is continuing or (ii) at the option of the Administrative Agent or at the request of the Required Lenders if the Borrower fails to deliver the consolidated financial statements required to be delivered by it pursuant to Section 5.01(a) or 5.01(b) or the certificate of a Financial Officer required to be delivered by it pursuant to Section 5.01(c) during the period from the expiration of the time for delivery thereof until such consolidated financial statements and such certificate are delivered.

“Applicable Test Periods” means, on any date of determination, (x) prior to the delivery of the financial statements for the month ended February 29, 2024 to the Administrative Agent pursuant to Section 5.01(j), the period of four consecutive fiscal quarters of the Borrower most recently ended for which financial statements have been delivered pursuant to Section 5.01(a) or 5.01(b) and (y) from and after the delivery of the financial statements for the month

ended February 29, 2024 to the Administrative Agent pursuant to Section 5.01(j), the period of twelve consecutive calendar months of the Borrower most recently ended for which financial statements have been delivered pursuant to Section 5.01(j); provided that from and after the delivery of the financial statements for the month ended February 29, 2024 described above, ratios and other calculations under this Agreement based upon an “Applicable Test Period” will be tested against both the period determined under clause (x) above and the period determined under clause (y) above. Any calculation for an Applicable Test Period under clause (y) shall be made on the basis of the most recently delivered monthly financial statements and the relevant most recently delivered financial statements under Sections 5.01(a), 5.01(b) and 5.01(j), as applicable, by adding and subtracting periods consistent with customary practice for calculating “LTM” figures in capital markets transactions.

“Approved Fund” means any Person (other than a natural person and any holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person) that is engaged in making, purchasing, holding or investing in commercial loans and similar extensions of credit in the ordinary course of its activities and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Arrangers” means, collectively, (i) Citibank, N.A., Manufacturers and Traders Trust Company, BMO Harris Bank, N.A. and Santander Bank, N.A., each in its capacity as a joint lead arranger for the credit facilities provided for herein, and (ii) Citibank, N.A. and Manufacturers and Traders Trust Company, each in its capacity as a joint bookrunner for the credit facilities provided for herein.

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

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to Section 2.13(c)(iv).

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

“Benchmark” means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.13(c)(i).

“Benchmark Replacement” means, with respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities at such time and (b) the related Benchmark Replacement Adjustment; provided that, if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities at such time.

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event,” the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Start Date” means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

“Benchmark Unavailability Period” means, the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.13(c) and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.13(c).

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

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

otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

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

“Borrower” has the meaning assigned to such term in the preamble hereto.

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

“Borrowing Request” means a request by the Borrower for a Borrowing in accordance with Section 2.03 which shall be, in the case of a written Borrowing Request, in a form reasonably acceptable to the Administrative Agent and otherwise consistent with the requirements of Section 2.03.

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

“Capital Expenditures” means, for any period, (a) the aggregate of all expenditures for acquisition or leasing (pursuant to a capital lease) of fixed or capital assets or additions to property, plant and equipment, including replacements, capitalized repairs and other expenditures of the Borrower and the Subsidiaries that are (or should be) set forth as capital expenditures or “purchases of equipment and leasehold improvements” in a consolidated statement of cash flows of the Borrower for such period prepared in accordance with GAAP and (b) Capital Lease Obligations incurred by the Borrower and the Subsidiaries during such period, but excluding in each case any such expenditure (i) constituting reinvestment of the Net Proceeds of any event described in clause (a) or (b) of the definition of the term “Prepayment Event”, to the extent permitted by Section 2.10(c), (ii) [reserved], (iii) made by the Borrower or any Subsidiary to effect leasehold improvements to any property leased by the Borrower or such Subsidiary as lessee, to the extent that such expenses have been reimbursed by the landlord, (iv) in the form of a substantially contemporaneous exchange of similar property, plant, equipment or other capital assets, except to the extent of cash or other consideration (other than the assets so exchanged), if any, paid or payable by the Borrower or any Subsidiary and (v) made with the Net Proceeds from the issuance of Qualified Equity Interests.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP. For purposes of Section 6.02, a Capital Lease Obligation shall be deemed to be secured by a Lien on the property being leased and such property shall be deemed to be owned by the lessee.

“Cash Management Services” means any one or more of the following types of services or facilities provided to the Borrower or any Subsidiary: (i) commercial credit cards, merchant card services, purchase or debit cards, including non-card e-payables services, or electronic funds transfer services, (ii) treasury management services (including controlled

disbursements, zero balance arrangements, cash sweeps, automated clearinghouse transactions, return items, overdrafts, temporary advances, interest and fees and interstate depository network services), (iii) supply chain finance products and (iv) any other demand deposit or operating account relationships or other cash management services.

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

“CGC” means CGC Technology Limited, an entity organized under the laws of England and Wales.

“Change in Control” means:

(a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Exchange Act and the rules of the SEC thereunder) of Equity Interests representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests in the Borrower;

(b) the occupation of a majority of the seats (other than vacant seats) on the board of directors of the Borrower by Persons who were not (i) directors of the Borrower on the Effective Date, (ii) nominated (or approved for purposes of the Agreement) by the board of directors of the Borrower or (iii) appointed by directors who were directors of the Borrower on the Effective Date or were so nominated or approved as provided in subclause (ii) of this clause (b); or

(c) the occurrence of any “change in control” (or similar event, however denominated) with respect to the Borrower under and as defined in any indenture or other agreement or instrument evidencing, governing the rights of the holders of or otherwise relating to any Material Indebtedness of the Borrower or any Subsidiary or any certificate of designations (or other provision of the organizational documents of the Borrower) relating to, or any other agreement governing the rights of the holders of, any Disqualified Equity Interests.

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

“Charges” has the meaning assigned to such term in Section 9.13.

“Class” when used in reference to (a) any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans or Term Loans, (b) any Commitment, refers to whether such Commitment is a Revolving Commitment or a Term Commitment and (c) any Lender, refers to whether such Lender has a Loan or Commitment with respect to a particular Class.

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

“Collateral” means any and all assets, whether real or personal, tangible or intangible, on which Liens are purported to be granted pursuant to the Security Documents as security for the Obligations.

“Collateral Agreement” means the Guarantee and Collateral Agreement, dated as of the Effective Date, among the Borrower, the Subsidiary Loan Parties and the Administrative Agent, substantially in the form of Exhibit C, as amended by Amendment No. 1 to the Guarantee and Collateral Agreement, dated as of the Third A&R Effective Date.

“Collateral and Guarantee Requirement” means, at any time, the requirement that:

(a) the Administrative Agent shall have received from the Borrower and each Designated Subsidiary (i) either (A) a counterpart of the Collateral Agreement duly executed and delivered on behalf of such Person or (B) in the case of any Person that becomes a Designated Subsidiary after the Effective Date, a supplement to the Collateral Agreement, in the form specified therein, duly executed and delivered on behalf of such Person, together, to the extent reasonably requested by the Administrative Agent, with customary opinions and documents with respect to such Person, and (ii) with respect to any such Person that directly owns Equity Interests of a Foreign Subsidiary (other than Excluded Equity Interests), a counterpart of each Foreign Pledge Agreement that the Administrative Agent reasonably determines, based on the advice of counsel, to be necessary or advisable in connection with the pledge of, or the granting of security interests in, such Equity Interests of such Foreign Subsidiary, in each case duly executed and delivered on behalf of such Person and, to the extent required by applicable law or otherwise reasonably requested by the Administrative Agent, such Foreign Subsidiary;

(b) (i) all outstanding Equity Interests of each Subsidiary (other than Excluded Equity Interests) and all other Equity Interests (other than Excluded Equity Interests), in each case owned by or on behalf of any Loan Party, shall have been pledged pursuant to the Collateral Agreement or a Foreign Pledge Agreement and (ii) the Administrative Agent shall, to the extent required by the Collateral Agreement, have received certificates or other instruments representing all such Equity Interests, together with undated stock powers or other instruments of transfer with respect thereto endorsed in blank;

(c) all Indebtedness of the Borrower and each Subsidiary, and all other Indebtedness for borrowed money of any Person, in a principal amount of \$3,000,000 or more, in each case that is owing to any Loan Party shall be evidenced by a promissory note and shall have been pledged pursuant to the Collateral Agreement, and the Administrative Agent shall have received all such promissory notes, together with undated instruments of transfer with respect thereto endorsed in blank; provided, however, that the foregoing delivery requirement with respect to any intercompany indebtedness may be satisfied by delivery of an omnibus or global intercompany note executed by all Loan Parties as payees and all such obligors as payors;

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

(e) the Administrative Agent shall have received (i) counterparts of a Mortgage with respect to each Mortgaged Property duly executed and delivered by the record owner of such Mortgaged Property, (ii) a policy or policies of title insurance issued by a nationally recognized title insurance company insuring the Lien of each such Mortgage as a valid and enforceable first Lien on the Mortgaged Property described therein, free of any other Liens except as expressly permitted by Section 6.02, together with such endorsements, coinsurance and reinsurance as the Administrative Agent may reasonably request, (iii) if any Mortgaged Property is located in an area determined by the Federal Emergency Management Agency to have special flood hazards, evidence of such flood insurance as may be required under applicable law, including Regulation H of the Board of Governors, and (iv) such surveys, legal opinions and other documents as the Administrative Agent may reasonably request with respect to any such Mortgage or Mortgaged Property;

(f) (i) prior to the Trigger Date, the Administrative Agent shall have received a counterpart, duly executed and delivered by the applicable Loan Party and the applicable depositary bank or securities intermediary, as applicable, of a Control Agreement with respect to each deposit account maintained by any Loan Party with any depositary bank and each securities account maintained by any Loan Party with any securities intermediary (other than (A) any deposit account the funds in which are used solely for the payment of salaries and wages, workers' compensation and similar expenses, (B) any fiduciary or trust account, together with the funds or other property held in or maintained in any such account, (C) deposit accounts the daily balance in which does not at any time exceed \$1,000,000 for any such account or \$2,000,000 for all such accounts, (D) any deposit account that is a zero balance disbursement account, (E) any deposit or securities account the funds in which consist solely of (1) funds held by any Loan Party in trust for any director, officer or employee of any Loan Party or (2) funds or securities entitlements representing deferred compensation for the directors and employees of any Loan Party, (F) any deposit account or securities account that is located outside the United States (excluding any territory thereof) and (G) any deposit account or securities account established for the sole purpose of holding cash that serves solely as collateral or security under any letter of credit or other obligation, in each case only so long as the Lien created thereby and such letter of credit or other obligation is permitted under this Agreement) and (ii) on and after the Trigger Date, the Administrative Agent shall have received (A) for any deposit or security accounts located in the United States or Canada, a counterpart, duly executed and delivered by the applicable Loan Party and the applicable depositary bank or securities intermediary, as applicable, of a Control Agreement or (B) for any deposit or security accounts located in the United Kingdom, a perfected security interest over such accounts, in each case, with respect to each deposit account maintained by any Loan Party with any depositary bank and each securities account maintained by any Loan Party with any securities intermediary (other than (A) any deposit account the funds in which are used solely for the payment of salaries and wages, workers' compensation and similar expenses, (B) any fiduciary or trust account, together with the funds or other property held in or maintained in any such account, (C) any deposit account that is a zero balance disbursement account, (D) any deposit or securities account the funds in which consist solely of (1) funds held by any Loan Party in trust for any director, officer or employee of any Loan Party or (2) funds or securities entitlements representing deferred compensation for the directors and employees of any Loan Party and (E) any deposit or securities account that is located outside the United States (excluding any territory thereof), the United Kingdom and Canada); and

(g) each Loan Party shall use its commercially reasonable efforts to obtain (i) all landlord, warehouseman, bailee and processor acknowledgments required to be obtained by it pursuant to the Collateral Agreement and (ii) all consents and approvals required to

be obtained by it in connection with the execution and delivery of all Security Documents to which it is a party, the performance of its obligations thereunder and the granting by it of the Liens thereunder.

Notwithstanding the provisions or anything in this Agreement or any other Loan Document to the contrary, the foregoing provisions of this definition shall not require the creation or perfection of pledges of or security interests in, or the obtaining of title insurance, legal opinions or other deliverables with respect to, particular assets of the Loan Parties, or the provision of Guarantees by any Designated Subsidiary, if and for so long as the Administrative Agent, in consultation with the Borrower, reasonably determines that the cost of creating or perfecting such pledges or security interests in such assets, or obtaining such title insurance, legal opinions or other deliverables in respect of such assets, or providing such Guarantees, shall be excessive in view of the benefits to be obtained by the Lenders therefrom. The Administrative Agent may grant extensions of time for the creation and perfection of security interests in or the obtaining of title insurance, legal opinions or other deliverables with respect to particular assets or the provision of Guarantees by any Subsidiary (including extensions in connection with assets acquired, or Subsidiaries formed or acquired, after the Third A&R Effective Date) where it determines that such perfection or obtaining of title insurance or legal opinions cannot be accomplished without undue effort or expense by the time or times at which it would otherwise be required by this Agreement or the Security Documents.

“Commitment” means with respect to any Lender, such Lender’s Revolving Commitment or Term Commitment or any combination thereof (as the context requires).

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

“Communications” means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to this Agreement or any other Loan Document or the transactions contemplated herein or therein that is distributed to the Administrative Agent, any Lender or any Issuing Bank by means of electronic communications pursuant to Section 9.01, including through the Platform.

“Comtech UK Holdings” means Comtech UK Holdings Limited, an entity organized under the laws of England and Wales.

“Conforming Changes” means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Alternate Base Rate,” the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “Interest Period” or any similar or analogous definition (or the addition of a concept of “interest period”), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 2.15 and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and 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 any such rate 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).

“Consolidated EBITDA” means for any period, Consolidated Net Income for such period plus (a) without duplication and to the extent deducted in determining such Consolidated Net Income, the sum of (i) consolidated interest expense for such period, (ii) consolidated income tax expense for such period, (iii) all amounts attributable to depreciation and amortization for such period (excluding amortization expense attributable to a prepaid cash item that was paid in a prior period), (iv) non-recurring losses, costs, fees and expenses (including, without limitation, legal fees and expenses of counsel (including local counsel) for the Administrative Agent which the Borrower has received an invoice at least one (1) day prior to the Third A&R Effective Date) and other compensation contemplated by the Fee Letter and payable to the Administrative Agent or the Lenders incurred during such period in connection with the Transactions, (v) non-recurring fees and expenses incurred during such period in connection with any proposed or actual issuance of any Indebtedness (or any amendment thereto) or Equity Interests, or any proposed or actual acquisitions, investments, asset sales or divestitures permitted hereunder, whether or not consummated (in each case other than in connection with the Transactions), in an aggregate amount not to exceed, for any period, 20% of Consolidated EBITDA for such period (determined prior to giving effect to this subclause (v)), (vi) non-cash expenses during such period resulting from the grant of stock options or other equity-related incentives to any director, officer or employee of the Borrower or any Subsidiary pursuant to a written plan or agreement approved by the board of directors of the Borrower, (vii) non-cash exchange, translation or performance losses during such period relating to any foreign currency hedging transactions or currency fluctuations, (viii) any losses during such period attributable to early extinguishment of Indebtedness or obligations under any Hedging Agreement, (ix) any expense during such period relating to defined benefits pension or post-retirement benefit plans, (x) any losses during such period resulting from the sale or disposition of any asset of the Borrower or any Subsidiary outside the ordinary course of business, (xi) any extraordinary losses during such period, (xii) non-recurring restructuring related costs, charges, fees and expenses and any litigation settlements or losses outside the ordinary course of business, in an aggregate amount not to exceed, for any period, 20% of Consolidated EBITDA for such period (determined prior to giving effect to this subclause (xii)) and (xiii) the cumulative effect of a change in accounting principles; provided that (1) any cash payment made with respect to any noncash items added back in computing Consolidated EBITDA for any prior period pursuant to this clause (a) (or that would have been added back had this Agreement been in effect during such period) shall be subtracted in computing Consolidated EBITDA for the period in which such cash payment is made and (2) any amounts added back pursuant to subclauses (v) and (xii) of this clause (a) during any period shall not, in the aggregate, exceed 25% of Consolidated EBITDA for such period (determined prior to giving effect to subclauses (v) and (xii) of this clause (a)), and minus (b) without duplication and (except in the case of subclause (vii) of this clause (b)) to the extent included in determining such Consolidated Net Income, the sum of (i) any extraordinary gains for such period, (ii) any non-cash gains for such period (other than any such non-cash gains (A) in respect of which cash was received in a prior period or will be received in a future period and (B) that represent the reversal of any accrual in a prior period for, or the reversal of any cash reserves established in a prior period for, anticipated cash charges, in each case solely to the extent such accrual or cash reserves actually lowered Consolidated EBITDA in the applicable prior period), (iii) non-cash exchange, translation or performance gains relating to any foreign currency hedging transactions or currency fluctuations, (iv) any income relating to defined benefits pension or post-retirement benefit plans, (v) all gains during such period resulting from the sale or disposition of any asset of the Borrower or any Subsidiary outside the ordinary course of business, (vi) any gains attributable to early extinguishment of Indebtedness or obligations under any Hedging Agreement, (vii) any amounts contributed by the Borrower or any Subsidiary in cash to any defined benefits pension or post-retirement benefit plans during such period and (viii) the cumulative effect of a change in accounting principles, all determined on a consolidated basis in accordance with GAAP. In the event any Subsidiary shall be a Subsidiary that is not wholly owned by the Borrower, all amounts added back in computing Consolidated EBITDA for any period pursuant to clause (a) above, and all amounts subtracted in

computing Consolidated EBITDA pursuant to clause (b) above, to the extent such amounts are, in the reasonable judgment of a Financial Officer, attributable to such Subsidiary, shall be reduced by the portion thereof that is attributable to the non-controlling interest in such Subsidiary.

“Consolidated Interest Expense” means, for any period, the excess of (a) the sum of, without duplication, (i) the interest expense (including imputed interest expense in respect of Capital Lease Obligations) of the Borrower and the Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP, (ii) any interest or other financing costs accrued during such period in respect of Indebtedness of the Borrower or any Subsidiary that is required to be capitalized rather than included in consolidated interest expense of the Borrower for such period in accordance with GAAP, (iii) any cash payments made during such period in respect of obligations referred to in clause (b)(ii) below that were amortized or accrued in a previous period and (iv) all cash dividends paid or payable during such period in respect of Disqualified Equity Interests of the Borrower; provided that such dividends shall be multiplied by a fraction the numerator of which is one and the denominator of which is one minus the effective combined tax rate of the Borrower (expressed as a decimal) for such period (as estimated by a Financial Officer in good faith) minus (b) the sum of, without duplication, (i) to the extent included in such consolidated interest expense for such period, non-cash amounts attributable to amortization or write-off of capitalized interest or other financing costs paid in a previous period and (ii) to the extent included in such consolidated interest expense for such period, non-cash amounts attributable to amortization of debt discounts or accrued interest payable in kind for such period.

“Consolidated Net Income” means, for any period, the net income or loss of the Borrower and the Subsidiaries for such period determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income of any Person (other than the Borrower) that is not a consolidated Subsidiary, except to the extent of the amount of cash dividends or other cash distributions actually paid by such Person to the Borrower or, subject to clauses (b) and (c) of this proviso, any consolidated Subsidiary during such period, (b) the income of, and any amounts referred to in clause (a) of this proviso paid to, any Subsidiary to the extent that, on the date of determination, the declaration or payment of cash dividends or other cash distributions by such Subsidiary of that income is not at the time permitted by a Requirement of Law or any agreement or instrument applicable to such Subsidiary, unless such restrictions with respect to the payment of cash dividends and other similar cash distributions have been legally and effectively waived and (c) the income or loss of, and any amounts referred to in clause (a) of this proviso paid to, any consolidated Subsidiary that is not wholly owned by the Borrower to the extent such income or loss or such amounts are attributable to the non-controlling interest in such consolidated Subsidiary.

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

“Control Agreement” means, with respect to any deposit account or securities account maintained by any Loan Party, a control agreement in form and substance reasonably satisfactory to the Administrative Agent, duly executed and delivered by such Loan Party and the depository bank or the securities intermediary, as applicable, with which such account is maintained.

“Covered Entity” means any of the following:

- (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Covered Party” has the meaning assigned to such term in Section 9.20.

“Credit Party” means the Administrative Agent, each Issuing Bank and each other Lender.

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

“Defaulting Lender” means any Revolving Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Revolving Lender notifies the Administrative Agent in writing that such failure is the result of such Revolving Lender’s good faith determination that a condition precedent to funding (specifically identified in such writing, including, if applicable, by reference to a specific Default) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Revolving Lender’s good faith determination that a condition precedent to funding (specifically identified in such writing, including, if applicable, by reference to a specific Default) cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by a Credit Party, made in good faith, to provide a certification in writing from an authorized officer of such Revolving 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; provided that such Revolving Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party’s receipt of such certification in form and substance satisfactory to it and the Administrative Agent, (d) has, or has a direct or indirect parent company that has, become the subject of a Bankruptcy Event or (e) has, or has a direct or indirect parent company that has, become the subject of a Bail-In Action. Any determination by the Administrative Agent that a Revolving Lender is a Defaulting Lender under any one or more of clauses (a) through (e) above shall be conclusive and binding absent manifest error, and such Revolving Lender shall be deemed to be a Defaulting Lender (subject to Section 2.19) upon delivery of written notice of such determination to the Borrower, each Issuing Bank and each other Lender.

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“Designated Subsidiary” means each Subsidiary other than (a) any Subsidiary that (x) is a CFC or a direct or indirect subsidiary of a CFC or (y) has no material assets other than Equity Interests in one or more Foreign Subsidiaries that are CFCs or direct or indirect subsidiaries of such CFCs, (b) a Subsidiary that is not a Material Subsidiary; provided that the term “Designated Subsidiary” shall include any Subsidiary described in clause (b) of this

definition that is designated as a “Designated Subsidiary” in accordance with Section 5.12(b), (c) any Subsidiary that is not wholly owned and is contractually prohibited by the applicable shareholder documents or otherwise from providing a Guarantee of the Obligations, (d) any Subsidiary that is a non-profit Subsidiary and (e) any Subsidiary to the extent the provision of a Guarantee of the Obligations (i) is prohibited by applicable law, regulation or any contractual obligation existing on the Effective Date (or, if later, on the date such Subsidiary is acquired (and, in each case, not established in anticipation thereof)) or (ii) would require governmental (including regulatory) consent, approval, license or authorization (unless such consent, approval, license or authorization has been received). Notwithstanding the foregoing, Comtech UK Holdings and CGC are Designated Subsidiaries.

“Disqualified Equity Interest” means any Equity Interest that (a) requires the payment of any dividends (other than dividends payable solely in shares of Qualified Equity Interests); (b) matures or is mandatorily redeemable or subject to mandatory repurchase or redemption or repurchase at the option of the holders thereof, in each case in whole or in part and whether upon the occurrence of any event, pursuant to a sinking fund obligation on a fixed date or otherwise, prior to the date that is 91 days after the Latest Maturity Date (determined as of the date of issuance thereof or, in the case of any such Equity Interests outstanding on the Third A&R Effective Date, as of the Third A&R Effective Date), other than (i) upon payment in full of the Loan Document Obligations, reduction of the LC Exposure to zero and termination of the Commitments or (ii) upon a “change in control”; provided that any payment required pursuant to this clause (ii) is contractually subordinated in right of payment to the Loan Document Obligations on terms reasonably satisfactory to the Administrative Agent and such requirement is applicable only in circumstances that are market on the date of issuance of such Equity Interests; (c) requires the maintenance or achievement of any financial performance standards other than as a condition to the taking of specific actions or provide remedies to holders thereof (other than voting and management rights and increases in pay-in-kind dividends); or (d) is convertible or exchangeable, automatically or at the option of any holder thereof, into (i) any Indebtedness (other than any Indebtedness described in clause (k) of the definition thereof) or (ii) any Equity Interests or other assets other than Qualified Equity Interests, in each case at any time prior to the date that is 91 days after the Latest Maturity Date (determined as of the date of issuance thereof or, in the case of any such Equity Interests outstanding on the Third A&R Effective Date, as of the Third A&R Effective Date); provided that an Equity Interest in any Person that is issued to any employee or to any plan for the benefit of employees or by any such plan to such employees shall not constitute a Disqualified Equity Interest solely because it may be required to be repurchased by such Person or any of its subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee’s termination, death or disability.

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

“Effective Date” means February 23, 2016.

“Eligible Assignee” means (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund and (d) subject to any consents required by Section 9.04(b), any other Person, other than, in each case, a natural person (and any holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person), a Defaulting Lender, or the Borrower, any Subsidiary or any other Affiliate of the Borrower.

“Eligible Successor Agent” means a bank or financial institution that is organized under the laws of the United States or any State or district thereof with an office in New York, New York which has a combined capital surplus of at least \$200,000,000.

“Environmental Laws” means all treaties, laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by or with any Governmental Authority, relating in any way to (a) the environment, (b) the preservation or reclamation of natural resources, (c) the generation, management, Release or threatened Release of any Hazardous Material or (d) health and safety matters.

“Environmental Liability” means any liability, obligation, loss, claim, action, order or cost, contingent or otherwise (including any liability for damages, costs of medical monitoring, costs of environmental remediation or restoration, administrative oversight costs, consultants’ fees, fines, penalties and indemnities), directly or indirectly resulting from or based upon (a) any actual or alleged violation of any Environmental Law or permit, license or approval issued thereunder, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means shares of capital stock (whether in the form of common stock, preferred stock or otherwise), partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests (whether voting or non-voting) in, or interests in the income or profits of, a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of the foregoing (other than, prior to the date of such conversion, Indebtedness that is convertible into Equity Interests).

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

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

“ERISA Event” means (a) any “reportable event”, as defined in Section 4043(c) of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived), (b) any failure by any Plan to satisfy the minimum funding standard (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Plan, whether or not waived, (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan, (d) a determination that any Plan is, or is expected to be, in “at-risk” status (as defined in Section 430(i)(4) of the Code or Section 303(i)(4) of ERISA), (e) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan, (f) the receipt by the Borrower or any of its ERISA Affiliates from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan, (g) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan, (h) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt from any Multiemployer Plan by the Borrower or any of its ERISA Affiliates of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent within the meaning of Title IV of ERISA, or in endangered or critical status, within the meaning of Section 305 of ERISA or (i) any Foreign Benefit Event.

“Erroneous Payment” has the meaning assigned to such term in Section 8.02(a).

“Erroneous Payment Deficiency Assignment” has the meaning assigned to such term in Section 8.02(d).

“Erroneous Payment Impacted Class” has the meaning assigned to such term in Section 8.02(d).

“Erroneous Payment Return Deficiency” has the meaning assigned to such term in Section 8.02(d).

“Erroneous Payment Subrogation Rights” has the meaning assigned to such term in Section 8.02(d).

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

“Excess Cash Flow” means, for any fiscal year of the Borrower, the excess of (a) the sum of (i) Consolidated EBITDA of the Borrower for such fiscal year (for the avoidance of doubt, on an actual basis, and not on a Pro Forma Basis), (ii) an amount equal to any decrease in working capital of the Borrower for such fiscal year, and (iii) the amount related to items that were deducted from or not added to net income in connection with calculating Consolidated Net Income or were deducted from or not added to Consolidated Net Income in calculating Consolidated EBITDA to the extent either (i) such items represented cash received by Borrower or any Subsidiary or (ii) such items do not represent cash paid by Borrower or any Subsidiary, in each case on a consolidated basis during such fiscal year, over (b) the sum, without duplication, of (i) consolidated interest expense for such fiscal year paid in cash, (ii) the amount of any Taxes payable in cash by the Borrower and its Subsidiaries with respect to such fiscal year, (iii) Capital Expenditures made in cash during such fiscal year (except to the extent attributable to the incurrence of Capital Lease Obligations or otherwise financed from Excluded Sources (excluding proceeds of the Revolving Loans)), (iv) any cash dividends paid by the Borrower during such fiscal year pursuant to Section 6.08(a)(iv) or 6.08(a)(viii), (v) cash consideration paid during such fiscal year by the Borrower or any of its Subsidiaries to make investments (other than in the Borrower or any Subsidiary) permitted under Section 6.04 (except to the extent financed from Excluded Sources), (vi) the aggregate principal amount of Long-Term Indebtedness repaid or prepaid by the Borrower and its Subsidiaries during such fiscal year, excluding (x) Indebtedness in respect of Revolving Loans (unless there is a corresponding reduction in the Aggregate Revolving Credit Commitment), (y) Term Loans prepaid pursuant to subsection (a) or (d) of Section 2.10 and (z) repayments or prepayments of Long-Term Indebtedness financed from Excluded Sources, (vii) prepayments of Term Loans financed from the proceeds of unsecured Indebtedness, (viii) an amount equal to any increase in working capital of the Borrower for such fiscal year and (ix) the amount related to items that were added to or not deducted from net income in calculating Consolidated Net Income or were added to or not deducted from Consolidated Net Income in calculating Consolidated EBITDA to the extent either (i) such items represented a cash payment (which had not reduced Excess Cash Flow upon the accrual thereof in a prior fiscal year), or an accrual for a cash payment, by Borrower and its Subsidiaries or (ii) such items do not represent cash received by any Borrower and its Subsidiaries, in each case on a consolidated basis during such fiscal year.

“Exchange Act” means the United States Securities Exchange Act of 1934, as amended.

“Excluded Equity Interests” has the meaning assigned to such term in the Collateral Agreement.

“Excluded Sources” means (a) proceeds of any incurrence or issuance of Long-Term Indebtedness or Capital Lease Obligations, (b) proceeds of any sale, transfer, lease or other disposition of assets made outside the ordinary course of business, (c) proceeds of any issuance or sale of Equity Interests in the Borrower or any Subsidiary (other than issuances or sales of any such Equity Interests to the Borrower or any Subsidiary) or any capital contributions to the Borrower or any Subsidiary (other than any capital contributions made by the Borrower or any Subsidiary) and (d) proceeds resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any asset of the Borrower or any Subsidiary, in each case, solely to the extent the receipt of such proceeds does not increase Consolidated EBITDA.

“Excluded Swap Guarantor” means any Subsidiary Loan Party all or a portion of whose Guarantee of, or grant of a security interest to secure, any Specified Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof).

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

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes and branch profits Taxes, in each case (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, 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 (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.18(b) or 9.02(c)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.16, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender acquired the applicable interest in a Loan or Commitment or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient’s failure to comply with Section 2.16(f) and (d) any U.S. Federal withholding Taxes imposed under FATCA.

“Existing Credit Agreement” has the meaning assigned to such term in the preamble hereto.

“Existing Letters of Credit” means each letter of credit previously issued for the account of the Borrower or any of its Subsidiaries that is (a) outstanding on the Third A&R Effective Date and (b) listed on Schedule 1.01.

“Extended Maturity LC” has the meaning assigned to such term in Section 2.04(c).

“Fair Labor Standards Act” means the Fair Labor Standards Act, 29 U.S.C. §§ 201 et seq.

“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) of the Code, any intergovernmental agreement entered into with respect thereto and any fiscal or regulatory legislation, rules, or practices adopted pursuant to or in connection with the foregoing.

“FCPA” means the United States Foreign Corrupt Practices Act of 1977, as amended.

“Federal Funds Effective Rate” means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

“Fee Letter” means that certain Administrative Agent Fee Letter, dated as of November 7, 2023 by and between the Borrower and the Administrative Agent.

“Financial Officer” means, with respect to any Person, the chief financial officer, principal accounting officer, vice president (finance), treasurer or controller of such Person.

“First Amendment” means that certain First Amendment to the Original Credit Agreement, dated as of the June 6, 2017, among, inter alia, the Borrower, the Administrative Agent and the lenders party thereto.

“First Amendment and Restatement Agreement” means that certain First Amendment and Restatement Agreement, dated as of the October 31, 2018, among, inter alia, the Borrower, the Administrative Agent, the issuing banks, the swingline lender and the other lenders party thereto.

“First Amendment to First A&R Credit Agreement” means that certain First Amendment to the First A&R Credit Agreement, dated as of December 6, 2018, among, inter alia, the Borrower, the Administrative Agent, the issuing bank, the swingline lender and the other lenders party thereto.

“First A&R Credit Agreement” means that certain First Amended and Restated Credit Agreement, dated as of the October 31, 2018, among, inter alia, the Borrower, the Administrative Agent, the issuing banks, the swingline lender and the other lenders party thereto.

“Floor” means a rate of interest equal to 0.00%.

“Foreign Benefit Event” means, with respect to any Foreign Pension Plan, (a) the existence of unfunded liabilities in excess of the amount permitted under any applicable law, or in excess of the amount that would be permitted absent a waiver from a Governmental Authority,

(b) the failure to make the required contributions or payments, under any applicable law, on or before the due date for such contributions or payments, (c) the receipt of a notice by a Governmental Authority relating to the intention to terminate any such Foreign Pension Plan or to appoint a trustee or similar official to administer any such Foreign Pension Plan, or alleging the insolvency of any such Foreign Pension Plan, (d) the incurrence of any liability in excess of \$10,000,000 by the Borrower or any Subsidiary under any applicable law on account of the complete or partial termination of such Foreign Pension Plan or the complete or partial withdrawal of any participating employer therein or (e) the occurrence of any transaction that is prohibited under any applicable law and that would reasonably be expected to result in the incurrence of any liability by the Borrower or any Subsidiary, or the imposition on the Borrower or any Subsidiary of any fine, excise tax or penalty resulting from any noncompliance with any applicable law, in each case in excess of \$10,000,000.

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

“Foreign Pension Plan” means any benefit plan that under applicable law of any jurisdiction other than the United States of America is required to be funded through a trust or other funding vehicle other than a trust or funding vehicle maintained exclusively by a Governmental Authority.

“Foreign Pledge Agreement” means a pledge or charge agreement granting a Lien on Equity Interests in a Foreign Subsidiary to secure the Obligations, governed by the law of the jurisdiction of organization of such Foreign Subsidiary and in form and substance reasonably satisfactory to the Administrative Agent.

“Foreign Subsidiary” means any Subsidiary that is organized under the laws of a jurisdiction other than the United States of America, any State thereof or the District of Columbia.

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

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether State or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supranational bodies exercising such powers or functions, such as the European Union or the European Central Bank).

“Granting Lender” has the meaning assigned to such term in Section 9.04(e).

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such

Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or other obligation; provided that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business. The amount, as of any date of determination, of any Guarantee shall be the principal amount outstanding on such date of the Indebtedness or other obligation guaranteed thereby (or, in the case of (i) any Guarantee the terms of which limit the monetary exposure of the guarantor or (ii) any Guarantee of an obligation that does not have a principal amount, the maximum monetary exposure as of such date of the guarantor under such Guarantee (as determined, in the case of clause (i), pursuant to such terms or, in the case of clause (ii), reasonably and in good faith by a Financial Officer)). The term “Guarantee” used as a verb has a corresponding meaning.

“Hazardous Materials” means all explosive, radioactive, hazardous or toxic substances, materials, wastes or other pollutants, including petroleum or petroleum by-products or distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, chlorofluorocarbons and other ozone-depleting substances or mold which are regulated pursuant to any Environmental Law.

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

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds (whether convertible or otherwise), debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person excluding trade accounts payable in the ordinary course of business, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding (i) trade accounts payable and other accrued obligations, in each case incurred in the ordinary course of business, (ii) deferred compensation payable to directors, officers or employees of the Borrower or any Subsidiary in the form of Qualified Equity Interests and (iii) any purchase price adjustment or earn out incurred in connection with an acquisition except to the extent such amount is or becomes a liability on the balance sheet in accordance with GAAP), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed by such Person (but only to the extent of the lesser of (x) the amount of such Indebtedness and (y) the fair market value of such property if such Indebtedness has not been assumed by such Person), (g) all Guarantees by such Person of Indebtedness of others of the types set forth in clauses (a) through (f) above and clauses (h) through (k) below, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (j) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances and (k) all Disqualified Equity Interests in such Person, valued, as of the date of determination, at the greater of (i) the maximum aggregate amount that would be payable upon maturity, redemption, repayment or repurchase thereof (or of Disqualified Equity Interests or Indebtedness into which such Disqualified Equity Interests are convertible or exchangeable) and (ii) the maximum liquidation preference of such Disqualified Equity Interests. The Indebtedness of any Person

shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

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

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

"Intercompany Indebtedness Subordination Agreement" means the Intercompany Indebtedness Agreement attached as Exhibit F pursuant to which intercompany obligations and advances owed by any Loan Party are subordinated to the Obligations.

"Interest Election Request" means a request by the Borrower to convert or continue a Revolving Borrowing or Term Borrowing in accordance with Section 2.06, which shall be, in the case of a written Interest Election Request, in a form reasonably satisfactory to the Administrative Agent and otherwise consistent with the requirements of Section 2.06.

"Interest Payment Date" means (a) with respect to any ABR Loan, the last day of each March, June, September and December and (b) with respect to any SOFR Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a SOFR Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at three-month intervals after the first day of such Interest Period.

"Interest Period" means, with respect to any SOFR Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, three or six months thereafter, as the Borrower may elect; provided that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period, (c) no Interest Period shall extend beyond the Maturity Date of the Class applicable to such SOFR Borrowing and (d) no tenor that has been removed from this definition pursuant to Section 2.13(c)(iv) shall be available for specification by the Borrower. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Investment Company Act" means the U.S. Investment Company Act of 1940, as amended.

"IRS" means the United States Internal Revenue Service.

"Issuing Bank" means (a) Citibank, N.A. and (b) any Person that shall have become an Issuing Bank hereunder as provided in Section 2.04(j). Each Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term "Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

“Latest Maturity Date” means, at any time, the latest of the Maturity Dates in respect of the Classes of Loans and Commitments that are outstanding at such time.

“LC Disbursement” means a payment made by an Issuing Bank pursuant to a Letter of Credit, including without limitation, in the event each of the Administrative Agent and the applicable Issuing Bank in its sole discretion consented to a Letter of Credit providing for interest payable to the beneficiary thereunder, any such interest paid by such Issuing Bank under such Letter of Credit.

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

“Lenders” means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than any such Person that shall have ceased to be a party hereto pursuant to an Assignment and Assumption; provided, however, that Section 9.03 shall continue to apply to each such Person that ceases to be a party hereto pursuant to an Assignment and Assumption as if such Person is a “Lender”.

“Letter of Credit” means any letter of credit issued pursuant to this Agreement and any Existing Letter of Credit, other than any such letter of credit that shall have ceased to be a “Letter of Credit” outstanding hereunder pursuant to Section 9.05.

“Leverage Ratio” means, on any date, the ratio of (a) Total Indebtedness as of such date to (b) Consolidated EBITDA for the most recently ended Applicable Test Period (or, solely for purposes of the definition of “Applicable Rate”, for the most recently ended four consecutive fiscal quarters of the Borrower).

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

“Liquidity” means, on any day, with respect to the Borrower and its Subsidiaries on a consolidated basis, (a) Unrestricted Cash plus (b) unused and available Revolving Commitments; provided that Revolving Commitments under clause (b) shall be disregarded if and to the extent the borrowing thereof would result in the Borrower not being in compliance with any of the financial covenants set forth in Section 6.12 or 6.13 as of the last day of the then most recently completed Applicable Test Period (assuming such Revolving Commitments were borrowed on such last day).

“Loan Document Obligations” means (a) the due and punctual payment by the Borrower of (i) the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (ii) each payment required to be made by the Borrower under this Agreement in respect of any Letter of Credit, when and as due, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral and (iii) all other monetary obligations of the Borrower

under this Agreement and each of the other Loan Documents, including obligations to pay fees, expense reimbursement obligations (including with respect to attorneys' fees) and indemnification obligations, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), (b) the due and punctual performance of all other obligations of the Borrower under or pursuant to this Agreement and each of the other Loan Documents and (c) the due and punctual payment and performance of all the obligations of each other Loan Party under or pursuant to each of the Loan Documents (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), in each case of clauses (a), (b) and (c), whether now or hereafter owing.

"Loan Documents" means: this Agreement; the Existing Credit Agreement; the First Amendment; the First Amendment and Restatement Agreement; the First A&R Credit Agreement; the First Amendment to First A&R Credit Agreement; the Second Amendment and Restatement Agreement; the Second Amendment to First A&R Credit Agreement; the Third Amendment to First A&R Credit Agreement; the Original Credit Agreement; the Collateral Agreement; the UK Debenture; the Perfection Certificate; the other Security Documents; the Intercompany Indebtedness Subordination Agreement; any agreement designating an additional Issuing Bank as contemplated by Section 2.04(j); except for purposes of Section 9.02, any promissory notes delivered pursuant to Section 2.08(c); all other agreements, instruments, documents and certificates executed and delivered at any time in connection with any of the foregoing (and, in each case, any amendment, restatement, waiver, supplement, joinder or other modification to any of the foregoing); and any other document executed from time to time in connection with the credit facilities provided for herein that the Administrative Agent and the Borrower agree in writing shall be considered a "Loan Document".

"Loan Parties" means, collectively, the Borrower and the Subsidiary Loan Parties.

"Loans" means the loans made by the Lenders to the Borrower pursuant to this Agreement.

"Long-Term Indebtedness" means any Indebtedness (excluding Indebtedness permitted by Section 6.01(a)(iii)) that, in accordance with GAAP, constitutes (or, when incurred, constituted) a long-term liability.

"Majority in Interest", when used in reference to Lenders of any Class, means, at any time, (a) in the case of the Revolving Lenders, Lenders having Revolving Exposures and unused Revolving Commitments representing more than 50% of the sum of the Aggregate Revolving Exposure and the unused Aggregate Revolving Commitment at such time and (b) in the case of the Term Lenders of any Class, Lenders holding outstanding Term Loans of such Class representing more than 50% of the aggregate principal amount of all Term Loans of such Class outstanding at such time.

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, liabilities (contingent or otherwise), operations, condition (financial or otherwise) or operating results of the Borrower and the Subsidiaries, taken as a whole, (b) the ability of any Loan Party to perform any of its material obligations under this Agreement or any other Loan Document or (c) the rights of or benefits available to the Administrative Agent or the Lenders under this Agreement or any other Loan Document.

"Material Indebtedness" means Indebtedness (other than the Loans, the Letters of Credit and the Guarantees under the Loan Documents), or obligations in respect of one or more

Hedging Agreements, of any one or more of the Borrower and the Subsidiaries in an aggregate principal amount exceeding \$15,000,000. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of the Borrower or any Subsidiary in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Subsidiary would be required to pay if such Hedging Agreement were terminated at such time.

“Material Subsidiary” means each Subsidiary (a) the consolidated total assets of which equal 5.00% or more of the consolidated total assets of the Borrower and the Subsidiaries or (b) the consolidated revenues of which equal 5.00% or more of the consolidated revenues of the Borrower and the Subsidiaries, in each case as of the end of or for the most recent period of four consecutive fiscal quarters of the Borrower for which financial statements have been delivered pursuant to Section 5.01(a) or 5.01(b) (or, prior to the first delivery of any such financial statements, as of the end of or for the period of four consecutive fiscal quarters of the Borrower most recently ended prior to the date of this Agreement); provided that if, at the end of or for any such most recent period of four consecutive fiscal quarters, the combined consolidated total assets or combined consolidated revenues of all Subsidiaries that under clauses (a) and (b) above would not constitute Material Subsidiaries shall have exceeded 10.00% of the consolidated total assets of the Borrower and the Subsidiaries or 10.00% of the consolidated revenues of the Borrower and the Subsidiaries, respectively, then one or more of such excluded Subsidiaries shall for all purposes of this Agreement be deemed to be Material Subsidiaries in descending order based on the amounts of their consolidated total assets or consolidated revenues, as applicable, until such excess shall have been eliminated. For purposes of this definition, the consolidated total assets and consolidated revenues of the Borrower and the Subsidiaries shall be determined on a Pro Forma Basis.

“Maturity Date” means the Revolving Maturity Date and the Term Maturity Date, as the context requires.

“Maximum Rate” has the meaning assigned to such term in Section 9.13.

“MNPI” means material information concerning the Borrower, any Subsidiary or any Affiliate of any of the foregoing or their securities that has not been disseminated in a manner making it available to investors generally, within the meaning of Regulation FD under the Securities Act and the Exchange Act. For purposes of this definition, “material information” means information concerning the Borrower, the Subsidiaries or any Affiliate of any of the foregoing or any of their securities that would reasonably be expected to be material for purposes of the United States federal and state securities laws and, where applicable, foreign securities laws.

“Moody’s” means Moody’s Investors Service, Inc., and any successor to its rating agency business.

“Mortgage” means a mortgage, deed of trust, assignment of leases and rents, leasehold mortgage or other security document granting a Lien on any Mortgaged Property to secure the Obligations. Each Mortgage shall be in form and substance reasonably satisfactory to the Administrative Agent.

“Mortgaged Property” means, initially, each parcel of real property and the improvements thereto owned by a Loan Party and identified on Schedule 1.02, and includes each other parcel of real property and the improvements thereto owned by a Loan Party with respect to which a Mortgage is granted pursuant to Section 5.12 or 5.13.

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

“Net Proceeds” means, with respect to any event, (a) the cash proceeds received in respect of such event, including (i) any cash received in respect of any non-cash proceeds (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment or earn out, but excluding any reasonable interest payments), but only as and when received, (ii) in the case of a casualty, insurance proceeds and (iii) in the case of a condemnation or similar event, condemnation awards and similar payments, minus (b) the sum, without duplication, of (i) all reasonable fees and out-of-pocket expenses paid in connection with such event by the Borrower and the Subsidiaries to Persons other than Affiliates of the Borrower or any Subsidiary, (ii) in the case of a sale, transfer, lease or other disposition of an asset (including pursuant to a sale and leaseback transaction or a casualty or a condemnation or similar proceeding), the amount of all payments that are permitted hereunder and are made by the Borrower and the Subsidiaries as a result of such event to repay Indebtedness (other than the Loans) secured by such asset and (iii) the amount of all taxes paid (or reasonably estimated to be payable) by the Borrower and the Subsidiaries, and the amount of any reserves established by the Borrower and the Subsidiaries in accordance with GAAP to fund purchase price adjustment, indemnification and similar contingent liabilities (other than any earn out obligations) reasonably estimated to be payable, in each case during the year that such event occurred or the next succeeding year and that are directly attributable to the occurrence of such event (as determined reasonably and in good faith by a Financial Officer). For purposes of this definition, in the event any contingent liability reserve established with respect to any event as described in clause (b)(iii) above shall be reduced, the amount of such reduction shall, except to the extent such reduction is made as a result of a payment having been made in respect of the contingent liabilities with respect to which such reserve has been established, be deemed to be receipt, on the date of such reduction, of cash proceeds in respect of such event.

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

“Obligations” means, collectively, (a) all the Loan Document Obligations, (b) all the Secured Cash Management Obligations, (c) all the Secured Hedging Obligations and (d) the Erroneous Payment Subrogation Rights.

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

“Original Credit Agreement” has the meaning assigned to such term in the preamble hereto.

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

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, this Agreement or any other Loan

Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.18(b) or 9.02(c)).

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

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

“Payment Recipient” has the meaning assigned to it in Section 8.02(a).

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

“Perfection Certificate” means the certificate attached as Exhibit D delivered to the Administrative Agent on the Third A&R Effective Date.

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

“Permitted Encumbrances” means:

(a) Liens imposed by law for Taxes that are not yet due or are being contested in compliance with Section 5.05;

(b) carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s, landlords’, suppliers’ and other like Liens imposed by law (other than any Lien imposed pursuant to Section 430(k) of the Code or Section 303(k) of ERISA or a violation of Section 436 of the Code), arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 5.05;

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

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

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

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

(g) Liens arising from Permitted Investments described in clause (d) of the definition of the term “Permitted Investments”;

(h) banker’s liens, rights of setoff or similar rights and remedies as to deposit accounts or other funds maintained with depository institutions and securities accounts and other financial assets maintained with a securities intermediary; provided that such deposit accounts or funds and securities accounts or other financial assets are not established or deposited for the purpose of providing collateral for any Indebtedness and are not subject to restrictions on access by the Borrower or any Subsidiary in excess of those required by applicable banking regulations;

(i) Liens arising by virtue of Uniform Commercial Code financing statement filings (or similar filings under applicable law) regarding operating leases or consignments entered into by the Borrower and the Subsidiaries;

(j) Liens of a collecting bank arising in the ordinary course of business under Section 4-208 (or the applicable corresponding section) of the Uniform Commercial Code in effect in the relevant jurisdiction covering only the items being collected upon;

(k) Liens representing any interest or title of a licensor, lessor or sublicensor or sublessor, or a licensee, lessee or sublicensee or sublessee, in the property subject to any lease, license or sublicense or concession agreement permitted by this Agreement;

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

(m) Liens that are contractual rights of set-off;

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

“Permitted Investments” means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America); provided that in each case such obligations mature within two years from the date of acquisition thereof, and that the weighted average maturity of such securities does not exceed one year from the date of acquisition thereof;

(b) commercial paper, bonds or debentures issued by any Lender or any corporation organized and existing under the laws of the United States or any State thereof and having short term ratings of at least A-1 from S&P or P-1 from Moody’s (or, if at any time neither S&P nor Moody’s shall be rating such obligations, then the highest rating from such other nationally recognized rating services acceptable to the Administrative Agent), or long term ratings of at least AA- from S&P or Aa3 from Moody’s; provided that such obligations mature within two years of the date of the acquisition thereof, and that the weighted average maturity of such securities does not exceed one year from the date of acquisition thereof;

(c) certificates of deposits or banker’s acceptances, in each case maturing within one year from the date of acquisition thereof, and money market accounts, in each case issued or offered by any Lender or any other commercial bank organized under the laws

of the United States of America or any State thereof or the District of Columbia, in each case having combined capital and surplus and undivided profits of not less than \$1,000,000,000;

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

(e) “money market funds” that (i) comply with the criteria set forth in Rule 2a-7 of the Investment Company Act, (ii) are rated AAA by S&P and Aaa by Moody’s and (iii) have portfolio assets of at least \$2,500,000,000;

(f) in the case of any Foreign Subsidiary, other short term investments that are analogous to the foregoing, are of comparable credit quality and are customarily used by companies in the jurisdiction of such Foreign Subsidiary for cash management purposes; and

(g) securities issued by any State or political subdivision of the United States, having long term ratings of at least AA- from S&P or Aa3 from Moody’s; provided that such obligations mature within two years of the date of acquisition thereof, and that the weighted average maturity of such securities does not exceed one year from the date of acquisition thereof.

“Per Share Cap” has the meaning assigned to such term in Section 6.08(a)(viii).

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

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

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

“Prepayment Event” means:

(a) any sale, transfer, lease or other disposition (including pursuant to a sale and leaseback transaction and by way of merger or consolidation) (for purposes of this defined term, collectively, “dispositions”) of any asset of the Borrower or any Subsidiary (including Equity Interests of any Subsidiary), other than (i) dispositions described in clauses (a), (b), (c), (f), (g), (h), (i) and (k) of Section 6.05 and (ii) other dispositions resulting in aggregate Net Proceeds not exceeding (A) \$2,500,000 in the case of any single disposition or series of related dispositions and (B) \$5,000,000 for all such dispositions during any fiscal year of the Borrower;

(b) any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any asset of the Borrower or any Subsidiary with a fair market value immediately prior to such event equal to or greater than \$2,500,000; or

(c) the incurrence by the Borrower or any Subsidiary of any Indebtedness, other than Indebtedness permitted to be incurred under Section 6.01 or permitted by the Required Lenders pursuant to Section 9.02.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by Citibank, N.A. as its prime rate in effect at its principal office in New York City. Each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

“Private Side Lender Representatives” means, with respect to any Lender, representatives of such Lender that are not Public Side Lender Representatives.

“Pro Forma Basis” means, with respect to the calculation of the financial covenants contained in Sections 6.12, 6.13 and 6.15 or otherwise for purposes of determining the Leverage Ratio, Liquidity, Consolidated Interest Expense, Consolidated EBITDA or any other calculation hereunder required to be made on a pro forma basis, as of any date or for any period, that such calculation shall give pro forma effect in accordance with Article 11 of Regulation S-X under the Securities Act, to all investments, all issuances, incurrences or assumptions of Indebtedness (with any such Indebtedness being deemed to be amortized over the applicable testing period in accordance with its terms) and all sales, transfers or other dispositions of any material assets outside the ordinary course of business (and any related prepayments or repayments of Indebtedness) that have occurred during (or, if such calculation is being made for the purpose of determining whether any action may be taken, since the beginning of) the Applicable Test Period most recently ended on or prior to such date as if they occurred on the first day of such Applicable Test Period (including expected cost savings, cost synergies or operating expense reductions in an aggregate amount not to exceed 15% of Consolidated EBITDA (prior to giving effect to any such add-backs) for such period (without duplication of actual cost savings) to the extent such cost savings, cost synergies or operating expense reductions would be permitted to be reflected in pro forma financial information complying with the requirements of GAAP and Article 11 of Regulation S-X under the Securities Act as interpreted by the Staff of the SEC, and as certified by a Financial Officer). If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Hedging Agreement applicable to such Indebtedness if such Hedging Agreement has a remaining term in excess of 12 months).

“Proposed Change” has the meaning assigned to such term in Section 9.02(c).

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

“Public Side Lender Representatives” means, with respect to any Lender, representatives of such Lender that do not wish to receive MNPI.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

“QFC Credit Support” has the meaning assigned to such term in Section 9.20.

“Qualified Equity Interests” means Equity Interests of the Borrower other than Disqualified Equity Interests.

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

“Refinancing Indebtedness” means, in respect of any Indebtedness (the “Original Indebtedness”), any Indebtedness that extends, renews or refinances such Original Indebtedness (or any Refinancing Indebtedness in respect thereof); provided that (a) the principal amount (or accreted value, if applicable) of such Refinancing Indebtedness shall not exceed the principal amount (or accreted value, if applicable) of such Original Indebtedness except by an amount no greater than accrued and unpaid interest with respect to such Original Indebtedness and any reasonable fees, premium and expenses relating to such extension, renewal or refinancing; (b) the stated final maturity of such Refinancing Indebtedness shall not be earlier than that of such Original Indebtedness, and such stated final maturity shall not be subject to any conditions that could result in such stated final maturity occurring on a date that precedes the stated final maturity of such Original Indebtedness (except upon the occurrence of a default or change of control or as and to the extent such acceleration of the stated final maturity thereof would have been required pursuant to the terms of the Original Indebtedness); (c) such Refinancing Indebtedness shall not be required to be repaid, prepaid, redeemed, repurchased or defeased, whether on one or more fixed dates, upon the occurrence of one or more events or at the option of any holder thereof (except, in each case, upon the occurrence of an event of default or a change in control or as and to the extent such repayment, prepayment, redemption, repurchase or defeasance would have been required pursuant to the terms of such Original Indebtedness) prior to the earlier of (i) the maturity of such Original Indebtedness and (ii) the date 91 days after the Latest Maturity Date in effect on the date of such extension, renewal or refinancing, provided that, notwithstanding the foregoing, scheduled amortization payments (however denominated) of such Refinancing Indebtedness shall be permitted so long as the weighted average life to maturity of such Refinancing Indebtedness shall be longer than the shorter of (x) the weighted average life to maturity of such Original Indebtedness remaining as of the date of such extension, renewal or refinancing and (y) the weighted average life to maturity of each Class of the Term Loans; (d) such Refinancing Indebtedness shall not constitute an obligation (including pursuant to a Guarantee) of the Borrower or any Subsidiary, in each case that shall not have been (or, in the case of after-acquired Subsidiaries, shall not have been required to become pursuant to the terms of the Original Indebtedness) an obligor in respect of such Original Indebtedness, and, in each case, shall constitute an obligation of the Borrower or such Subsidiary only to the extent of their obligations in respect of such Original Indebtedness; (e) if such Original Indebtedness shall have been subordinated to the Loan Document Obligations, such Refinancing Indebtedness shall also be subordinated to the Loan Document Obligations on terms not less favorable in any material respect to the Lenders; and (f) such Refinancing Indebtedness shall not be secured by any Lien on any asset other than the assets that secured such Original Indebtedness (or would have been required to secure such Original Indebtedness pursuant to the terms thereof) or, in the event Liens securing such Original Indebtedness shall have been contractually subordinated to any Lien securing the Loan Document Obligations, by any Lien that shall not have been contractually subordinated to at least the same extent pursuant to an intercreditor agreement in form and substance satisfactory to the Administrative Agent.

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

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

“Release” means any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or within or upon any building, structure, facility or fixture.

“Required Lenders” means, at any time, Lenders having Revolving Exposures, Term Loans and unused Commitments representing more than 50% of the sum of the Aggregate Revolving Exposure, outstanding Term Loans and unused Commitments at such time.

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

“Responsible Officer” means, with respect to any Person, the chief executive officer, chief operating officer, president, or any Financial Officer of such Person.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Borrower or any Subsidiary, or any payment or distribution (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, exchange, conversion, cancellation or termination of any Equity Interests in the Borrower or any Subsidiary, or any other payment (including any payment under any Hedging Agreement) that has a substantially similar effect to any of the foregoing.

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

“Revolving Commitment” means, with respect to each Lender, the commitment, if any, of such Lender to make Revolving Loans and to acquire participations in Letters of Credit hereunder, expressed as an amount representing the maximum possible aggregate amount of such Lender’s Revolving Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.07 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender’s Revolving Commitment is set forth on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Revolving Commitment, as applicable. As of the Third A&R Effective Date, the aggregate amount of the Lenders’ Revolving Commitments is \$150,000,000.

“Revolving Exposure” means, with respect to any Lender at any time, the sum of (a) the outstanding principal amount of such Lender’s Revolving Loans and (b) such Lender’s LC Exposure, in each case, at such time.

“Revolving Lender” means a Lender with a Revolving Commitment or, if the Revolving Commitments have terminated or expired, a Lender with Revolving Exposure.

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

“Revolving Loan” means a Loan made pursuant to clause (b) of Section 2.01.

“Revolving Maturity Date” means October 31, 2024.

“S&P” means S&P Global Ratings, a division of S&P Global Inc., and any successor to its rating agency business.

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

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

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State (including, without limitation, any sanctions or requirements imposed by, or based upon, the obligations set forth in the USA PATRIOT Act), (b) the United Nations Security Council, the European Union or His Majesty’s Treasury of the United Kingdom or (c) the government of Canada.

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

“Second Amendment and Restatement Agreement” means that certain Second Amendment and Restatement Agreement, dated as of the Second A&R Effective Date, among, inter alia, the Borrower, the Administrative Agent, the issuing banks and the other lenders party thereto.

“Second Amendment to First A&R Credit Agreement” means that certain Second Amendment to the First A&R Credit Agreement, dated as of January 14, 2021, among the Borrower, the Administrative Agent, the issuing bank, the swingline lender and the other lenders party thereto.

“Second A&R Effective Date” means November 30, 2022.

“Secured Cash Management Obligations” means the due and punctual payment and performance of any and all obligations of the Borrower and each Subsidiary (whether absolute or contingent and however and whenever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor)) arising in respect of Cash Management Services that (a) are owed to the Administrative Agent, any Arranger or an Affiliate of any of the foregoing, or to any Person that, at the time such obligations were incurred, was the Administrative Agent, any Arranger or an Affiliate of any of the foregoing, (b) were owed on the Effective Date to a Person that is a Lender or an Affiliate of a Lender as of the Effective Date or (c) are owed to a Person that is a Lender or an Affiliate of a Lender at the time such obligations are incurred, in each case to the extent jointly designated by the Borrower and the applicable Secured Party (or Affiliates thereof) in a written statement to the Administrative Agent (with a copy of such written notice sent by email to secured.designationnotice@citi.com) as constituting Secured Cash Management Obligations.

“Secured Hedging Obligations” means the due and punctual payment and performance of any and all obligations of the Borrower and each Subsidiary arising under each Hedging Agreement that (a) is with a counterparty that is the Administrative Agent, any Arranger or an Affiliate of any of the foregoing, or any Person that, at the time such Hedging Agreement was entered into, was the Administrative Agent, any Arranger or an Affiliate of any of the foregoing, (b) was in effect on the Effective Date with a counterparty that is a Lender or an Affiliate of a Lender as of the Effective Date or (c) is entered into after the Effective Date with a counterparty that is a Lender or an Affiliate of a Lender at the time such Hedging Agreement is entered into, in each case to the extent jointly designated by the Borrower and the applicable

Secured Party (or Affiliates thereof) in a written statement to the Administrative Agent (with a copy of such written notice sent by email to secured.designationnotice@citi.com) as constituting Secured Hedging Obligations. Notwithstanding the foregoing, in the case of any Excluded Swap Guarantor, “Secured Hedging Obligations” shall not include Excluded Swap Obligations of such Excluded Swap Guarantor.

“Secured Parties” means, collectively, (a) the Lenders, (b) the Administrative Agent, (c) the Arrangers, (d) each Issuing Bank, (e) each provider of Cash Management Services the obligations under which constitute Secured Cash Management Obligations, (f) each counterparty to any Hedging Agreement the obligations under which constitute Secured Hedging Obligations, (g) the beneficiaries of each indemnification obligation undertaken by any Loan Party under this Agreement or any other Loan Document and (h) the successors and assigns of each of the foregoing.

“Securities Act” means the United States Securities Act of 1933, as amended.

“Security Documents” means the Collateral Agreement, the UK Debenture, the Foreign Pledge Agreements (if any), the Mortgages (if any) and each other security agreement or other instrument or document executed and delivered pursuant to any of the foregoing or pursuant to Section 5.12 or 5.13 to secure any of the Obligations.

“Segment Level Basis” means, with respect to the statements of cash flows required to be delivered by the Borrower pursuant to Sections 5.01(a) and (b) hereof, statements of cash flows prepared on a segment level basis in a form reasonably acceptable to the Administrative Agent.

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

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

“SOFR Borrowing” means a Borrowing comprised of SOFR Loans.

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

“Specified Swap Obligation” means, with respect to any Subsidiary Loan Party, an obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of § 1a(47) of the Commodity Exchange Act.

“SPV” has the meaning assigned to such term in Section 9.04(e).

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

“Subsidiary” means any subsidiary of the Borrower.

“Subsidiary Loan Party” means each Subsidiary that is or, after the Third A&R Effective Date, becomes a party to the Collateral Agreement or the UK Debenture.

“Supplemental Perfection Certificate” means a certificate in the form of Exhibit E (provided that each Subsidiary that is a party to the UK Debenture at the time of delivery of such certificate shall be deemed to be a Grantor as such term is used in, and solely for the purposes of, such certificate) or any other form reasonably satisfactory to the Administrative Agent.

“Supported QFC” has the meaning assigned to such term in Section 9.20.

“Syndication Agent” means Manufacturers and Traders Trust Company, in its capacity as syndication agent and documentation agent for the credit facilities provided for herein.

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

“Term Commitment” means, with respect to each Lender, the commitment, if any, of such Lender to make a Term Loan hereunder on the Second A&R Effective Date, expressed as an amount representing the maximum principal amount of the Term Loan to be made by such Lender hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.07 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender’s Term Commitment is set forth on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Term Commitment, as applicable. As of the Third A&R Effective Date, the aggregate amount of the Lenders’ Term Commitments is \$0.

“Term Lenders” means a Lender with a Term Commitment or an outstanding Term Loan.

“Term Loans” means a Loan made pursuant to clause (a) of Section 2.01.

“Term Maturity Date” means October 31, 2024.

“Term SOFR” means,

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

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

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

“Term SOFR Adjustment” means a percentage equal to 0.10% per annum.

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

“Third Amendment and Restatement Agreement” means that certain Third Amendment and Restatement Agreement, dated as of the Third A&R Effective Date, among, inter alia, the Borrower, the Administrative Agent, the issuing banks and the other lenders party thereto.

“Third Amendment to First A&R Credit Agreement” means that certain Third Amendment to the First A&R Credit Agreement, dated as of July 30, 2021, among the Borrower, the Administrative Agent, the issuing bank, the swingline lender and the other lenders party thereto.

“Third A&R Effective Date” means November 7, 2023.

“Total Indebtedness” means, as of any date, without duplication, for the Borrower and its subsidiaries on a consolidated basis determined in accordance with GAAP, the sum of the aggregate principal amount of Indebtedness of the Borrower and the Subsidiaries outstanding as of such date; provided that, for the purposes of calculating Total Indebtedness, the term “Indebtedness” shall not include (i) obligations under any derivative transaction or other Hedging Agreement (unless such obligations are payment obligations that relate to a derivative transaction or other Hedging Agreement that has been terminated) and (ii) any cash secured letter of credit (including any cash secured Letters of Credit), any contingent obligations under undrawn letters of credit, bank guarantees, surety bonds and similar instruments supporting trade payables, workers’ compensation and similar obligations and other non-financial obligations (and any financial obligations arising from the non-performance of such non-financial obligation until such time as such financial obligation becomes due and payable), and any Guarantee of any of the foregoing.

“Transaction Costs” means all fees, costs, accrued and unpaid interest and expenses incurred or payable by the Borrower or any Subsidiary in connection with the Transactions.

“Transactions” means, collectively, (a) the execution, delivery and performance by each Loan Party of the Loan Documents (including the Third Amendment and Restatement Agreement) to which it is to be a party, the borrowing of Loans hereunder, the use of the proceeds thereof and the issuance of Letters of Credit hereunder and (b) the payment of the Transaction Costs.

“Trigger Date” means January 31, 2024.

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

“UK Debenture” means the English law governed debenture, dated as of July 30, 2021, among the Borrower, Comtech UK Holdings and CGC (in their capacities as original chargors) and the Administrative Agent (in its capacity as security trustee), as supplemented by the Supplemental Debenture dated as of November 30, 2022 and the Second Supplemental Debenture dated as of November 7, 2023.

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

“Unrestricted Cash” means cash or cash equivalents of the Borrower or any of its Subsidiaries that would not appear as “restricted” on a consolidated balance sheet of the Borrower or any of its Subsidiaries; provided that the amount of any such cash or cash equivalents that is held outside of the United States shall for purposes of this Agreement be reduced by an amount equal to the Borrower’s good faith reasonable estimate of the costs, taxes and other similar charges that would be incurred to repatriate such cash or cash equivalents to the United States.

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

“U.S. Person” means a “United States person” within the meaning of Section 7701(a)(30) of the Code.

“U.S. Special Resolution Regimes” has the meaning assigned to such term in Section 9.20.

“U.S. Tax Compliance Certificate” has the meaning assigned to such term in Section 2.16(f)(ii)(B)(3).

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

“Weighted Average Life to Maturity” means, when applied to any Indebtedness at any date, the number of years (and/or portion thereof) obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking

fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness. For the purpose of calculating the Weighted Average Life to Maturity of Revolving Loans, such loans shall be deemed to have been borrowed on the Second A&R Effective Date and remain outstanding without being prepaid or repaid until October 31, 2024.

“wholly owned Subsidiary” means, with respect to any Person at any date, a subsidiary of such Person of which securities or other ownership interests representing 100% of the Equity Interests (other than directors’ qualifying shares) are, as of such date, owned, controlled or held by such Person or one or more wholly owned Subsidiaries of such Person or by such Person and one or more wholly owned Subsidiaries of such Person.

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

Section 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a “Revolving Loan”) or by Type (e.g., a “SOFR Loan”) or by Class and Type (e.g., a “SOFR Revolving Loan”) and Borrowings also may be classified and referred to by Class (e.g., a “Revolving Borrowing”) or by Type (e.g., a “SOFR Borrowing”) or by Class and Type (e.g., a “SOFR Revolving Borrowing”).

Section 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise or except as expressly provided herein, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, amended and restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (b) any definition of or reference to any statute, rule or regulation shall be construed as referring thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor laws), unless otherwise expressly stated to the contrary, (c) any reference herein to any Person shall be construed to include such Person’s successors and assigns (subject to any restrictions on assignments set forth herein), (d) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

Section 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that (i) if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision (including any definition) hereof to eliminate the effect of any change

occurring after the Third A&R Effective Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith, (ii) notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, (A) without giving effect to any election under *Statement of Financial Accounting Standards 159, The Fair Value Option for Financial Assets and Financial Liabilities*, or any successor thereto (including pursuant to the Accounting Standards Codification), to value any Indebtedness of the Borrower or any Subsidiary at “fair value”, as defined therein, (B) without giving effect to any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof, and (C) without giving effect to any change to GAAP after the Effective Date as a result of the adoption of any proposals set forth in the *Proposed Accounting Standards Update, Leases (Topic 840)*, issued by the Financial Accounting Standards Board on August 17, 2010, or any other proposals issued by the Financial Accounting Standards Board in connection therewith, in each case if such change would require treating any lease (or similar arrangement conveying the right to use) as a capital lease where such lease (or similar arrangement) would not have been required to be so treated under GAAP as in effect on the Effective Date and for all purposes under this Agreement and the Loan Documents, including negative covenants, financial covenants and component definitions, the parties shall treat operating leases (or similar arrangements) and capital leases in a manner consistent with their treatment under GAAP as in effect on the Effective Date, notwithstanding any modifications or interpretive changes thereto that may occur thereafter and (iii) for the avoidance of doubt, no Default or Event of Default shall arise solely as a result of any change occurring after the Third A&R Effective Date in GAAP or in the application thereof.

Section 1.05. Pro Forma and Other Calculations. Notwithstanding anything to the contrary herein, for purposes of determining compliance with the covenants contained in Sections 6.12, 6.13 and 6.15 or otherwise for purposes of determining the Leverage Ratio, Liquidity, Consolidated EBITDA and Consolidated Interest Expense, such calculations shall be made on a Pro Forma Basis with respect to any sale, transfer or other disposition of any material assets outside the ordinary course of business to the extent any such event occurs during the applicable four-quarter period to which such calculation relates, or subsequent to the end of such four-quarter period but not later than the date of such calculation.

Section 1.06. Times of Day. Unless otherwise specified, all references herein to times of day shall be references to New York City time.

Section 1.07. Deliveries. Notwithstanding anything herein to the contrary, whenever any document, agreement or other item is required by any Loan Document to be delivered on a day that is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day.

Section 1.08. Schedules and Exhibits. All of the schedules and exhibits attached to this Agreement shall be deemed incorporated herein by reference.

Section 1.09. Currency Generally. For purposes of determining compliance with Section 6.01, Section 6.02 and Section 6.04 with respect to any amount of Indebtedness, Lien or investment in a currency other than dollars, no Default or Event of Default shall be deemed to have occurred solely as a result of changes in rates of currency exchange occurring after the time such Indebtedness, Lien or investment is incurred or granted, made or acquired (so long as such Indebtedness, Lien or investment, at the time incurred or granted, made or acquired, was permitted hereunder).

Section 1.10. Rates. The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to (a) the continuation of, administration of, submission of, calculation of or any other matter related to the Alternate Base Rate, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto (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, the Alternate Base Rate, the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR or any other 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 the Alternate Base Rate, the Term SOFR Reference Rate, Term SOFR, Adjusted Term SOFR, 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. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain the Alternate Base Rate, the Term SOFR Reference Rate, Term SOFR, Adjusted Term SOFR or any other Benchmark, 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.

Section 1.11. Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

ARTICLE II

The Credits

Section 1.01. Commitments. Subject to the terms and conditions set forth herein, each Lender agrees (a) to make a term loan to the Borrower on the Second A&R Effective Date in a principal amount not exceeding its Term Commitment and (b) to make revolving credit loans to the Borrower from time to time during the

Revolving Availability Period in an aggregate principal amount that will not result in such Lender's Revolving Exposure exceeding such Lender's Revolving Commitment or the Aggregate Revolving Exposure exceeding the Aggregate Revolving Commitment. All Loans shall be denominated in dollars. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans. Amounts repaid or prepaid in respect of Term Loans may not be reborrowed.

Section 1.02. Loans and Borrowings. (a) Each Loan shall be made as part of a Borrowing consisting of Loans of the same Class and Type made by the Lenders ratably in accordance with their respective Commitments of the applicable Class. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several, and not joint, and no Lender shall be responsible for any other Lender's failure to make Loans as required. On the Third A&R Effective Date, and for the avoidance of doubt, each outstanding Borrowing under the Existing Credit Agreement shall, automatically and without any action on the part of any Person, continue as an outstanding Borrowing hereunder for all purposes of this Agreement and the other Loan Documents.

(a) Subject to Section 2.13(c), each Revolving Borrowing and Term Borrowing shall be comprised entirely of ABR Loans or SOFR Loans as the Borrower may request in accordance herewith; provided that all Borrowings made on the Second A&R Effective Date must be made as ABR Borrowings unless the Borrower shall have given the notice required for a SOFR Borrowing under Section 2.03. Each Lender at its option may make any SOFR Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(b) At the commencement of each Interest Period for any SOFR Borrowing, other than as it relates to the Borrowing of Revolving Loans made on the Second A&R Effective Date, such Borrowing shall be in an aggregate amount that is an integral multiple of \$500,000 and not less than \$1,000,000; provided that a SOFR Borrowing that results from a continuation of an outstanding SOFR Borrowing may be in an aggregate amount that is equal to such outstanding Borrowing. At the time that each ABR Revolving Borrowing is made, other than as it relates to the Borrowing of Revolving Loans made on the Second A&R Effective Date, such Borrowing shall be in an aggregate amount that is an integral multiple of \$500,000 and not less than \$1,000,000. Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of six SOFR Borrowings outstanding. Notwithstanding anything to the contrary herein, an ABR Revolving Borrowing may be in an aggregate amount that is equal to the entire unused balance of the Aggregate Revolving Commitment or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.04(e).

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

Section 1.03. Requests for Borrowings. To request a Revolving Borrowing or Term Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a SOFR Borrowing (other than any SOFR

Borrowing to be made on the Second A&R Effective Date) not later than 11:00 a.m., New York City time, three U.S. Government Securities Business Days before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing, not later than 10:00 a.m., New York City time, on the day of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or facsimile to the Administrative Agent of a written Borrowing Request signed by a Responsible Officer of the Borrower. Each such telephonic and written Borrowing Request shall specify the following information (to the extent applicable, in compliance with Sections 2.01 and 2.02):

- (i) whether the requested Borrowing is to be a Revolving Borrowing or a Term Borrowing;
- (ii) the aggregate amount of such Borrowing;
- (iii) the requested date of such Borrowing, which shall be a Business Day;
- (iv) whether such Borrowing is to be an ABR Borrowing or a SOFR Borrowing;
- (v) in the case of a SOFR Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period";
- (vi) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.05(a), or, if the Borrowing is being requested to finance the reimbursement of an LC Disbursement in accordance with Section 2.04(e), the identity of the Issuing Bank that made such LC Disbursement; and
- (vii) that as of such date the conditions in Sections 4.02(a) and 4.02(b) are satisfied.

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

Section 1.04. Letters of Credit. (a) General. Subject to the terms and conditions set forth herein, the Borrower may request the issuance of Letters of Credit for its own account (or for the account of any Subsidiary Loan Party; it being understood that the Borrower will be jointly and severally responsible for such Subsidiary Loan Party's obligations in respect of any such Letter of Credit), denominated in dollars and in a form reasonably acceptable to the Administrative Agent and the applicable Issuing Bank, at any time and from time to time during the Revolving Availability Period. On the Third A&R Effective Date, each "Letter of Credit" outstanding under the Existing Credit Agreement shall, automatically and without any action on the part of any Person, continue as a Letter of Credit issued hereunder for all purposes of this Agreement and the other Loan Documents. Notwithstanding anything contained in any letter of credit application or other agreement (other than this Agreement or any Security Document) submitted by the Borrower to, or entered into by the Borrower with, any Issuing Bank

relating to any Letter of Credit, (i) all provisions of such letter of credit application or other agreement purporting to grant Liens in favor of such Issuing Bank to secure obligations in respect of such Letter of Credit shall be disregarded, it being agreed that such obligations shall be secured to the extent provided in this Agreement and in the Security Documents, and (ii) in the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of such letter of credit application or such other agreement, as applicable, the terms and conditions of this Agreement shall control.

(a) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit or the amendment, renewal or extension of an outstanding Letter of Credit (other than any automatic renewal permitted pursuant to paragraph (c) of this Section), the Borrower shall hand deliver or fax (or transmit by electronic communication, if arrangements for doing so have been approved by such Issuing Bank) to the applicable Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the requested date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be requested by the applicable Issuing Bank as necessary to enable such Issuing Bank to prepare, amend, renew or extend such Letter of Credit. If requested by the applicable Issuing Bank, the Borrower also shall submit in connection with any request for a Letter of Credit a letter of credit application on such Issuing Bank's standard form. A Letter of Credit shall be issued, amended, renewed or extended only (A) if (and upon issuance, amendment, renewal or extension of any Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension, (i) the sum of the aggregate LC Exposure and the outstanding principal amount of the Issuing Bank's Revolving Loans shall be no greater than the Revolving Commitment of the Issuing Bank, (ii) no Lender's Revolving Exposure shall exceed its Revolving Commitment, (iii) the Aggregate Revolving Exposure shall not exceed the Aggregate Revolving Commitment and (iv) the aggregate LC Exposure shall not exceed \$20,000,000 and (B) if the issuance, amendment, renewal or extension would not violate any generally applicable policy of the Issuing Bank in place at the time of the request for such issuance, amendment, renewal or extension of a Letter of Credit; provided that if the Issuing Bank is unable to issue, amend, renew or extend any Letter of Credit as a result of this clause (B), then the Borrower may, with the Administrative Agent's consent (such consent not to be unreasonably withheld or delayed), designate any Lender to serve as an issuing bank for purposes of this Agreement solely in respect of such Letter of Credit, provided that such Lender agrees to act in such capacity. For the avoidance of doubt, any Lender designated as an issuing bank as contemplated by the immediately preceding sentence shall deliver to the Administrative Agent the reports and other documents specified in paragraph (k) of this Section.

(b) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date that is one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Revolving Maturity Date; provided, however, that (x) subject to clause (y) below, any Letter of Credit may, upon the request of the Borrower, include a provision whereby such Letter of Credit shall be renewed automatically for additional consecutive periods of one year or less (but not beyond the date that is five Business Days prior to the Revolving

Maturity Date) unless the applicable Issuing Bank notifies the beneficiary thereof at least 30 days prior to the then-applicable expiration date that such Letter of Credit will not be renewed and (y) any Letter of Credit may, upon request of the Borrower and with the prior written consent of the Issuing Bank in its sole discretion, expire following the date otherwise permitted by clause (i) and (ii) above and prior to the fourth anniversary of the issuance thereof; provided that, in the case of any such Letter of Credit that is scheduled to or could expire on a date following the date that is five Business Days prior to the Revolving Maturity Date, no later than such date that is six months prior to the Revolving Maturity Date, the Borrower must deposit into an account established and maintained by the Issuing Bank, an amount in cash equal to 103% of the face amount of such Letter of Credit as cash collateral to secure the Borrower's obligations in respect of such Letter of Credit (any such Letter of Credit contemplated by this proviso to this clause (y), an "Extended Maturity LC").

(c) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the applicable Issuing Bank or the Lenders, the Issuing Bank that is the issuer of such Letter of Credit hereby grants to each Revolving Lender, and each Revolving Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Revolving Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the applicable Issuing Bank, such Revolving Lender's Applicable Percentage of each LC Disbursement made by such Issuing Bank and not reimbursed by the Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or any reduction or termination of the Revolving Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Revolving Lender further acknowledges and agrees that, in issuing, amending, renewing or extending any Letter of Credit, the applicable Issuing Bank shall be entitled to rely, and shall not incur any liability for relying, upon the representation and warranty of the Borrower deemed made pursuant to Section 4.02 unless, at least one Business Day prior to the time such Letter of Credit is issued, amended, renewed or extended (or, in the case of an automatic renewal permitted pursuant to paragraph (c) of this Section, at least one Business Day prior to the time by which the election not to extend must be made by the applicable Issuing Bank), the Majority in Interest of the Revolving Lenders shall have notified the applicable Issuing Bank (with a copy to the Administrative Agent) in writing that, as a result of one or more events or circumstances described in such notice, one or more of the conditions precedent set forth in Section 4.02(a) or 4.02(b) would not be satisfied if such Letter of Credit were then issued, amended, renewed or extended (it being understood and agreed that, in the event any Issuing Bank shall have received any such notice, no Issuing Bank shall have any obligation to issue, amend, renew or extend any Letter of Credit until and unless it shall be satisfied that the events and circumstances described in such notice shall have been cured or otherwise shall have ceased to exist).

(d) Reimbursement. If an Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement not later than 3:00 p.m., New York City time, on the Business Day immediately following the day

that the Borrower receives notice of such LC Disbursement; provided that, the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 that such payment be financed with an ABR Revolving Borrowing in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Borrowing. If the Borrower fails to reimburse any LC Disbursement by the time specified above in this paragraph, then the Administrative Agent shall notify each Revolving Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof and such Revolving Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Revolving Lender shall pay to the Administrative Agent its Applicable Percentage of the amount then due from the Borrower, in the same manner as provided in Section 2.05 with respect to Loans made by such Lender (and Section 2.05 shall apply, mutatis mutandis, to the payment obligations of the Revolving Lenders under this paragraph), and the Administrative Agent shall promptly remit to the applicable Issuing Bank the amounts so received by it from the Revolving Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the applicable Issuing Bank or, to the extent that Revolving Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Revolving Lenders and such Issuing Bank as their interests may appear. Any payment made by a Revolving Lender pursuant to this paragraph to reimburse an Issuing Bank for any LC Disbursement (other than the funding of an ABR Revolving Borrowing as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(e) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision thereof or hereof, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by an Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. None of the Administrative Agent, the Lenders, the Issuing Banks or any of their Related Parties shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit, any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the applicable Issuing Bank; provided that the foregoing shall not be construed to excuse any Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of an Issuing Bank (as finally determined by a court of

competent jurisdiction in a final and nonappealable judgment), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented that appear on their face to be in substantial compliance with the terms of a Letter of Credit, an Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit, and any such acceptance or refusal shall be deemed not to constitute gross negligence or willful misconduct.

(f) Disbursement Procedures. Each Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. Each Issuing Bank shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by facsimile) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse such Issuing Bank and the Revolving Lenders with respect to any such LC Disbursement in accordance with paragraph (e) of this Section.

(g) Interim Interest. If an Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement in full, at the rate per annum then applicable to ABR Revolving Loans; provided that, if the Borrower fails to reimburse such LC Disbursement in full when due pursuant to paragraph (e) of this Section, then Section 2.12(c) shall apply. Interest accrued pursuant to this paragraph shall be paid to the Administrative Agent, for the account of the applicable Issuing Bank, except that interest accrued on and after the date of payment by any Revolving Lender pursuant to paragraph (e) of this Section to reimburse such Issuing Bank shall be for the account of such Lender to the extent of such payment, and shall be payable on demand or, if no demand has been made, on the date on which the Borrower reimburses the applicable LC Disbursement in full.

(h) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day on which the Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, a Majority in Interest of the Revolving Lenders) demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Lenders, an amount in cash equal to 103% of the LC Exposure (other than LC Exposure in respect of Extended Maturity LCs) as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (h) or (i) of Article VII. The Borrower also shall deposit cash collateral in accordance with this paragraph as and to the extent required by Section 2.10(b), 2.10(c) or 2.19(c). Each such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of the Borrower under this Agreement. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which

investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Notwithstanding the terms of any Security Document, moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Banks for LC Disbursements for which they have not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to (i) the consent of a Majority in Interest of the Revolving Lenders and (ii) in the case of any such application at a time when any Revolving Lender is a Defaulting Lender (but only if, after giving effect thereto, the remaining cash collateral shall be less than the aggregate LC Exposure of all the Defaulting Lenders), the consent of each Issuing Bank), be applied to satisfy other obligations of the Borrower under this Agreement. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three Business Days after all Events of Default have been cured or waived. If the Borrower is required to provide an amount of cash collateral hereunder pursuant to Section 2.10(b), such amount (to the extent not applied as aforesaid) shall be returned to the Borrower to the extent that, after giving effect to such return, the Aggregate Revolving Exposure would not exceed the Aggregate Revolving Commitment and no Event of Default shall have occurred and be continuing. If the Borrower is required to provide an amount of cash collateral hereunder pursuant to Section 2.19(c), such amount (to the extent not applied as aforesaid) shall be returned to the Borrower to the extent that, after giving effect to such return, no Issuing Bank shall have any exposure in respect of any outstanding Letter of Credit (other than Extended Maturity LCs) that is not fully covered by the Revolving Commitments of the non-Defaulting Lenders and/or the remaining cash collateral and no Event of Default shall have occurred and be continuing.

(i) Replacement of the Issuing Bank. The Issuing Bank may, at any time and from time to time, be replaced by written agreement among and with the prior written consent of the Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of the Issuing Bank. At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.11(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter, and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue any additional Letters of Credit.

(j) Issuing Bank Reports to the Administrative Agent. Unless otherwise agreed by the Administrative Agent, each Issuing Bank that is not an Affiliate of the Administrative Agent shall deliver to the Administrative Agent a copy of each Letter of Credit issued by it and, in addition to its notification obligations set forth elsewhere in this Section, report in writing to the Administrative Agent (i) periodic activity (for such period or recurrent periods as shall be requested by the Administrative Agent) in respect of Letters of Credit issued by such Issuing Bank, including all issuances, extensions, amendments and renewals, all expirations and cancelations and all disbursements and

reimbursements, (ii) reasonably prior to the time that such Issuing Bank issues, amends, renews or extends any Letter of Credit, the date of such issuance, amendment, renewal or extension, and the stated amount of the Letters of Credit issued, amended, renewed or extended by it and outstanding after giving effect to such issuance, amendment, renewal or extension (and whether the amounts thereof shall have changed), (iii) on each Business Day on which such Issuing Bank makes any LC Disbursement, the date and amount of such LC Disbursement, (iv) on any Business Day on which the Borrower fails to reimburse an LC Disbursement required to be reimbursed to such Issuing Bank on such day, the date of such failure and the amount of such LC Disbursement and (v) on any other Business Day, such other information as the Administrative Agent shall reasonably request as to the Letters of Credit issued by such Issuing Bank.

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

Section 1.05. Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon, New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent and designated by the Borrower in the applicable Borrowing Request; provided that ABR Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.04(e) shall be remitted by the Administrative Agent to the applicable Issuing Bank or, to the extent that Revolving Lenders have made payments pursuant to Section 2.04(e) to reimburse such Issuing Bank, then to such Revolving Lenders and such Issuing Bank as their interests may appear.

(a) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption and in its sole discretion, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans of the applicable Class. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly, and in any event within three Business Days, remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be made without prejudice to any claim the Borrower may

have against a Lender that shall have failed to make such payment to the Administrative Agent.

Section 1.06. Interest Elections. (a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request or designated by Section 2.03 and, in the case of a SOFR Borrowing, shall have an initial Interest Period as specified in such Borrowing Request or designated by Section 2.03. Thereafter, the Borrower may elect to convert such Borrowing to a Borrowing of a different Type or to continue such Borrowing and, in the case of a SOFR Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

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

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

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

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

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

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

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

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

(d) If the Borrower fails to deliver a timely Interest Election Request with respect to a SOFR Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing, then, so

long as such Event of Default is continuing, (i) no outstanding Borrowing (or Borrowing of the applicable Class, as applicable) may be converted to or continued as a SOFR Borrowing and (ii) unless repaid, each SOFR Borrowing (or SOFR Borrowing of the applicable Class, as applicable) shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

Section 1.07. Termination and Reduction of Commitments. (a) Unless previously terminated, the Revolving Commitments as of the Third A&R Effective Date shall automatically terminate on the Revolving Maturity Date.

(a) The Borrower may at any time terminate, or from time to time permanently reduce, the Commitments of any Class; provided that (i) each partial reduction of the Commitments of any Class shall be in an amount that is an integral multiple of \$500,000 and not less than \$1,000,000 unless such amount represents all of the remaining Commitments of such Class and (ii) the Borrower shall not terminate or reduce the Revolving Commitments if, after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.10, the Aggregate Revolving Exposure would exceed the Aggregate Revolving Commitment.

(b) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the applicable Class of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination or reduction of the Revolving Commitments delivered under this paragraph may state that such notice is conditioned upon the occurrence of one or more events specified therein, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments of any Class shall be permanent. Each reduction of the Commitments of any Class shall be made ratably among the Lenders in accordance with their respective Commitments of such Class.

(c) If, as of the Trigger Date, the Revolving Commitments are in excess of \$140,000,000, then the Revolving Commitments shall automatically be reduced to \$140,000,000. On the last day of each fiscal quarter of the Borrower (commencing with the fiscal quarter ending April 30, 2024), the Revolving Commitments shall automatically be reduced by \$5,000,000 on each such date. Each such reduction of the Revolving Commitments shall be applied ratably among the Revolving Lenders in accordance with their respective Revolving Commitments.

Section 1.08. Repayment of Loans; Evidence of Debt. (a) The Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan of such Lender on the Revolving Maturity Date and (ii) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Term Loan of such Lender as provided in Section 2.09.

(a) The records maintained by the Administrative Agent and the Lenders shall, absent manifest error, be prima facie evidence of the existence and amounts of the obligations of the Borrower in respect of Loans, LC Disbursements, interest and fees due or accrued hereunder; provided that the failure of the Administrative Agent or any Lender to maintain such records or any error therein shall not in any manner affect the obligation

of the Borrower to pay any amounts due hereunder in accordance with the terms of this Agreement.

(b) Any Lender may request that Loans of any Class made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form reasonably acceptable to the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the payee named therein (or, if applicable, to such payee and its registered assigns).

Section 1.09. Amortization of Term Loans.

(a) Subject to adjustment pursuant to paragraph (c) of this Section, the Borrower shall repay Term Borrowings on each date set forth below in the aggregate principal amount set forth opposite such date:

<u>Date</u>	<u>Amount</u>
January 31, 2024	\$1,875,000
April 30, 2024	\$1,875,000
July 31, 2024	\$1,875,000
Term Maturity Date	\$41,875,000

(b) To the extent not previously paid, all Term Loans shall be due and payable on the Term Maturity Date.

(c) Any prepayment of a Term Borrowing shall be applied to reduce the subsequent scheduled repayments of the Term Borrowings to be made pursuant to Section 2.09(a) (i) in the case of a prepayment pursuant to Section 2.10(a), as directed in writing by the Borrower and (ii) in the case of a prepayment pursuant to Section 2.10(c) or (d), ratably based on the amount of such scheduled repayments; provided that in the case of a prepayment pursuant to Section 2.10(c) arising from a Prepayment Event described in Section 6.05(l), such prepayment shall be applied solely to reduce the amount payable on the Term Maturity Date.

(d) Prior to any repayment of any Term Borrowings under this Section, the Borrower shall select the Borrowing or Borrowings to be repaid and shall notify the Administrative Agent by telephone (confirmed by hand delivery or facsimile) of such selection not later than 11:00 a.m., New York City time, three U.S. Government Securities Business Days before the scheduled date of such repayment. Each repayment of a Term Borrowing shall be applied ratably to the Loans included in the repaid Term Borrowing. Repayments of Term Borrowings shall be accompanied by payment of accrued interest on the amount repaid.

Section 1.10. Prepayment of Loans. (a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing, in whole or in part, subject to the requirements of this Section.

(e) In the event and on each occasion that the Aggregate Revolving Exposure exceeds the Aggregate Revolving Commitment (including as a result of the operation of

Section 2.07(d)), the Borrower shall prepay Revolving Borrowings (or, if no such Borrowings are outstanding, deposit cash collateral in an account with the Administrative Agent in accordance with Section 2.04(i)) in an aggregate amount equal to such excess.

(f) In the event and on each occasion that any Net Proceeds are received by or on behalf of the Borrower or any Subsidiary in respect of any Prepayment Event (including by the Administrative Agent as loss payee in respect of any Prepayment Event described in clause (b) of the definition of the term “Prepayment Event”), the Borrower shall, on the day such Net Proceeds are received (or, in the case of a Prepayment Event described in clause (a) or (b) of the definition of the term “Prepayment Event”, within three Business Days after such Net Proceeds are received), prepay Term Borrowings (and, following the repayment of all Term Borrowings, any outstanding Revolving Borrowings) in an aggregate amount equal to 100% of the amount of such Net Proceeds (or, in the case of a Prepayment Event described in Section 6.05(l), prepay outstanding Term Borrowings in an aggregate amount equal to 50% of the amount of such Net Proceeds on the day such Net Proceeds are received (with the remaining 50% being available to be used by the Borrower for any purpose not prohibited by this Agreement).

(g) Following the end of each fiscal year of the Borrower, commencing with the fiscal year ending July 31, 2023, the Borrower shall prepay Term Borrowings in an aggregate amount equal to (i) 50% of Excess Cash Flow for such fiscal year minus (ii) the aggregate principal amount of any voluntary prepayments of Term Loans made pursuant to subsection (a) of this Section 2.10 during such fiscal year, excluding any prepayments to the extent financed from Excluded Sources. Each prepayment pursuant to this paragraph shall be made on or before the date on which financial statements are delivered pursuant to Section 5.01(a) with respect to the fiscal year for which Excess Cash Flow is being calculated (and in any event not later than the last day on which such financial statements may be delivered in compliance with such Section). Notwithstanding the foregoing, in the event that the Leverage Ratio at the end of a fiscal year is less than 3.00 to 1.00, the Borrower shall not be required to prepay any Term Borrowings pursuant to this clause (d) with any Excess Cash Flow for such fiscal year.

(h) Following the Trigger Date, if, at any time the aggregate balance of cash and cash equivalents of the Borrower and its Subsidiaries on a consolidated basis exceeds \$20,000,000 as of the end of the last Business Day of any calendar week, then the Borrower shall, on the next Business Day, prepay any Revolving Borrowings then outstanding in an aggregate principal amount equal to such excess.

(i) Prior to any optional or mandatory prepayment of Borrowings under this Section, the Borrower shall, subject to the next sentence, select the Borrowing or Borrowings to be prepaid and shall specify such selection in the notice of such prepayment delivered pursuant to paragraph (g) of this Section.

(j) The Borrower shall notify the Administrative Agent by telephone (confirmed by hand delivery or facsimile) of any prepayment hereunder (i) in the case of prepayment of a SOFR Borrowing, not later than 12:00 p.m., New York City time, three U.S. Government Securities Business Days before the date of prepayment or (ii) in the case of prepayment of an ABR Borrowing, not later than 11:00 a.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid and, in the case of a mandatory prepayment, a reasonably detailed calculation of the amount of such prepayment; provided that (A) if a notice of optional prepayment is given in connection with a conditional notice of termination of the Revolving Commitments as contemplated by Section 2.07, then such notice of prepayment may be

revoked if such notice of termination is revoked in accordance with Section 2.07 and (B) a notice of prepayment of Term Borrowings pursuant to paragraph (a) of this Section may state that such notice is conditioned upon the occurrence of one or more events specified therein, in which case such notice of prepayment may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified date of prepayment) if such condition is not satisfied. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the applicable Class of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02, except as necessary to apply fully the required amount of a mandatory prepayment. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.12.

Section 1.11. Fees. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender a commitment fee, which shall accrue at the Applicable Rate on the average daily unused amount of the Revolving Commitment of such Revolving Lender during the period from and including the Second A&R Effective Date to but excluding the date on which the Revolving Commitments terminate. Accrued commitment fees shall be payable in arrears on the last Business Day of March, June, September and December of each year and on the date on which the Revolving Commitments terminate, commencing on the first such date to occur after the Second A&R Effective Date. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of computing commitment fees, a Revolving Commitment of a Lender shall be deemed to be used to the extent of the outstanding Revolving Loans and LC Exposure of such Lender.

(k) The Borrower agrees to pay (i) to the Administrative Agent for the account of each Revolving Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same Applicable Rate then used to determine the interest rate applicable to SOFR Revolving Loans on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Second A&R Effective Date to but excluding the later of the date on which such Lender's Revolving Commitment terminates and the date on which such Lender ceases to have any LC Exposure and (ii) to each Issuing Bank, for its own account, a fronting fee equal to 0.125% on the average daily amount of the LC Exposure attributable to Letters of Credit issued by such Issuing Bank (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Second A&R Effective Date to but excluding the later of the date of termination of the Revolving Commitments and the date on which there ceases to be any such LC Exposure, as well as such Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the first Business Day following such last day, commencing on the first such date to occur after the Second A&R Effective Date; provided that all such fees shall be payable on the date on which the Revolving Commitments terminate and any such fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand. Any other fees payable to an Issuing Bank pursuant to this paragraph shall be payable within two Business Days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(l) The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(m) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent (or to the applicable Issuing Bank, in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the Revolving Lenders entitled thereto. Fees paid hereunder shall not be refundable under any circumstances.

Section 1.12. Interest. (a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(n) The Loans comprising each SOFR Borrowing shall bear interest at the Adjusted Term SOFR for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(o) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2.00% per annum plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2.00% per annum plus the rate applicable to ABR Revolving Loans as provided in paragraph (a) of this Section. Payment or acceptance of the increased rates of interest provided for in this paragraph (c) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of the Administrative Agent, any Issuing Bank or any Lender.

(p) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of a Revolving Loan, upon termination of the Revolving Commitments; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Revolving Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of a SOFR Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(q) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day; provided that, if a Loan, or a portion thereof, is repaid on the same day on which such Loan is made, one day's interest shall accrue on the portion of such Loan so prepaid). The applicable Alternate Base Rate or Adjusted Term SOFR shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

Section 1.13. Special Provisions Governing SOFR Loans.

(a) Inability to Determine Rates. Subject to Section 2.13(c), if, on or prior to the first day of any Interest Period for any SOFR Loan:

(i) the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that “Adjusted Term SOFR” cannot be determined pursuant to the definition thereof, or

(ii) the Required Lenders determine that for any reason in connection with any request for a SOFR Loan or a conversion thereto or a continuation thereof that Adjusted Term SOFR for any requested Interest Period with respect to a proposed SOFR Loan does not adequately and fairly reflect the cost to such Lenders of making and maintaining such Loan, and the Required Lenders have provided notice of such determination to the Administrative Agent,

the Administrative Agent will promptly so notify the Borrower and each Lender.

Upon notice thereof by the Administrative Agent to the Borrower, any obligation of the Lenders to make SOFR Loans, and any right of the Borrower to continue SOFR Loans or to convert ABR Loans to SOFR Loans, shall be suspended (to the extent of the affected SOFR Loans or affected Interest Periods) until the Administrative Agent (with respect to clause (a)(ii), at the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, (i) the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Loans (to the extent of the affected SOFR Loans or affected Interest Periods) or, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to ABR Loans in the amount specified therein and (ii) any outstanding affected SOFR Loans will be deemed to have been converted into ABR Loans at the end of the applicable Interest Period. Upon any such conversion, the Borrower shall also pay accrued interest on the amount so converted, together with any additional amounts required pursuant to Section 2.15. Subject to Section 2.13(c), if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that “Adjusted Term SOFR” cannot be determined pursuant to the definition thereof on any given day, the interest rate on ABR Loans shall be determined by the Administrative Agent without reference to clause (c) of the definition of “Alternate Base Rate” until the Administrative Agent revokes such determination.

(b) Illegality. If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable lending office to make, maintain or fund Loans whose interest is determined by reference to SOFR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or to determine or charge interest based upon SOFR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, then, upon notice thereof by such Lender to the Borrower (through the Administrative Agent) (an “Illegality Notice”), (a) any obligation of the Lenders to make SOFR Loans, and any right of the Borrower to continue SOFR Loans or to convert ABR Loans to SOFR Loans, shall be suspended, and (b) the interest rate on which ABR Loans shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to clause (c) of the definition of “Alternate Base Rate”, in each case until each affected Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of an Illegality Notice, the Borrower shall, if necessary to avoid such illegality, upon demand from any Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all SOFR Loans to ABR Loans (the interest rate on which ABR Loans shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to clause (c) of the definition of “Alternate Base Rate”), on the last day of the Interest Period therefor, if all affected Lenders may lawfully continue to maintain such SOFR Loans to such day, or immediately, if any Lender may not lawfully continue to maintain such SOFR Loans to such day, in each case until the Administrative Agent is advised in writing by each affected Lender that it is no longer illegal for such Lender to determine or charge interest

rates based upon SOFR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 2.15.

(c) Benchmark Replacement Setting.

(i) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event, the Administrative Agent and the Borrower may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all affected Lenders and the Borrower so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 2.13(c)(i) will occur prior to the applicable Benchmark Transition Start Date.

(ii) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation 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 Borrower and the Lenders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will notify the Borrower of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 2.13(c)(iv) 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 2.13(c), 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 2.13(c).

(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 (including the Term SOFR Reference Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the 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 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 (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the 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 Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any pending request for a SOFR Borrowing of, conversion to or continuation of SOFR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to ABR Loans. During a Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR.

(d) Term SOFR Conforming Changes. In connection with the use or administration of Term SOFR, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document. The Administrative Agent will promptly notify the Borrower and the Lenders of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR.

Section 1.14. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any such reserve requirement reflected in the Adjusted Term SOFR) or any Issuing Bank;

(ii) impose on any Lender or any Issuing Bank 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; or

(iii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes and (B) Excluded Taxes) on its loans, loan principal, letters of credit, commitments or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting, continuing or maintaining any Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender, such Issuing Bank or such other Recipient of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit) or to reduce the amount of any sum received or receivable by such Lender, such Issuing Bank or such other Recipient hereunder (whether of principal, interest or otherwise), then, from time to time upon request of such Lender, such Issuing Bank or such other Recipient, the Borrower will pay to such Lender, such Issuing Bank or such other Recipient, as applicable, such additional amount or amounts as will compensate such Lender, such Issuing Bank or such other Recipient, as applicable, for such additional costs or expenses incurred or reduction suffered.

(e) If any Lender or any Issuing Bank determines that any Change in Law regarding capital or liquidity requirements has had or would have the effect of reducing the rate of return on such Lender's or such Issuing Bank's capital or on the capital of such Lender's or such Issuing Bank's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such Issuing Bank's policies and the policies of such Lender's or such Issuing Bank's holding company with respect to capital adequacy or liquidity), then, from time to time upon the request of such Lender or such Issuing Bank, the Borrower will pay to such Lender or such Issuing Bank, as applicable, such additional amount or amounts as will compensate such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company for any such reduction suffered.

(f) A certificate of a Lender or an Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or such Issuing Bank or its holding company, as applicable, as specified in paragraph (a) or (b) of this Section, including in reasonable detail a description of the basis for such claim for compensation and a calculation of such amount or amounts, shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or such Issuing Bank, as applicable, the amount shown as due on any such certificate within 10 Business Days after receipt thereof.

(g) Failure or delay on the part of any Lender or any Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such Issuing Bank's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or an Issuing Bank pursuant to this Section for any increased costs or expenses incurred or reductions suffered more than 180 days prior to the date that such Lender or such Issuing Bank, as applicable, notifies the Borrower of the Change in Law giving rise to such increased costs or expenses or reductions and of such Lender's or such Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or expenses or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

Section 1.15. Break Funding Payments. In the event of (a) the payment of any principal of any SOFR Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any SOFR Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Revolving Loan or Term Loan on the date specified in any notice delivered pursuant hereto (whether or not such notice may be revoked in accordance with the terms hereof) or (d) the assignment of any SOFR Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.18(b) or 9.02(c), then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense (excluding any loss of margin) attributable to such event. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section, including in reasonable detail a description of the basis for such compensation and a calculation of such amount or amounts, shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 15 days after receipt thereof.

Section 1.16. Taxes. (a) Payment Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under this Agreement or any other Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable 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) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(h) Payment of Other Taxes by the Loan Parties. The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(i) Evidence of Payment. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(j) Indemnification by the Loan Parties. The Loan Parties shall jointly and severally indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a 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.

(k) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand thereof, 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 the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case that are payable or paid by the Administrative Agent in connection with this Agreement or any other Loan Document and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document or otherwise payable by the

Administrative Agent to such Lender from any other source against any amount due to the Administrative Agent under this paragraph.

(l) Status of Lenders. (i) Any Lender that is entitled to an exemption from, or reduction of, withholding Tax with respect to payments made under this Agreement or any other Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.16(f)(ii)(A), 2.16(f)(ii)(B) or 2.16(f)(ii)(D)) 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.

(i) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person:

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 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 Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under this Agreement or any other Loan Document, executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under this Agreement or any other Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

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

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit G-1 to the effect that such

Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 871(h)(3)(B) of the Code or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable; or

(4) 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 or IRS Form W-8BEN-E, as applicable, a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-2 or Exhibit G-3, IRS Form W-9 and/or another certification document from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-4 on behalf of each such direct or indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower 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 Borrower or the Administrative Agent to determine withholding or deduction required to be made; and

(D) if a payment made to a Lender under this Agreement or any other Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA and 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 Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such 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 Borrower and the Administrative Agent in writing of its legal inability to do so.

(m) 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 (including by the payment of additional amounts paid pursuant to this Section), it shall pay to the indemnifying party an amount

equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph, in no event will any indemnified party be required to pay any amount to any indemnifying party pursuant to this paragraph the payment of which would place such indemnified party in a less favorable net after-Tax position than such 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.

(n) Survival. Each party's obligations under this Section shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under this Agreement and the other Loan Documents.

(o) Defined Terms. For purposes of this Section, the term "Lender" includes any Issuing Bank and the term "applicable law" includes FATCA.

Section 1.17. Payments Generally; Pro Rata Treatment; Sharing of Setoffs. (a) The Borrower shall make each payment required to be made by it hereunder or under any other Loan Document (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.14, 2.15 or 2.16, or otherwise) on or prior to the time expressly required hereunder or under such other Loan Document for such payment (or, if no such time is expressly required, prior to 1:00 p.m., New York City time), on the date when due, in immediately available funds, without any defense, setoff, recoupment or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to such account or accounts as may be specified by the Administrative Agent, except that payments required to be made directly to any Issuing Bank shall be so made, payments pursuant to Sections 2.14, 2.15, 2.16 and 9.03 shall be made directly to the Persons entitled thereto and payments pursuant to other Loan Documents shall be made to the Persons specified therein. Without limiting the foregoing or any other provision of this Agreement, the Borrower hereby authorizes the Administrative Agent to debit from an account maintained by the Borrower with the Administrative Agent, which account shall be designated by the Borrower from time to time with the Administrative Agent's consent, such amounts as may be necessary to pay, from time to time as and when due, all principal, interest and fees payable by the Borrower under this Agreement. The Administrative Agent shall distribute any such payment received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment under this Agreement or any other Loan Document shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day and, in the case of any payment

accruing interest, interest thereon shall be payable for the period of such extension. All payments under this Agreement and each other Loan Document shall be made in dollars.

(p) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(q) If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Revolving Loans, Term Loans or participations in LC Disbursements resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Loans, Term Loans and participations in LC Disbursements and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall notify the Administrative Agent of such fact and shall purchase (for cash at face value) participations in the Revolving Loans, Term Loans and participations in LC Disbursements of other Lenders to the extent necessary so that the aggregate amount 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 Revolving Loans, Term Loans and participations in LC Disbursements; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any Eligible Assignee. The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(r) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Banks hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption and in its sole discretion, distribute to the Lenders or the Issuing Banks, as applicable, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the Issuing Banks, as applicable, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or such Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(s) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(d) or (e), 2.05(a) or (b), 2.16(e), 2.17(d) or 9.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations in respect of such payment until all such unsatisfied obligations have been discharged and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under any such Section, in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

(t) In the event that any financial statements delivered under Section 5.01(a) or 5.01(b), or any compliance certificate delivered under Section 5.01(c), shall prove to have been inaccurate, and such inaccuracy shall have resulted in the payment of any interest or fees at rates lower than those that were in fact applicable for any period (based on the actual Leverage Ratio), then, if such inaccuracy is discovered prior to the termination of the Commitments and the repayment in full of the principal of all Loans and the reduction of the LC Exposure to zero, the Borrower shall pay to the Administrative Agent, for distribution to the Lenders and the Issuing Banks (or former Lenders and Issuing Banks) as their interests may appear, the accrued interest or fees that should have been paid but were not paid as a result of such misstatement.

Section 1.18. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.14, or if any Loan Party is required to pay any Indemnified Taxes or additional amounts to any Lender or to any Governmental Authority for the account of any Lender pursuant to Section 2.16, then such Lender shall (at the request of the Borrower) use commercially reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign and delegate its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender, such designation or assignment and delegation (i) would eliminate or reduce amounts payable pursuant to Section 2.14 or 2.16, as applicable, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not be inconsistent with its internal policies or otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment and delegation.

(u) If (i) any Lender has requested compensation under Section 2.14, (ii) the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16 or (iii) any Lender has become a Defaulting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights (other than its existing rights to payments pursuant to Section 2.14 or 2.16) and obligations under this Agreement and the other Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment and delegation); provided that (A) the Borrower shall have received the prior written consent of the Administrative Agent (and, if a Revolving Commitment is being assigned, each Issuing Bank), which consent shall not unreasonably be withheld, (B) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder (if applicable, in each case only to the extent such amounts relate to its interest as a Lender of a particular Class) from the assignee (in the

case of such principal and accrued interest and fees) or the Borrower (in the case of all other amounts), (C) the Borrower or such assignee shall have paid to the Administrative Agent the processing and recordation fee specified in Section 9.04(b), (D) in the case of any such assignment and delegation resulting from a claim for compensation under Section 2.14 or payments required to be made pursuant to Section 2.16, such assignment will result in a material reduction in such compensation or payments and (E) such assignment does not conflict with applicable law. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver or consent by such Lender or otherwise (including as a result of any action taken by such Lender under paragraph (a) above), the circumstances entitling the Borrower to require such assignment and delegation have ceased to apply.

Section 1.19. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Revolving Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Revolving Lender is a Defaulting Lender:

(a) commitment fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 2.11(a);

(b) the Revolving Commitment and Revolving Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders or any other requisite Lenders have taken or may take any action hereunder or under any other Loan Document (including any consent to any amendment, waiver or other modification pursuant to Section 9.02); provided that any amendment, waiver or other modification requiring the consent of all Lenders or all Lenders affected thereby shall, except as otherwise provided in Section 9.02, require the consent of such Defaulting Lender in accordance with the terms hereof;

(c) if any LC Exposure exists at the time such Revolving Lender becomes a Defaulting Lender, then:

(i) all or any part of the LC Exposure (other than any portion thereof attributable to unreimbursed LC Disbursements with respect to which such Defaulting Lender shall have funded its participation as contemplated by Sections 2.04(e) and 2.04(f) of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages but only to the extent that the sum of all non-Defaulting Lenders' Revolving Exposures plus such Defaulting Lender's LC Exposure does not exceed the sum of all non-Defaulting Lenders' Revolving Commitments; provided that subject to Section 9.18, no reallocation under this clause (i) shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a non-Defaulting Lender as a result of such non-Defaulting Lender's increased exposure following such reallocation;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within one Business Day following notice by the Administrative Agent, without prejudice to any rights or remedies of the Borrower against such Defaulting Lender, cash collateralize for the benefit of the Issuing Banks the portion of such Defaulting Lender's LC Exposure that has not been reallocated in accordance with the procedures set forth in Section 2.04(i) for so long as such LC Exposure is outstanding;

(iii) if the Borrower cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii)(B) above, the Borrower shall not be required to pay participation fees to such Defaulting Lender pursuant to Section 2.11(b) with respect to such portion of such Defaulting Lender's LC Exposure for so long as such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if any portion of the LC Exposure of such Defaulting Lender is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Sections 2.11(a) and 2.11(b) shall be adjusted to give effect to such reallocation; and

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of any Issuing Bank or any other Lender hereunder, all participation fees payable under Section 2.11(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the Issuing Banks (and allocated among them ratably based on the amount of such Defaulting Lender's LC Exposure attributable to Letters of Credit issued by each Issuing Bank) until and to the extent that such LC Exposure is reallocated and/or cash collateralized; and

(d) so long as such Revolving Lender is a Defaulting Lender, no Issuing Bank shall be required to issue, amend, renew or extend any Letter of Credit, unless, in each case, it is satisfied that the related exposure and the Defaulting Lender's then outstanding LC Exposure will be fully covered by the Revolving Commitments of the non-Defaulting Lenders and/or cash collateral provided by the Borrower in accordance with Section 2.19(c), and participating interests in any such issued, amended, renewed or extended Letter of Credit will be allocated among the non-Defaulting Lenders in a manner consistent with Section 2.19(c)(i) (and such Defaulting Lender shall not participate therein).

In the event that (i) a Bankruptcy Event with respect to a Revolving Lender Parent shall occur following the Third A&R Effective Date and for so long as such Bankruptcy Event shall continue or (ii) any Issuing Bank has a good faith belief that any Revolving Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, such Issuing Bank shall not be required to issue, amend, renew or extend any Letter of Credit, unless such Issuing Bank shall have entered into arrangements with the Borrower or the applicable Lender, satisfactory to such Issuing Bank to defease any risk to it in respect of such Lender hereunder.

In the event that the Administrative Agent, the Borrower and each Issuing Bank each agrees that a Defaulting Lender has adequately remedied all matters that caused the applicable Revolving Lender to be a Defaulting Lender, then the LC Exposure of the Revolving Lenders shall be readjusted to reflect the inclusion of such Revolving Lender's Revolving Commitment and on such date such Revolving Lender shall purchase at par such of the Revolving Loans of the other Revolving Lenders as the Administrative Agent shall determine may be necessary in order for such Revolving Lender to hold such Revolving Loans in accordance with its Applicable Percentage; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while such Revolving Lender was a Defaulting Lender; provided further that, except as otherwise expressly agreed by the affected parties, no change hereunder from a Defaulting Lender to a non-Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from such Revolving Lender's having been a Defaulting Lender.

Section 1.20. [reserved]

Section 1.21. [reserved]

Section 1.22. [reserved]

ARTICLE III

Representations and Warranties

The Borrower represents and warrants to the Administrative Agent, each of the Issuing Banks and each of the Lenders that:

Section 1.01. Organization; Powers. Each of the Borrower and its Subsidiaries (a) is duly organized, validly existing and, to the extent that such concept is applicable in the relevant jurisdiction, in good standing under the laws of the jurisdiction of its organization, (b) has all requisite power and authority, and the legal right, to carry on its business as now conducted and as proposed to be conducted, to execute, deliver and perform its obligations under this Agreement and each other Loan Document and each other agreement or instrument contemplated thereby to which it is a party and to effect the Transactions and (c) except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and, to the extent that such concept is applicable in the relevant jurisdiction, is in good standing in, every jurisdiction where such qualification is required.

Section 1.02. Authorization; Due Execution and Delivery; Enforceability. The Transactions to be entered into by each Loan Party have been duly authorized by all necessary corporate or other organizational action and, if required, action by the holders of such Loan Party's Equity Interests. The Third Amendment and Restatement Agreement has been duly executed and delivered by the Borrower and constitutes, and each other Loan Document to which any Loan Party is to be a party, when executed and delivered by such Loan Party, will constitute, a legal, valid and binding obligation of the Borrower or such Loan Party, as applicable, enforceable against such Person in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

Section 1.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except filings necessary to perfect Liens created under the Loan Documents, (b) will not violate any Requirement of Law applicable to the Borrower or any Subsidiary, (c) will not violate or result (alone or with notice or lapse of time or both) in a default under any indenture, agreement, certificate of designations or other instrument binding upon the Borrower or any Subsidiary or their respective assets, or give rise to a right thereunder to require any payment, repurchase or redemption to be made by the Borrower or any Subsidiary or give rise to a right of, or result in, termination, cancelation or acceleration of any obligation thereunder and (d) will not result in the creation or imposition of any Lien on any asset now owned or hereafter acquired by the Borrower or any Subsidiary, except Liens created or otherwise permitted under the Loan Documents, except in the case of clause (b) (solely with respect to clause (b) of the definition of "Requirement of Law") and clause (c), to the extent that (i) the failure to obtain or make such consent, approval, registration, filing or take such other action or (ii) such violation, as the case may be, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

Section 1.04. Financial Condition; No Material Adverse Change. (a)

The Borrower has heretofore furnished to the Lenders its consolidated balance sheet and consolidated statements of operations and comprehensive income, stockholders' equity and cash flows as of and for the fiscal years ended July 31, 2021, July 31, 2022 and July 31, 2023, audited by and accompanied by an opinion of Deloitte & Touche LLP, independent public accountants (in each case, without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit); provided, for the avoidance of doubt, that the consolidated balance sheet and consolidated statements of operations and comprehensive income, stockholders' equity and cash flows as of and for the fiscal year ended July 31, 2023 and the related opinion of Deloitte & Touche LLP will be deemed to have been furnished to the Lenders upon filing thereof by the Borrower or any Subsidiary with the SEC. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower and the Subsidiaries on a consolidated basis as of such dates and for such periods in accordance with GAAP consistently applied.

(a) [reserved]

(b) Except as disclosed in the audited financial statements of the Borrower referred to in clause (a) above or the notes thereto, none of the Borrower or any Subsidiary has, as of the Third A&R Effective Date, any material direct or contingent liabilities, unusual long-term commitments or unrealized losses.

(c) No event, change or condition has occurred that has had, or would reasonably be expected to have, a Material Adverse Effect.

Section 1.05. Properties. (a) Each of the Borrower and its Subsidiaries has good title to, or valid leasehold interests in, all its real and personal property material to its business (including the Mortgaged Properties), except for defects in title that would not reasonably be expected to result in a Material Adverse Effect and Liens expressly permitted by Section 6.02.

(a) Each of the Borrower and each Subsidiary owns, or is licensed to use, or otherwise has the right to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business as currently conducted or as proposed to be conducted, and the use thereof by the Borrower and each Subsidiary does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. No claim or litigation regarding any trademarks, tradenames, copyrights, patents or other intellectual property owned or used by the Borrower or any Subsidiary is pending or, to the knowledge of the Borrower or any Subsidiary, threatened against the Borrower or any Subsidiary that, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect.

(b) Schedule 3.05 sets forth the address of each real property that is owned or leased by the Borrower or any Subsidiary as of the Third A&R Effective Date.

(c) As of the Third A&R Effective Date, none of the Borrower or any Subsidiary has received notice of any pending or contemplated condemnation proceeding affecting any Mortgaged Property or any sale or disposition thereof in lieu of condemnation. Neither any Mortgaged Property nor any interest therein is subject to any right of first refusal, option or other contractual right to purchase such Mortgaged Property or interest therein.

Section 1.06. Litigation and Environmental Matters. (a) There are no actions, suits, investigations or proceedings at law or in equity or by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower or any Subsidiary, threatened against or affecting the Borrower or any Subsidiary or any business, property or rights of any such Person (i) as to which there is a reasonable likelihood of an adverse determination and that, if adversely determined, would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve any of the Loan Documents or the Transactions.

(a) Except with respect to any matters that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, none of the Borrower or any Subsidiary (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

Section 1.07. Compliance with Laws and Agreements; No Default. Each of the Borrower and its Subsidiaries is in compliance with (a) all Requirements of Law and (b) all indentures, agreements, certificates of designations and other instruments binding upon it or its property, except, in the case of clause (b) of this Section, where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

Section 1.08. Anti-Terrorism Laws; Anti-Corruption Laws. The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, the Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, the Subsidiaries and their respective officers and employees, and, to the knowledge of the Borrower, their respective directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Borrower, any Subsidiary or, to the knowledge of the Borrower or such Subsidiary, any of their respective directors, officers or employees or (b) to the knowledge of the Borrower, any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. The Transactions will not violate Anti-Corruption Laws or applicable Sanctions.

Section 1.09. Investment Company Status; Other Regulations. None of the Borrower or any Subsidiary is an “investment company” as defined in, or subject to regulation under, the Investment Company Act. No Loan Party is subject to regulation under any Requirement of Law (other than Regulation X of the Board of Governors) that limits its ability to incur Indebtedness or which may otherwise render all or any portion of the Loan Document Obligations unenforceable.

Section 1.10. Federal Reserve Regulations. None of the Borrower or any Subsidiary is engaged or will engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors) or extending credit for the purpose of purchasing or carrying margin stock. No part of the proceeds of the Loans will be used, directly or indirectly, to purchase or carry margin stock or for any purpose that entails a violation (including on the part of any Lender) of any of the regulations of the Board of Governors, including Regulations U and X.

Section 1.11. Taxes. Each of the Borrower and each Subsidiary (a) has timely filed or caused to be filed all Tax returns and reports required to have been filed by it, except to the extent that failure to do so would not reasonably be expected to result in a Material Adverse Effect, and (b) has paid or caused to be paid all Taxes required to have been paid by it, except where the validity or amount thereof is being contested in good faith by appropriate proceedings; provided that (i) the Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves therefor in conformity with GAAP, (ii) such contest effectively suspends collection of the contested obligation and the enforcement of any Lien securing such obligation and (iii) the failure to pay such Taxes, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

Section 1.12. ERISA. (a) No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, would reasonably be expected to result in a Material Adverse Effect. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Accounting Standards Codification Topic 715) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than \$10,000,000 the fair market value of the assets of such Plan, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Accounting Standards Codification Topic 715) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than \$10,000,000 the fair market value of the assets of all such underfunded Plans.

(a) Except as would not reasonably be expected to result in a Material Adverse Effect, each Foreign Pension Plan is in compliance in all material respects with all Requirements of Law applicable thereto and the respective requirements of the governing documents for such plan. With respect to each Foreign Pension Plan, none of the Borrower, its Affiliates or any of their respective directors, officers, employees or agents has engaged in a transaction that could subject the Borrower or any Subsidiary, directly or indirectly, to a tax or civil penalty that would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. With respect to each Foreign Pension Plan, reserves have been established in the financial statements furnished to Lenders in respect of any unfunded liabilities in accordance with all Requirements of Law or, where required, in accordance with ordinary accounting practices in the jurisdiction in which such Foreign Pension Plan is maintained. The aggregate unfunded liabilities with respect to such Foreign Pension Plans would not reasonably be expected to result in a Material Adverse Effect; and the present value of the aggregate accumulated benefit obligations of all underfunded Foreign Pension Plans (based on those assumptions used to fund each such Foreign Pension Plan) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than \$10,000,000 the fair market value of the assets of all such Foreign Pension Plans.

Section 1.13. Disclosure. Each of the Borrower and each Subsidiary has disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which the Borrower or any Subsidiary is subject, and all other matters known to any of them, that, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect. None of the reports, financial statements, certificates or other information furnished by or on behalf of the Borrower or any Subsidiary to any Arranger, the Administrative Agent, any Issuing Bank or any Lender in connection with the negotiation of this Agreement, the Third Amendment and Restatement Agreement or any other Loan Document, included herein or therein or furnished hereunder or thereunder (as modified or supplemented by other information so furnished) contains any material

misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading; provided that, with respect to forecasts and projected financial information, the Borrower and each Subsidiary represents only that such information was prepared in good faith based upon assumptions believed by them to be reasonable at the time made and at the time so furnished and, if such forecasts and projected financial information were furnished prior to the Third A&R Effective Date, as of the Third A&R Effective Date (it being understood and agreed that any such forecasts and projected financial information may vary from actual results and that such variations may be material).

Section 1.14. Subsidiaries. Schedule 3.14 sets forth the name of, and the ownership interest of the Borrower and each Subsidiary in, each Subsidiary and identifies each Subsidiary that is a Subsidiary Loan Party, in each case as of the Third A&R Effective Date. The Equity Interests in each Subsidiary have been duly authorized and validly issued and are fully paid and nonassessable, and such Equity Interests are owned by the Borrower, directly or indirectly, free and clear of all Liens (other than Liens created under the Loan Documents). Except as set forth in Schedule 3.14, there is no existing option, warrant, call, right, commitment or other agreement to which the Borrower or any Subsidiary is a party requiring, and there are no Equity Interests in any Subsidiary outstanding that upon exercise, conversion or exchange would require, the issuance by the Borrower or any Subsidiary of any additional Equity Interests or other securities exercisable for, convertible into, exchangeable for or evidencing the right to subscribe for or purchase any Equity Interests in the Borrower or any Subsidiary.

Section 1.15. Insurance. Schedule 3.15 sets forth a description of all insurance maintained by or on behalf of the Borrower or any Subsidiary as of the Third A&R Effective Date. As of the Third A&R Effective Date, such insurance is in full force and effect and all premiums in respect of such insurance have been paid. The Borrower believes that the insurance maintained by or on behalf of the Borrower and the Subsidiaries is in such amounts (with no greater risk retention) and against such risks as is (a) customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations and (b) adequate.

Section 1.16. Labor Matters. As of the Third A&R Effective Date, there are no strikes, lockouts or slowdowns or any other material labor disputes against the Borrower or any Subsidiary pending or, to the knowledge of the Borrower or any Subsidiary, threatened. Except as would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect (i) the Borrower and each Subsidiary are in compliance in all material respects with the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law dealing with wage and hour matters and (ii) all payments due from the Borrower or any Subsidiary, or for which any claim may be made against the Borrower or any Subsidiary, on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of the Borrower or such Subsidiary. To the knowledge of the Borrower or any Subsidiary, the consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which the Borrower or any Subsidiary is bound.

Section 1.17. Solvency. Immediately after the consummation of the Transactions to occur on the Third A&R Effective Date and immediately following the making of each Loan and the application of the proceeds thereof, and giving effect to the rights of indemnification, subrogation and contribution under the Loan Documents, (a) the sum of the debts and liabilities, direct, subordinated, contingent or otherwise, on a consolidated basis of the Borrower and its Subsidiaries, does not exceed the fair value of

the assets of the Borrower and its Subsidiaries on a consolidated basis, and the present fair saleable value of the property of the Borrower and its Subsidiaries on a consolidated basis will be greater than the amount that will be required to pay the probable liability of the Borrower and its Subsidiaries on a consolidated basis on their debts and liabilities, direct, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured, (b) the capital of the Borrower and its Subsidiaries, taken as a whole, is not unreasonably small in relation to the business of the Borrower or its Subsidiaries, taken as a whole, contemplated as of the Third A&R Effective Date and (c) the Borrower and its Subsidiaries, taken as a whole, do not intend to incur, or believe that they will incur, debts including current obligations beyond their ability to pay such debt as they mature in the ordinary course of business. For the purposes of this Section, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under FASB Accounting Standards Codification subtopic 450-20, Contingencies: Loss Contingencies (or any other Accounting Standard Codification or Financial Accounting Standard having a similar result or effect)).

Section 1.18. Collateral Matters. (a) The Collateral Agreement creates in favor of the Administrative Agent, for the benefit of the Secured Parties, a valid and enforceable security interest in the Collateral (as defined therein) and (i) when the Collateral (as defined therein) constituting certificated securities (as defined in the Uniform Commercial Code) is delivered to the Administrative Agent, together with instruments of transfer duly endorsed in blank, the security interest created under the Collateral Agreement will constitute a fully perfected security interest in all right, title and interest of the pledgors thereunder in such Collateral, prior and superior in right to any other Person, and (ii) when financing statements in appropriate form are filed in the applicable filing offices, the security interest created under the Collateral Agreement will constitute a fully perfected security interest in all right, title and interest of the Loan Parties in the Collateral (as defined therein) to the extent perfection can be obtained by filing Uniform Commercial Code financing statements, prior and superior to the rights of any other Person, except for rights secured by Liens permitted under Section 6.02.

(b) Each Mortgage, upon execution and delivery thereof by the parties thereto, will create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable security interest in all the applicable mortgagor's right, title and interest in and to the Mortgaged Properties subject thereto and the proceeds thereof, and when the Mortgages have been filed in the jurisdictions specified therein, the Mortgages will constitute a fully perfected security interest in all right, title and interest of the mortgagors in the Mortgaged Properties and the proceeds thereof, prior and superior in right to any other Person, but subject to Liens permitted under Section 6.02.

(c) Upon the recordation of the Collateral Agreement (or a short-form security agreement in form and substance reasonably satisfactory to the Borrower and the Administrative Agent) with the United States Patent and Trademark Office or the United States Copyright Office, as applicable, and the filing of the financing statements referred to in paragraph (a) of this Section, the security interest created under the Collateral Agreement will constitute a fully perfected security interest in all right, title and interest of the Loan Parties in the Intellectual Property (as defined in the Collateral Agreement) owned by the Loan Parties in which a security interest may be perfected by filing in the United States of America, in each case prior and superior in right to any other Person, but subject to Liens permitted under Section 6.02 (it being understood and agreed that subsequent recordings in the United States Patent and Trademark Office or the United

States Copyright Office may be necessary to perfect a security interest in such Intellectual Property acquired by the Loan Parties after the Effective Date).

(d) Each Security Document, other than any Security Document referred to in the preceding paragraphs of this Section, upon execution and delivery thereof by the parties thereto and the making of the filings and taking of the other actions provided for therein, will be effective under applicable law to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a valid and enforceable security interest in the Collateral subject thereto, and will constitute a fully perfected security interest in all right, title and interest of the Loan Parties in the Collateral subject thereto, prior and superior to the rights of any other Person, except for rights secured by Liens permitted under Section 6.02.

Section 1.19. Permits and Licenses. Each of the Borrower and each Subsidiary has all permits, licenses, certifications, authorizations and approvals required for it lawfully to own and operate their respective businesses except those the failure of which to have, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

ARTICLE IV

Conditions

Section 1.01. [reserved]

Section 1.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of the Issuing Banks to issue, amend, renew or extend any Letter of Credit, is subject to receipt of the request therefor in accordance herewith and to the satisfaction of the following conditions:

(a) The representations and warranties of each Loan Party set forth in the Loan Documents shall be true and correct in all material respects (or, in the case of representations and warranties qualified as to materiality, in all respects) on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, except in the case of any such representation and warranty that expressly relates to a prior date, in which case such representation and warranty shall be true and correct in all material respects (or in all respects, as applicable) as of such earlier date.

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default shall have occurred and be continuing.

(c) Following the Trigger Date, the Borrower shall be in compliance, on a Pro Forma Basis after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, with the covenants set forth in Sections 6.12, 6.13 and 6.15.

Each Borrowing (provided that a conversion or a continuation of a Borrowing shall not constitute a "Borrowing" for purposes of this Section) and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a), (b) and (c) of this Section.

ARTICLE V

Affirmative Covenants

Until the Commitments shall have expired or been terminated and the principal of and interest on each Loan and all fees, expenses and other amounts (other than contingent amounts not yet due) payable under this Agreement or any other Loan Document shall have been paid in full and all Letters of Credit shall have expired or been terminated and all LC Disbursements shall have been reimbursed, the Borrower covenants and agrees with the Lenders that:

Section 1.01. Financial Statements and Other Information. The Borrower will furnish to the Administrative Agent, which shall furnish to each Issuing Bank and each Lender, the following:

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of the Borrower, its audited consolidated (and unaudited consolidating) balance sheet and audited consolidated (and unaudited consolidating) statements of operations and comprehensive income, stockholders' equity and cash flows (provided that in the case of consolidating statements of cash flows only, such consolidating statements shall be prepared on a Segment Level Basis) as of the end of and for such fiscal year, and related notes thereto, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Deloitte & Touche LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such financial statements present fairly in all material respects the financial condition, results of operations and cash flow of the Borrower and the Subsidiaries on a consolidated (or, in the case of the consolidating financial statements (other than the consolidating statements of cash flow, which shall be on a Segment Level Basis), an individual) basis as of the end of and for such fiscal year in accordance with GAAP consistently applied and accompanied by a narrative management's discussion and analysis report describing the financial position, results of operations and cash flows of the Borrower and the consolidated Subsidiaries in a form reasonably satisfactory to the Administrative Agent;

(b) as soon as available, but in any event within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, its unaudited consolidated and consolidating balance sheet and unaudited consolidated and consolidating statements of operations and comprehensive income, stockholders' equity and cash flows (provided that in the case of consolidating statements of cash flow, such consolidated statements shall be prepared on a Segment Level Basis) as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by a Financial Officer as presenting fairly in all material respects the financial condition, results of operations and cash flows of the Borrower and the Subsidiaries on a consolidated (or, in the case of the consolidating financial statements (other than the consolidating statements of cash flow, which shall be on a Segment Level Basis), an individual) basis as of the end of and for such fiscal quarter and such portion of the fiscal year in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and reduced footnote disclosures, and accompanied by a narrative management's discussion and analysis report describing the financial position, results of operations and cash flows of the Borrower and the consolidated Subsidiaries in a form reasonably satisfactory to the Administrative Agent;

(c) concurrently with each delivery of financial statements under clause (a) or (b) above or clause (j) below, a certificate of a Financial Officer (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations (A) demonstrating compliance with the covenants contained in Sections 6.12, 6.13 and 6.15 and (B) in the case of financial statements delivered under clause (a) above, beginning with the financial statements for the fiscal year of the Borrower ending July 31, 2023, of Excess Cash Flow and (iii) stating whether any change in GAAP or in the application thereof has occurred since the later of the date of the Borrower's audited financial statements referred to in Section 3.04 and the date of the prior certificate delivered pursuant to this clause (c) indicating such a change and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(d) promptly after the receipt thereof by the Borrower or any Subsidiary, a copy of any "management letter" received by any such Person from its certified public accountants and the management's response thereto;

(e) concurrently with any delivery of financial statements under clause (a) above, a consolidated budget for such fiscal year (including a projected consolidated balance sheet and consolidated statements of projected operations, comprehensive income and cash flows as of the end of and for such fiscal year and setting forth the assumptions used for purposes of preparing such budget) and, promptly when available, any significant revisions of such budget;

(f) promptly after the request by any Lender, all documentation and other information that such Lender reasonably requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act and the Beneficial Ownership Regulation;

(g) promptly after the request by the Administrative Agent or any Lender, copies of (i) any documents described in Section 101(k)(1) of ERISA that the Borrower or any of its ERISA Affiliates may request with respect to any Multiemployer Plan and (ii) any notices described in Section 101(l)(1) of ERISA that the Borrower or any of its ERISA Affiliates may request with respect to any Multiemployer Plan; provided that if the Borrower or any of its ERISA Affiliates has not requested such documents or notices from the administrator or sponsor of the applicable Multiemployer Plan, the Borrower or the applicable ERISA Affiliate shall promptly make a request for such documents or notices from such administrator or sponsor and shall provide copies of such documents and notices promptly after receipt thereof;

(h) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by the Borrower or any Subsidiary with the SEC or with any national securities exchange, or distributed by the Borrower to the holders of its Equity Interests generally, as applicable;

(i) promptly after submission to any government or regulatory agency, all documents and information furnished to such government or regulatory agency other than such documents and information prepared in the normal course of business and which would not reasonably be expected to result in a Material Adverse Effect;

(j) commencing with the calendar month ending February 29, 2024, within 30 days after the end of each calendar month, a consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such month and consolidated statements of

operations and comprehensive income, stockholders' equity and cash flows of the Borrower and its Subsidiaries for such month, setting forth in each case in comparative form the figures for the corresponding month of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by a Financial Officer as presenting fairly in all material respects the financial condition, results of operations and cash flows of the Borrower and the Subsidiaries on a consolidated basis as of the end of and for such calendar month in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(k) on the Trigger Date and, thereafter, on the last Business Day of each calendar month, a thirteen-week cash flow projection of the Borrower and its Subsidiaries in form and substance reasonably satisfactory to the Administrative Agent; and

(l) promptly following any written request therefor, such other information regarding the operations, business affairs and financial condition of the Borrower or any Subsidiary, or compliance with the terms of this Agreement or any other Loan Document, as the Administrative Agent may reasonably request.

Information required to be furnished pursuant to clause (a), (b) or (h) of this Section shall be deemed to have been furnished if such information, or one or more annual or quarterly reports containing such information, shall have been posted by the Administrative Agent on the Platform or shall be available on the website of the SEC at <http://www.sec.gov>. Information required to be furnished pursuant to this Section may also be furnished by electronic communications pursuant to procedures approved by the Administrative Agent.

Section 1.02. Notices of Material Events. The Borrower will furnish to the Administrative Agent, which shall furnish to each Issuing Bank and each Lender, promptly upon any Financial Officer of the Borrower becoming aware, written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or, to the knowledge of a Financial Officer or another executive officer of the Borrower or any Subsidiary, affecting the Borrower or any Subsidiary, or any adverse development in any such pending action, suit or proceeding not previously disclosed in writing by the Borrower to the Administrative Agent, that in each case would reasonably be expected to result in a Material Adverse Effect or that in any manner questions the validity of this Agreement or any other Loan Document;

(c) the occurrence of any ERISA Event or any fact or circumstance that gives rise to the Borrower's reasonable expectation that any ERISA Event will occur that, in either case, alone or together with any other ERISA Events that have occurred or are reasonably expected to result in a liability of the Borrower and the Subsidiaries in an aggregate amount exceeding \$10,000,000;

(d) promptly after the date that the Borrower or any Subsidiary (i) commences or terminates negotiations with any collective bargaining agent for the purpose of materially changing any collective bargaining agreement, (ii) reaches an agreement with any collective bargaining agent prior to ratification for the purpose of materially changing any collective bargaining agreement, (iii) ratifies any agreement reached with a collective bargaining agent for the purpose of materially changing any collective bargaining agreement or (iv) becomes subject to a "cooling off period" under the auspices of the

National Mediation Board, the commencement or termination of such negotiations or the receipt of such agreement or notice of a “cooling off period” (including a copy of such agreement or notice), as applicable; and

(e) any other development (including notice of any Environmental Liability) that has resulted, or would reasonably be expected to result, in a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a written statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

Section 1.03. Information Regarding Collateral. (a) The Borrower will furnish to the Administrative Agent prompt written notice of any change (i) in any Loan Party’s legal name, as set forth in such Loan Party’s organizational documents, (ii) in the jurisdiction of incorporation or organization of any Loan Party, (iii) in the form of organization of any Loan Party or (iv) in any Loan Party’s organizational identification number, if any, or, with respect to a Loan Party organized under the laws of a jurisdiction that requires such information to be set forth on the face of a Uniform Commercial Code financing statement, the Federal Taxpayer Identification Number of such Loan Party. The Borrower agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the Uniform Commercial Code or otherwise that are required in order for the Administrative Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral.

(a) At the time of delivery of financial statements pursuant to Section 5.01(a) or Section 5.01(b) (but solely with respect to the delivery of financial statements for the Borrower’s second fiscal quarter), the Borrower shall deliver to the Administrative Agent a completed Supplemental Perfection Certificate, signed by a Financial Officer of the Borrower, (i) setting forth the information required pursuant to the Supplemental Perfection Certificate and indicating, in a manner reasonably satisfactory to the Administrative Agent, any changes in such information from the most recent Supplemental Perfection Certificate delivered pursuant to this Section (or, prior to the first delivery of a Supplemental Perfection Certificate, from the Perfection Certificate delivered on the Third A&R Effective Date) or (ii) certifying that there has been no change in such information from the most recent Supplemental Perfection Certificate delivered pursuant to this Section (or, prior to the first delivery of a Supplemental Perfection Certificate, from the Perfection Certificate delivered on the Third A&R Effective Date).

Section 1.04. Existence; Conduct of Business. The Borrower will, and will cause each Subsidiary to, do or cause to be done all things reasonably necessary to preserve, renew and keep in full force and effect (i) its legal existence and (ii) the rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks and trade names material to the conduct of its business, except in the case of clause (ii) where the failure to do so would not reasonably be expected to result in a Material Adverse Effect; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.03.

Section 1.05. Payment of Obligations and Taxes. The Borrower will, and will cause each Subsidiary to, pay its material obligations (other than Indebtedness and any obligations in respect of any Hedging Agreements), including material Tax liabilities, before the same shall become delinquent or in default, except where (a) the validity or

amount thereof is being contested in good faith by appropriate proceedings, (b) the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP, (c) such contest effectively suspends collection of the contested obligation and the enforcement of any Lien securing such obligation and (d) the failure to make payment pending such contest would not reasonably be expected to result in a Material Adverse Effect.

Section 1.06. Maintenance of Properties. The Borrower will, and will cause each Subsidiary to, keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted.

Section 1.07. Insurance. The Borrower will, and will cause each Subsidiary to, maintain, with financially sound and reputable insurance companies, (a) insurance in such amounts (with no greater risk retention) and against such risks as is (i) customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations and (ii) considered adequate by the Borrower and (b) all other insurance as may be required by any other Loan Document. Each such policy of liability or casualty insurance maintained by or on behalf of Loan Parties will (x) in the case of each liability insurance policy (other than workers' compensation, director and officer liability or other policies in which such endorsements are not customary), name the Administrative Agent, on behalf of the Secured Parties, as an additional insured thereunder and (y) in the case of each casualty insurance policy, contain a loss payable clause or endorsement that names the Administrative Agent, on behalf of the Secured Parties, as the lender's loss payee thereunder, and the Loan Parties will use commercially reasonable efforts to have each liability insurance policy and casualty insurance policy referred to in either of clause (a) or (b) above provide for at least 30 days' or, solely in the case of cancellation for non-payment, 10 days' (or such shorter number of days as may be agreed to by the Administrative Agent) prior written notice to the Administrative Agent of any cancellation of such policy. With respect to each Mortgaged Property that is located in an area determined by the Federal Emergency Management Agency to have special flood hazards, the applicable Loan Party has obtained, and will maintain, with financially sound and reputable insurance companies, such flood insurance as is required under applicable law, including Regulation H of the Board of Governors. The Borrower will furnish to the Lenders, upon the reasonable request of the Administrative Agent, information in reasonable detail as to the insurance so maintained. In addition, concurrently with any delivery of financial statements under Section 5.01(a), the Borrower will furnish to the Administrative Agent a schedule setting forth the policies of insurance then maintained by or on behalf of the Loan Parties.

Section 1.08. Casualty and Condemnation. The Borrower (a) will furnish to the Administrative Agent, which will furnish to each Issuing Bank and each Lender, prompt written notice of any casualty or other damage to any material portion of the Collateral or the commencement of any action or proceeding for the taking of any material portion of or any material interest in the Collateral under power of eminent domain or by condemnation or similar proceeding and (b) will ensure that the Net Proceeds of any such event (whether in the form of insurance proceeds, condemnation awards or otherwise) are collected and applied in accordance with the applicable provisions of this Agreement and the Security Documents.

Section 1.09. Books and Records; Inspection and Audit Rights. The Borrower will, and will cause each Subsidiary to, keep proper books of record and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law are made of all dealings and transactions in relation to its business and activities. The Borrower will, and will cause each Subsidiary to, permit any

representatives designated by the Administrative Agent (or any Lender accompanied by a representative designated by the Administrative Agent), upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and, accompanied by one or more such officers or their designees if so requested by the Borrower, independent accountants, all at such reasonable times during normal business hours and as often as reasonably requested (but in no event more than once each fiscal quarter of the Borrower unless a Default has occurred and is continuing). The Loan Parties shall have the right to have a representative present at any and all inspections.

Section 1.10. Compliance with Laws. The Borrower will, and will cause each Subsidiary to, comply with (a) all Anti-Corruption Laws and Sanctions with respect to its property and (b) all other Requirements of Law (including Environmental Laws) with respect to it or its property, except in the case of this clause (b) where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. The Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and the respective directors, officers, employees and agents of the foregoing with Anti-Corruption Laws and applicable Sanctions.

Section 1.11. Use of Proceeds and Letters of Credit. (a) The proceeds of any Revolving Loans made on or after the Third A&R Effective Date will be used by the Borrower solely for working capital and other general corporate purposes of the Borrower and the Subsidiaries. No part of the proceeds of any Loan will be used in violation of the representation set forth in Section 3.10. Letters of Credit will be issued only to support obligations of the Borrower and the Subsidiaries incurred in the ordinary course of business.

(a) The Borrower will not request any Borrowing or Letter of Credit, and the Borrower shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing or any Letter of Credit (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

Section 1.12. Additional Subsidiaries. (a) If any additional Subsidiary is formed or acquired (or otherwise becomes a Designated Subsidiary) after the Third A&R Effective Date, then the Borrower will, as promptly as practicable and, in any event, within 30 days (or such longer period as the Administrative Agent may, in its sole discretion, agree) after such Subsidiary is formed or acquired (or otherwise becomes a Designated Subsidiary), notify the Administrative Agent thereof and cause the Collateral and Guarantee Requirement to be satisfied with respect to such Subsidiary (if it is a Designated Subsidiary) and with respect to any Equity Interest in or Indebtedness of such Subsidiary owned by or on behalf of any Loan Party; provided that any Subsidiary that is not a Material Subsidiary shall not be required to execute any Security Document governed by the laws of any jurisdiction other than the United States or any state thereof and no opinion shall be required for foreign law matters with respect to such Subsidiaries.

(b) The Borrower may designate any Subsidiary, to the extent such Subsidiary is not a CFC, that meets the criteria set forth in clause (b) of the definition of the term “Designated Subsidiary” as a Designated Subsidiary; provided that the Collateral and

Guarantee Requirement shall have been satisfied with respect to such Subsidiary as if such Subsidiary is a Person that becomes a Designated Subsidiary after the Third A&R Effective Date.

Section 1.13. Further Assurances. (a) The Borrower will, and will cause each Subsidiary Loan Party to, execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents), that may be required under any applicable law, or that the Administrative Agent or the Required Lenders may reasonably request, to cause the Collateral and Guarantee Requirement to be and remain satisfied, all at the expense of the Loan Parties. The Borrower also agrees to provide to the Administrative Agent, from time to time upon request, evidence reasonably satisfactory to the Administrative Agent as to the perfection and priority of the Liens created or intended to be created by the Security Documents.

(c) If any material assets (including any real property or improvements thereto or any interest therein with a fair market value in excess of \$2,500,000 (which amount shall be reduced to \$100,000 following the Trigger Date) are acquired by the Borrower or any Subsidiary Loan Party after the Third A&R Effective Date (other than (i) assets constituting Collateral under the Collateral Agreement that become subject to the Lien created by the Collateral Agreement upon acquisition thereof and (ii) Excluded Assets (as defined in the Collateral Agreement)), the Borrower will notify the Administrative Agent and the Lenders thereof, and, if requested by the Administrative Agent or the Required Lenders, the Borrower will cause such assets to be subjected to a Lien securing the Obligations and will take, and cause the Subsidiary Loan Parties to take, such actions as shall be necessary or reasonably requested by the Administrative Agent to grant and perfect such Liens, including actions described in paragraph (a) of this Section, all at the expense of the Loan Parties.

(d) If any Subsidiary meets the criteria set forth in clause (e)(ii) of the definition of the term “Designated Subsidiary”, the Borrower will use commercially reasonable efforts to obtain any governmental (including regulatory) consent, approval, license or authorization necessary in order for such Subsidiary to provide a Guarantee of the Obligations.

Section 1.14. Control Agreements. No later than thirty (30) days after the Trigger Date (or such later date as the Administrative Agent may agree in its reasonable discretion), the Administrative Agent shall have received (i) for any deposit or security accounts located in the United States or Canada, a counterpart, duly executed and delivered by the applicable Loan Party and the applicable depository bank or securities intermediary, as applicable, of a Control Agreement or (ii) for any deposit or security accounts located in the United Kingdom, a perfected security interest over such accounts, in each case, with respect to each deposit account maintained by any Loan Party as of the Trigger Date with any depository bank and each securities account maintained by any Loan Party as of the Trigger Date with any securities intermediary (other than (A) any deposit account the funds in which are used solely for the payment of salaries and wages, worker’s compensation and similar expenses (B) any fiduciary or trust account, together with the funds or other property held in or maintained in any such account, (C) any deposit account that is a zero balance disbursement account, (D) any deposit or securities account the funds in which consist solely of (1) funds held by any Loan Party in trust for any director, officer or employee of any Loan Party or (2) funds or securities entitlements representing deferred compensation for the directors and employees of any Loan Party

and (E) any deposit or securities account that is located outside the United States (excluding any territory thereof), the United Kingdom and Canada).

Section 1.15. Lender Calls. The Borrower's senior management shall, on such dates and times as are reasonably acceptable to the Borrower and the Administrative Agent (but no less frequent than every two weeks), participate in a telephonic conference call with the Administrative Agent and any and all of the Lenders that elect to participate, in each case upon reasonable advance notice, to discuss financial and operational performance, capital raise efforts and such other business matters relating to the Loan Parties and this Agreement as the Administrative Agent or any Lender may reasonably request. The Administrative Agent may temporarily suspend (and thereafter reinstitute) this Section 5.15 at any time and from time to time for any reason or no reason by written notice to the Borrower and the Lenders.

ARTICLE VI

Negative Covenants

Until the Commitments shall have expired or been terminated and the principal of and interest on each Loan and all fees, expenses and other amounts (other than contingent amounts not yet due) payable under this Agreement or any other Loan Document have been paid in full and all Letters of Credit have expired or been terminated and all LC Disbursements shall have been reimbursed, the Borrower covenants and agrees with the Lenders that:

Section 1.01. Indebtedness; Certain Equity Securities. (a) The Borrower will not, nor will it permit any Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

(i) Indebtedness created hereunder and under the other Loan Documents;

(ii) Indebtedness existing on the Third A&R Effective Date and set forth in Schedule 6.01 and any Refinancing Indebtedness in respect thereof;

(iii) Indebtedness of the Borrower to any Subsidiary and of any Subsidiary to the Borrower or any other Subsidiary; provided that (A) Indebtedness of any Subsidiary that is not a Loan Party to the Borrower or any Subsidiary Loan Party shall be subject to Section 6.04 and (B) Indebtedness of the Borrower to any Subsidiary and Indebtedness of any Subsidiary Loan Party to any Subsidiary that is not a Subsidiary Loan Party shall be unsecured and subordinated to the Obligations on the terms set forth in the Intercompany Indebtedness Subordination Agreement;

(iv) Guarantees by the Borrower of Indebtedness of any Subsidiary and by any Subsidiary of Indebtedness of the Borrower or any other Subsidiary; provided that (A) the Indebtedness so Guaranteed is permitted by this Section (other than clause (a)(ii) or (a)(vi)), (B) Guarantees by the Borrower or any Subsidiary Loan Party of Indebtedness of any Subsidiary that is not a Loan Party shall be subject to Section 6.04 and (C) Guarantees permitted under this clause (iv) shall be subordinated to the Obligations of the applicable Subsidiary to the same extent and on the same terms as the Indebtedness so Guaranteed is subordinated to the Obligations (if such Indebtedness is so subordinated);

(v) (A) Indebtedness of the Borrower or any Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets,

including Capital Lease Obligations and any Indebtedness assumed by the Borrower or any Subsidiary in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, so long as the Borrower will be in compliance, on a Pro Forma Basis, with the covenants set forth in Section 6.12, 6.13 and 6.15; provided that such Indebtedness is incurred prior to or within 180 days after such acquisition or the completion of such construction or improvement and (B) Refinancing Indebtedness in respect of Indebtedness incurred or assumed pursuant to clause (A) above;

(vi) (A) Indebtedness of any Person that becomes a Subsidiary (or of any Person not previously a Subsidiary that is merged or consolidated with or into a Subsidiary in a transaction permitted hereunder) after the Third A&R Effective Date; provided that such Indebtedness exists at the time such Person becomes a Subsidiary (or is so merged or consolidated) and is not created in contemplation of or in connection with such Person becoming a Subsidiary (or such merger or consolidation), and (B) Refinancing Indebtedness in respect of Indebtedness assumed pursuant to clause (A) above; provided further that the aggregate principal amount of Indebtedness permitted by this clause (vi) shall not exceed \$5,000,000 at any time outstanding;

(vii) [reserved];

(viii) Indebtedness owed to any Person (including obligations in respect of letters of credit for the benefit of such Person) providing workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance, pursuant to reimbursement or indemnification obligations to such Person, in each case incurred in the ordinary course of business;

(ix) Indebtedness of the Borrower or any Subsidiary in respect of performance bonds, bid bonds, appeal bonds, surety bonds, performance and completion guarantees and similar obligations (other than in respect of other Indebtedness), in each case provided in the ordinary course of business;

(x) Indebtedness in respect of Hedging Agreements permitted by Section 6.07;

(xi) Indebtedness owed in respect of any agreement governing the provision of treasury or cash management services, including deposit accounts, overnight draft, credit cards, debit cards, funds transfer, automated clearinghouse, zero balance accounts, returned check concentration, netting services and related liabilities, in each case, in the ordinary course of business;

(xii) Indebtedness of the Borrower or any Subsidiary in the form of purchase price adjustments, earn outs, non-competition agreements or other arrangements representing acquisition consideration or deferred payments of a similar nature incurred in connection with any investment permitted under Section 6.04;

(xiii) Indebtedness consisting of the financing of insurance premiums or take or pay obligations contained in supply arrangements, in each case, in the ordinary course of business;

(xiv) unsecured Indebtedness of any Loan Party in an aggregate outstanding principal amount not to exceed \$10,000,000 at any time; provided that (A) the Borrower is in compliance, on a Pro Forma Basis, with the financial covenants set forth in Sections 6.12, 6.13 and 6.15; (B) no such Indebtedness shall (x) have a scheduled

final maturity prior to the date that is 91 days after the Latest Maturity Date (determined as of the date such Indebtedness is created, incurred, assumed or first permitted to exist), (y) have a Weighted Average Life to Maturity that is less than 91 days longer than the Weighted Average Life to Maturity of the Class of Loans or Commitments with the Latest Maturity Date (determined as of the date such Indebtedness is created, incurred, assumed or first permitted to exist) or (z) be subject to any mandatory redemption or prepayment provisions or rights (except customary asset sale or change of control provisions); (C) no Person shall provide a Guarantee of such Indebtedness unless such Person also Guarantees the Obligations; (D) no Default shall have occurred and be continuing or would result therefrom; and (E) the terms of such Indebtedness (including pricing, covenants, events of default, remedies, redemption provisions and change of control provisions) shall be, in the good faith judgment of the Borrower, customary market terms for Indebtedness of such type;

(xv) Indebtedness incurred by any Loan Party or Subsidiary in any investment expressly permitted hereunder or any disposition, sale or transfer, in each case to the extent constituting customary indemnification obligations;

(xvi) Indebtedness in respect of letters of credit in an aggregate outstanding amount not to exceed \$5,000,000 at any time; and

(xvii) Indebtedness representing deferred compensation to employees of the Loan Parties and their respective Subsidiaries incurred in the ordinary course of business.

(a) The Borrower will not, nor will it permit any Subsidiary to, issue any Disqualified Equity Interests.

Section 1.02. Liens. (a) The Borrower will not, nor will it permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(i) Liens created under the Loan Documents and any Liens on cash or deposits granted in favor of any Issuing Bank to cash collateralize any Defaulting Lender's participation in Letters of Credit as contemplated by this Agreement;

(ii) Permitted Encumbrances;

(iii) any Lien on any asset of the Borrower or any Subsidiary existing on the Third A&R Effective Date and set forth in Schedule 6.02; provided that (A) such Lien shall not apply to any other asset of the Borrower or any Subsidiary and (B) such Lien shall secure only those obligations that it secures on the Third A&R Effective Date and extensions, renewals, replacements and refinancings thereof so long as the principal amount of such extensions, renewals, replacements and refinancings does not exceed the principal amount of the obligations being extended, renewed, replaced or refinanced or, in the case of any such obligations constituting Indebtedness, that are permitted under Section 6.01(a)(ii) as Refinancing Indebtedness in respect thereof;

(iv) any Lien existing on any asset prior to the acquisition thereof by the Borrower or any Subsidiary or existing on any asset of any Person that becomes a Subsidiary (or of any Person not previously a Subsidiary that is merged or consolidated with or into a Subsidiary in a transaction permitted hereunder) after the Third A&R Effective Date and prior to the time such Person becomes a Subsidiary (or is so merged

or consolidated); provided that (A) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary (or such merger or consolidation), (B) such Lien shall not apply to any other asset of the Borrower or any Subsidiary and (C) such Lien shall secure only those obligations that it secures on the date of such acquisition or the date such Person becomes a Subsidiary (or is so merged or consolidated) and extensions, renewals, replacements and refinancings thereof so long as the principal amount of such extensions, renewals and replacements does not exceed the principal amount of the obligations being extended, renewed or replaced or, in the case of any such obligations constituting Indebtedness, that are permitted under Section 6.01(a)(vi) as Refinancing Indebtedness in respect thereof;

(v) Liens on fixed or capital assets acquired, constructed or improved (including any such assets made the subject of a Capital Lease Obligation incurred) by the Borrower or any Subsidiary; provided that (A) such Liens secure Indebtedness incurred to finance such acquisition, construction or improvement that is permitted by clause (v)(A) of Section 6.01(a), or any Refinancing Indebtedness in respect thereof that is permitted by clause (v)(B) of Section 6.01(a), and obligations relating thereto not constituting Indebtedness, (B) such Liens and the Indebtedness secured thereby are incurred prior to or within 180 days after such acquisition or the completion of such construction or improvement (provided that this clause (B) shall not apply to any Refinancing Indebtedness permitted by clause (v)(B) of Section 6.01(a) or any Lien securing such Refinancing Indebtedness) and (C) such Liens shall not apply to any other property or assets of the Borrower or any Subsidiary;

(vi) (i) in connection with the sale or transfer of any Equity Interests or other assets in a transaction permitted under Section 6.05, customary rights and restrictions contained in agreements relating to such sale or transfer pending the completion thereof or (ii) Liens arising on property or assets subject to sales or dispositions permitted pursuant to Section 6.05 pending the consummation of such sale or disposition;

(vii) in the case of (A) any Subsidiary that is not a wholly owned Subsidiary or (B) the Equity Interests in any Person that is not a Subsidiary, any encumbrance or restriction, including any put and call arrangements, related to Equity Interests in such Subsidiary or such other Person set forth in the organizational documents of such Subsidiary or such other Person or any related joint venture, shareholders' or similar agreement;

(viii) Liens solely on any cash earnest money deposits, escrow arrangements or similar arrangements made by the Borrower or any Subsidiary in connection with any letter of intent or purchase agreement for a transaction permitted hereunder;

(ix) Liens granted by a Subsidiary that is not a Loan Party in respect of Indebtedness permitted to be incurred by such Subsidiary under Section 6.01;

(x) Liens on insurance policies and the proceeds thereof granted in the ordinary course of business to secure the financing of insurance premiums with respect thereto under Section 6.01(a)(xiii);

(xi) Liens not otherwise permitted by this Section to the extent that neither (i) the aggregate outstanding principal amount of the obligations secured thereby nor (ii) the aggregate fair market value (determined as of the date such Lien is incurred) of the assets subject thereto exceeds \$7,500,000 at any time outstanding;

(xii) [reserved];

(xiii) purported Liens evidenced by the filing of precautionary UCC financing statements or similar precautionary public filings;

(xiv) ground leases in respect of real property on which facilities owned or leased by any Loan Party or any Subsidiary are located;

(xv) deposits of cash with the owner or lessor of premises leased and operated by any Loan Party or any Subsidiary in the ordinary course of business of such Loan Party or such Subsidiary to secure the performance of such Loan Party's or such Subsidiary's obligations under the terms of the lease for such premises in an aggregate amount not exceeding \$3,000,000 at any time outstanding; and

(xvi) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business.

Section 1.03. Fundamental Changes. (a) The Borrower will not, nor will it permit any Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing (i) any Person may merge into or consolidate with the Borrower in a transaction in which the Borrower is the surviving entity, (ii) any Person (other than the Borrower) may merge into or consolidate with any Subsidiary in a transaction in which the surviving entity is a Subsidiary and, if any party to such merger or consolidation is a Subsidiary Loan Party, is a Subsidiary Loan Party, (iii) any Subsidiary may merge into or consolidate with any Person (other than the Borrower) in a transaction permitted under Section 6.05 in which, after giving effect to such transaction, the surviving entity is not a Subsidiary and (iv) any Subsidiary may liquidate or dissolve if in connection with such liquidation or dissolution, substantially all the assets of such Subsidiary are transferred to a Loan Party (to the extent such Subsidiary being liquidated or dissolved is a Subsidiary Loan Party); provided that any such merger or consolidation involving a Person that is not a wholly owned Subsidiary immediately prior to such merger or consolidation shall not be permitted unless it is also permitted by Section 6.04.

(a) The Borrower will not, and the Borrower will not permit any Subsidiary to, engage to any material extent in any business other than businesses of the type conducted by the Borrower and the Subsidiaries on the Third A&R Effective Date and businesses reasonably related or complementary thereto.

Section 1.04. Investments, Loans, Advances, Guarantees and Acquisitions. The Borrower will not, nor will it permit any Subsidiary to, purchase, hold or acquire (including pursuant to any merger or consolidation with any Person that was not a wholly owned Subsidiary prior to such merger or consolidation) any Equity Interests in or evidences of Indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person constituting a business unit, except:

(a) Permitted Investments;

(b) [reserved];

(c) (i) investments existing on the Third A&R Effective Date in the Subsidiaries and (ii) other investments existing on the Third A&R Effective Date and set forth on Schedule 6.04;

(d) investments by the Borrower and the Subsidiaries in Equity Interests of their respective Subsidiaries; provided that (i) such Subsidiaries are Subsidiaries prior to any such investments and any such Equity Interests held by a Loan Party shall be pledged in accordance with the requirements of the definition of the term "Collateral and Guarantee Requirement", (ii) the aggregate amount of such investments made by Loan Parties in Subsidiaries that are not Loan Parties (excluding all such investments existing on the Third A&R Effective Date and permitted by clause (c) above) (together with outstanding intercompany loans permitted under subclause (ii) of the proviso to clause (e) of this Section and outstanding Guarantees permitted under the proviso to clause (f) of this Section) shall not exceed \$5,000,000 at any time outstanding (in each case determined without regard to any write-downs or write-offs) and (iii) in the case of any investment made by a Loan Party in a Subsidiary that is not a Loan Party, at the time any such investment is made no Default or Event of Default shall have occurred and be continuing or result therefrom;

(e) loans or advances made by the Borrower to any Subsidiary and made by any Subsidiary to the Borrower or any other Subsidiary; provided that (i) any such loans and advances made by a Loan Party shall be evidenced by a promissory note pledged pursuant to the Collateral Agreement, (ii) the amount of such loans and advances made by Loan Parties to Subsidiaries that are not Loan Parties (together with investments permitted under subclause (ii) of the proviso to clause (d) of this Section and outstanding Guarantees permitted under the proviso to clause (f) of this Section) shall not exceed \$5,000,000 at any time outstanding (in each case determined without regard to any write-downs or write-offs) and (iii) in the case of any loan or advance made by a Loan Party to a Subsidiary that is not a Loan Party, at the time any such loan or advance is made no Default or Event of Default shall have occurred and be continuing or result therefrom;

(f) Guarantees of Indebtedness that is permitted under Section 6.01 of the Borrower or any Subsidiary (including any such Guarantees arising as a result of any such Person being a joint and several co-applicant with respect to any letter of credit or letter of guaranty); provided that (i) the aggregate principal amount of Indebtedness of Subsidiaries that are not Loan Parties that is Guaranteed by any Loan Party (together with investments permitted under subclause (ii) of the proviso to clause (d) of this Section and intercompany loans permitted under subclause (ii) to the proviso to clause (e) of this Section) shall not exceed \$5,000,000 at any time outstanding (in each case determined without regard to any write-downs or write-offs) and (ii) in the case of any Guarantee made by a Loan Party of Indebtedness owing by a Subsidiary that is not a Loan Party, at the time any such Guarantee is made no Default or Event of Default shall have occurred and be continuing or result therefrom;

(g) loans or advances to employees of the Borrower or any Subsidiary made in the ordinary course of business of the Borrower or such Subsidiary, as applicable, not exceeding \$1,000,000 in the aggregate outstanding at any time (determined without regard to any write-downs or write-offs of such loans or advances);

(h) payroll, travel, entertainment, relocation and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses

of the Borrower or any Subsidiary for accounting purposes and that are made in the ordinary course of business;

(i) investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;

(j) investments in the form of Hedging Agreements permitted by Section 6.07;

(k) investments of any Person existing at the time such Person becomes a Subsidiary or consolidates or merges with the Borrower or any Subsidiary so long as such investments were not made in contemplation of such Person becoming a Subsidiary or of such consolidation or merger;

(l) investments resulting from pledges or deposits described in clause (c) or (d) of the definition of the term "Permitted Encumbrance";

(m) investments made as a result of the receipt of noncash consideration from a sale, transfer, lease or other disposition of any asset in compliance with Section 6.05;

(n) investments that result solely from the receipt by the Borrower or any Subsidiary from any of its subsidiaries of a dividend or other Restricted Payment in the form of Equity Interests, evidences of Indebtedness or other securities (but not any additions thereto made after the date of the receipt thereof);

(o) receivables or other trade payables owing to the Borrower or a Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; provided that such trade terms may include such concessionary trade terms as the Borrower or any Subsidiary deems reasonable under the circumstances;

(p) mergers and consolidations permitted under Section 6.03 that do not involve any Person other than the Borrower and Subsidiaries that are wholly owned Subsidiaries; and

(q) other investments, loans and advances by the Borrower or any Subsidiary in an aggregate amount, as valued at cost at the time each such investment, loan or advance is made and including all related commitments for future investments, loans or advances (and the principal amount of any Indebtedness that is assumed or otherwise incurred in connection with such investment, loan or advance), not exceeding \$5,000,000 in the aggregate for all such investments made or committed to be made from and after the Third A&R Effective Date plus an amount equal to any returns of capital or sale proceeds actually received in cash in respect of any such investments (which amount shall not exceed the amount of such investment valued at cost at the time such investment was made).

Section 1.05. Asset Sales. The Borrower will not, nor will it permit any Subsidiary to, sell, transfer, lease or otherwise dispose of any asset, including any Equity Interest owned by it, nor will the Borrower permit any Subsidiary to issue any additional Equity Interest in such Subsidiary (other than issuing Equity Interests to the Borrower or another Subsidiary in compliance with Section 6.04(d) and other than issuing directors' qualifying shares and other nominal amounts of Equity Interests that are required to be held by other Persons under applicable law), except:

(a) sales, transfers, leases and other dispositions of (i) inventory, (ii) used, surplus, obsolete or outmoded machinery or equipment, and (iii) cash and Permitted Investments, in each case in the ordinary course of business;

(b) sales, transfers, leases and other dispositions to the Borrower or a Subsidiary; provided that any such sales, transfers, leases or other dispositions involving a Subsidiary that is not a Loan Party shall be made in compliance with Sections 6.04 and 6.09;

(c) sales, transfers and other dispositions of accounts receivable in connection with the compromise, settlement or collection thereof in the ordinary course of business consistent with past practice and not as part of any accounts receivables financing transaction;

(d) sales, transfers, leases and other dispositions of assets to the extent that such assets constitute an investment permitted by clause (i), (k) or (m) of Section 6.04 or another asset received as consideration for the disposition of any asset permitted by this Section (in each case, other than Equity Interests in a Subsidiary, unless all Equity Interests in such Subsidiary (other than directors' qualifying shares) are sold);

(e) sale and leaseback transactions permitted by Section 6.06;

(f) leases or subleases entered into in the ordinary course of business, to the extent that they do not materially interfere with the business of the Borrower or any Subsidiary;

(g) the elimination or forgiving of intercompany balances in connection with intercompany restructurings (including dissolutions, liquidations and mergers) between or among the Borrower and the Subsidiary Loan Parties;

(h) the sale, transfer or other disposition of patents, trademarks, copyrights and other intellectual property (i) in the ordinary course of business, including pursuant to non-exclusive licenses of intellectual property, to the extent that they do not materially interfere with the business of the Borrower or any Subsidiary or (ii) which, in the reasonable judgment of the Borrower or any Subsidiary, are determined to be uneconomical, negligible or obsolete in the conduct of business;

(i) dispositions resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any asset of any of the Borrower or any Subsidiary;

(j) dispositions of assets to the extent that (i) such assets are exchanged for credit against the purchase price of similar replacement assets or (ii) the proceeds of such disposition are promptly applied to the purchase price of such replacement assets;

(k) direct or indirect transfers or other dispositions by any Subsidiary of any foreign assets or the Equity Interests of a Foreign Subsidiary to any other Subsidiary Loan Party in connection with the consolidation of foreign operations of the Borrower and its Subsidiaries;

(l) the transaction previously identified to the Administrative Agent as "Project Sound", which shall be consummated in accordance with the terms of that certain Purchase and Sale Agreement, dated as of October 11, 2023, by and among the Borrower and Comtech PST Corp., a New York corporation and a Subsidiary Loan Party

and Stellant Systems, Inc., a Delaware corporation, as amended by that certain First Amendment to Purchase and Sale Agreement, dated as of November 7, 2023 and any and all other amendments thereto, modifications thereto, substitutions therefor and replacements thereof so long as such amendments, modifications, substitutions and replacements are not materially adverse, taken as a whole, to the Lenders than the terms of such agreement(s) as in effect on the Third A&R Effective Date (as determined by the Borrower in good faith); and

(m) sales, transfers, leases and other dispositions of assets (other than Equity Interests in a Subsidiary unless all Equity Interests in such Subsidiary (other than directors' qualifying shares) are sold) that are not permitted by any other clause of this Section; provided that the aggregate fair value of all assets sold, transferred, leased or otherwise disposed of in reliance upon this clause (l) shall not exceed \$10,000,000 during any fiscal year of the Borrower;

provided that all sales, transfers, leases and other dispositions permitted hereby (other than those permitted by clause (b)) shall be made for fair value and (other than those permitted by clause (b), (d), (h) or (i)) for at least 75% cash consideration payable at the time of such sale, transfer or other disposition.

Section 1.06. Sale and Leaseback Transactions. The Borrower will not, nor will it permit any Subsidiary to, enter into any arrangement, directly or indirectly, whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred, except for any such sale of any fixed or capital assets by the Borrower or any Subsidiary that is made for cash consideration in an amount not less than the fair value of such fixed or capital asset and is consummated within 180 days after the Borrower or such Subsidiary acquires or completes the construction of such fixed or capital asset; provided that, if such sale and leaseback results in a Capital Lease Obligation, such Capital Lease Obligation is permitted by Section 6.01(a)(v) and any Lien made the subject of such Capital Lease Obligation is permitted by Section 6.02(a)(v).

Section 1.07. Hedging Agreements. The Borrower will not, nor will it permit any Subsidiary to, enter into any Hedging Agreement, except Hedging Agreements entered into in the ordinary course of business to hedge or mitigate risks to which the Borrower or a Subsidiary is actually exposed in the conduct of its business or the management of its liabilities and not for speculative purposes.

Section 1.08. Restricted Payments; Certain Payments of Indebtedness.

(a) The Borrower will not, nor will it permit any Subsidiary to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that:

(i) any Subsidiary may declare and pay dividends or make other distributions with respect to its Equity Interests, or make other Restricted Payments in respect of its Equity Interests, in each case ratably to the holders of such Equity Interests (or, if not ratably, on a basis more favorable to the Borrower and the Subsidiaries);

(ii) the Borrower may declare and pay dividends with respect to its Equity Interests payable solely in shares of Qualified Equity Interests;

(iii) the Borrower may make Restricted Payments, not exceeding \$2,000,000 during any fiscal year, pursuant to and in accordance with stock option plans or other equity or benefit plans for directors, officers or employees of the Borrower and the Subsidiaries;

(iv) the Borrower may make cash payments in lieu of the issuance of fractional shares representing insignificant interests in the Borrower in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests in the Borrower;

(v) the Borrower may repurchase Equity Interests upon the exercise of stock options, deferred stock units and restricted shares if such Equity Interests represent a portion of the exercise price of such stock options, deferred stock units or restricted shares;

(vi) concurrently with any issuance of Qualified Equity Interests, the Borrower may redeem, purchase or retire any Equity Interests of the Borrower using the proceeds of, or convert or exchange any Equity Interests of the Borrower for, such Qualified Equity Interests;

(vii) the Borrower may make any Restricted Payments so long as (A) no Default or Event of Default has occurred and is continuing or would result therefrom, (B) Liquidity is at least \$35,000,000, calculated on a Pro Forma Basis after giving effect to such Restricted Payment and (C) the Leverage Ratio (as of the last day of the most recently ended Applicable Test Period) is less than 2.50 to 1.00, calculated on a Pro Forma Basis after giving effect to such Restricted Payment; and

(viii) the Borrower may declare and pay ordinary quarterly cash dividends with respect to the issued and outstanding shares of its common stock (other than shares held in treasury) in an aggregate amount per share not to exceed, in any fiscal quarter of the Borrower, \$0.10 per share (the "Per Share Cap"), so long as, after giving effect to any such dividend, the Borrower will be in compliance, on a Pro Forma Basis, with the financial covenants set forth in Sections 6.12, 6.13 and 6.15 (as of the last day of the then most recently completed fiscal quarter of the Borrower for which financial statements were required to have been delivered pursuant to Section 5.01(a) or 5.01(b)); provided that if, at any time after the Third A&R Effective Date, any change in the outstanding shares of the Borrower's common stock shall occur as a result of any stock split, reverse stock split, stock dividend, recapitalization, reclassification, combination, exchange of shares or other similar event, the Per Share Cap set forth above shall be equitably adjusted by the Administrative Agent and the Borrower to give effect to the foregoing and to permit the Borrower to declare and pay ordinary quarterly cash dividends in an aggregate dollar amount that is substantially identical to the aggregate dollar amount that was permitted under this clause (viii) immediately prior to the transaction giving rise to the adjustment of the Per Share Cap;

provided that, notwithstanding anything to the contrary in clauses (i) through (viii) of this clause (a) (and as a further restriction to the introductory statement to this clause (a)), on and after the Trigger Date, the Borrower will not, nor will it permit any Subsidiary to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment in cash or cash equivalents.

(a) The Borrower will not, nor will it permit any Subsidiary to, make or agree to pay or make, directly or indirectly, any payment or other distribution (whether in cash, securities or other property) of or in respect of principal of or interest on any

Indebtedness that is unsecured, subordinated in right of payment to the Obligations, and/or secured on a junior priority basis relative to the Obligations by some or all of the Collateral, or any payment or other distribution (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Indebtedness, or any other payment (including any payment under any Hedging Agreement) that has a substantially similar effect to any of the foregoing, except:

- (i) payments of Indebtedness created under this Agreement or any other Loan Document;
- (ii) regularly scheduled interest and principal payments, as and when due in respect of any Indebtedness;
- (iii) refinancings of Indebtedness with the proceeds of other Indebtedness permitted under Section 6.01;
- (iv) payments of secured Indebtedness that becomes due as a result of (A) the voluntary sale or transfer of the assets securing such Indebtedness in a transaction permitted hereunder or (B) any casualty or condemnation proceeding (including a disposition in lieu thereof) of any assets securing such Indebtedness, subject, in each case, to prior compliance with the mandatory prepayment provision in Section 2.10(c);
- (v) payments of or in respect of Indebtedness made solely with Equity Interests in the Borrower (other than Disqualified Equity Interests); and
- (vi) payments of or in respect of Indebtedness incurred by any Subsidiary that is not a Loan Party.

Section 1.09. Transactions with Affiliates. The Borrower will not, nor will it permit any Subsidiary to, sell, lease or otherwise transfer any assets to, or purchase, lease or otherwise acquire any assets from, or otherwise engage in any other transactions with, any of its Affiliates (each of the foregoing, an “Affiliate Transaction”), if such Affiliate Transaction or any series of related Affiliate Transactions involves aggregate consideration or value in excess of \$3,500,000, except (i) transactions in the ordinary course of business that are at prices and on terms and conditions not less favorable to the Borrower or such Subsidiary than those that would prevail in an arm’s-length transaction with unrelated third parties, (ii) transactions between or among the Borrower and the Subsidiary Loan Parties not involving any other Affiliate, (iii) loans or advances to employees permitted under Section 6.04(g), (iv) payroll, travel and similar advances to cover matters permitted under Section 6.04(h), (v) the payment of reasonable fees to directors of the Borrower or any Subsidiary who are not employees of the Borrower or any Subsidiary, and compensation and employee benefit arrangements paid to, and indemnities provided for the benefit of, directors, officers or employees of the Borrower or the Subsidiaries in the ordinary course of business, (vi) any issuances of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment agreements, stock options and stock ownership plans, (vii) employment and severance arrangements entered into in the ordinary course of business between the Borrower or any Subsidiary and any employee thereof and approved by the Borrower’s board of directors, and (viii) any Restricted Payment permitted by Section 6.08.

Section 1.10. Restrictive Agreements. The Borrower will not, nor will it permit any Subsidiary to, directly or indirectly, enter into, incur or permit to exist any

agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Borrower or any Subsidiary to create, incur or permit to exist any Lien upon any of its assets to secure the Obligations or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to any of its Equity Interests or to make or repay loans or advances to the Borrower or any other Subsidiary or to Guarantee Indebtedness of the Borrower or any other Subsidiary; provided that (i) the foregoing shall not apply to (A) restrictions and conditions imposed by law or by this Agreement or any other Loan Document, (B) in the case of any Subsidiary that is not a wholly owned Subsidiary, restrictions and conditions imposed by its organizational documents or any related joint venture or similar agreements; provided that such restrictions and conditions apply only to such Subsidiary and to the Equity Interests of such Subsidiary, (C) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary or any assets of the Borrower or any Subsidiary, in each case pending such sale; provided that such restrictions and conditions apply only to such Subsidiary or the assets that are to be sold and, in each case, such sale is permitted hereunder, and (D) restrictions and conditions existing on the Third A&R Effective Date and identified on Schedule 6.10 (or any extension or renewal of, or any amendment, modification or replacement not expanding the scope of, any such restriction or condition); (ii) clause (a) of the foregoing shall not apply to (A) restrictions and conditions imposed by any agreement relating to secured Indebtedness permitted by clause (v) or (vi) of Section 6.01(a) if such restrictions and conditions apply only to the assets securing such Indebtedness and (B) customary provisions in leases and other agreements restricting the assignment thereof; and (iii) clause (b) of the foregoing shall not apply to restrictions and conditions imposed by any agreement relating to Indebtedness of any Subsidiary in existence at the time such Subsidiary became a Subsidiary and otherwise permitted by clause (vi) of Section 6.01(a) if such restrictions and conditions apply only to such Subsidiary.

Section 1.11. Amendment of Material Documents. The Borrower will not, nor will it permit any Subsidiary to, amend, modify, waive, terminate or release (a) its certificate of incorporation, bylaws, certificates of designations or other organizational documents or (b) any agreement or instrument governing or evidencing any Material Indebtedness, in each case if the effect of such amendment, modification, waiver, termination or release would be adverse in any material respect to the Borrower, any Subsidiary or to the Lenders.

Section 1.12. Interest Expense Coverage Ratio. The Borrower will not permit the ratio of (a) Consolidated EBITDA to (b) Consolidated Interest Expense as of the last day of each Applicable Test Period to be less than 3.25 to 1.00.

Section 1.13. Leverage Ratio. The Borrower will not permit the Leverage Ratio as of the last day of each Applicable Test Period to exceed (a) with respect to any Applicable Test Period ending on July 31, 2023 and October 31, 2023, 3.75 to 1.00 and (b) with respect to any Applicable Test Period ending after October 31, 2023, 3.50 to 1.00.

Section 1.14. Changes in Fiscal Periods. The Borrower will neither (a) permit its fiscal year or the fiscal year of any Subsidiary to end on a day other than July 31, nor (b) change its method of determining fiscal quarters.

Section 1.15. Minimum Liquidity. The Borrower will not permit Liquidity as of the last day of each Applicable Test Period to be less than \$25,000,000.

ARTICLE VII

Events of Default

occur: If any of the following events (each such event, an “Event of Default”) shall

(a) the Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three Business Days;

(c) any representation, warranty or certification made or deemed made by or on behalf of the Borrower or any Subsidiary in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, shall prove to have been incorrect in any material respect when made or deemed made;

(d) The Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02, 5.04 (with respect to the existence of the Borrower) or 5.11 or in Article VI;

(e) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Loan Document (other than those specified in clause (a), (b) or (d) of this Article), and such failure shall continue unremedied for a period of 30 days after the earlier of (x) the date upon which a Responsible Officer of a Loan Party becomes aware of such failure and (y) receipt of written notice thereof from the Administrative Agent to the Borrower;

(f) The Borrower or any Subsidiary shall fail to make any payment (whether of principal, interest, premium or otherwise and regardless of amount) in respect of any Material Indebtedness (other than the Loan Document Obligations), when and as the same shall become due and payable (after giving effect to any applicable grace period in respect of such failure under the documentation representing such Material Indebtedness);

(g) any event or condition occurs that results in any Material Indebtedness becoming due or being terminated or required to be prepaid, repurchased, redeemed or defeased prior to its scheduled maturity or that enables or permits (with all applicable grace periods in respect of such event or condition under the documentation representing such Material Indebtedness having expired) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf, or, in the case of any Hedging Agreement the applicable counterparty, to cause any Material Indebtedness to become due, or to terminate or require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to

(i) any secured Indebtedness that becomes due as a result of the voluntary sale, transfer or other disposition of the assets securing such Indebtedness (to the extent such sale, transfer or other disposition is not prohibited under this Agreement) or (ii) any Indebtedness that becomes due as a result of a voluntary refinancing thereof permitted under Section 6.01;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Subsidiary or its debts, or of a substantial part of its assets, under any Federal, State or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation (other than any liquidation permitted under Section 6.03(a)(iv)), reorganization or other relief under any Federal, State or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding or (v) make a general assignment for the benefit of creditors, or the board of directors (or similar governing body) of the Borrower or any Subsidiary (or any committee thereof) shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to above in this clause (i) or in clause (h) of this Article;

(j) the Borrower or any Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of \$12,500,000 (other than any such judgment covered by insurance (other than under a self-insurance program) to the extent a claim therefor has been made in writing to a financially sound insurer and liability therefor has not been denied by the insurer) shall be rendered against the Borrower, any Subsidiary or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any Subsidiary to enforce any such judgment;

(l) one or more judgments for injunctive relief shall be rendered against the Borrower, any Subsidiary or any combination thereof that, in the opinion of the Administrative Agent, would, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect;

(m) an ERISA Event shall have occurred that, in the opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, would reasonably be expected to result in a Material Adverse Effect;

(n) any Lien purported to be created under any Security Document shall cease to be, or shall be asserted by any Loan Party not to be, a valid and perfected Lien on any

material portion of the Collateral, with the priority required by the applicable Security Document, except as a result of (i) the sale or other disposition of the applicable Collateral in a transaction permitted under the Loan Documents, (ii) the release thereof as provided in Section 9.14 or (iii) the Administrative Agent's failure to (A) maintain possession of any stock or other equity certificate, promissory note or other instrument delivered to it under the Collateral Agreement or (B) file Uniform Commercial Code continuation statements;

(o) any Guarantee purported to be created under any Loan Document shall cease to be, or shall be asserted by any Loan Party not to be, in full force and effect, except as a result of the release thereof as provided in the applicable Loan Document or Section 9.14; or

(p) a Change in Control shall occur;

then, and in every such event (other than an event with respect to the Borrower described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take any or all of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, (ii) declare the Loans then outstanding to be due and payable in whole (or in part (but ratably as among the Classes of Loans and the Loans of each Class at such time outstanding), in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon, the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower hereunder, shall become due and payable immediately and (iii) require the deposit of cash collateral in respect of LC Exposure as provided in Section 2.04(i), in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in the case of any event with respect to the Borrower described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower hereunder, shall immediately and automatically become due and payable and the deposit of such cash collateral in respect of LC Exposure shall immediately and automatically become due, in each case, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

ARTICLE VIII

The Administrative Agent

Section 1.01. The Administrative Agent. (a) Each of the Lenders and the Issuing Banks hereby irrevocably appoints the entity named as Administrative Agent in the heading of this Agreement and its successors to serve as administrative agent and collateral agent under the Loan Documents and authorizes the Administrative Agent to take such actions and to exercise such powers as are delegated to the Administrative Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. In addition, to the extent required under the laws of any jurisdiction other than the United States of America, each of the Lenders and the Issuing Banks hereby grants to the Administrative Agent any required powers of attorney to execute any Security Document governed by the laws of such jurisdiction on such Lender's or such Issuing Bank's behalf. It is understood and agreed that the use of the term "agent" (or any similar term) herein or in any other Loan Document with reference to the Administrative Agent is not intended to connote any fiduciary duty or other implied (or express) obligations arising under agency doctrine of any applicable law.

Instead, such term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties.

(a) The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender or an Issuing Bank as any other Lender or Issuing Bank and may exercise the same as though it were not the Administrative Agent, and such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders or the Issuing Banks.

(b) The Administrative Agent shall not have any duties or obligations except those expressly set forth in the Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, (i) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (ii) the Administrative Agent shall not have any duty to take any discretionary action or to exercise any discretionary power, except discretionary rights and powers expressly contemplated by the 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 necessary, or as the Administrative Agent shall believe in good faith to be necessary, under the circumstances as provided in the Loan Documents); provided that the Administrative Agent shall not be required to take any action that, in its opinion, could expose the Administrative Agent to liability or be contrary to this Agreement or any other Loan Document or applicable law, and (iii) except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower, any Subsidiary or any other Affiliate of any of the foregoing that is communicated to or obtained by the Person serving as 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 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 to be necessary, under the circumstances as provided in the Loan Documents) or in the absence of its own bad faith, gross negligence or willful misconduct (such absence to be presumed unless otherwise determined by a court of competent jurisdiction by a final and nonappealable judgment). The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof (stating that it is a "notice of default") is given to the Administrative Agent by the Borrower, a Lender or an Issuing Bank, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (v) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (w) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (x) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in this Agreement or any other Loan Document or the occurrence of any Default, (y) the sufficiency, validity, enforceability, effectiveness or genuineness of this Agreement or any other Loan Document or any other agreement, instrument or document or (z) the satisfaction of any condition set forth in Article IV or elsewhere in this Agreement or any other Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent or satisfaction of any condition that expressly refers to the matters described therein being acceptable or satisfactory to the Administrative Agent.

(c) The Administrative Agent shall be entitled to rely, 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 or sent or otherwise authenticated by the proper Person (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the signatory, sender or authenticator thereof). The Administrative Agent also shall be entitled to rely, and shall not incur any liability for relying, upon any statement made to it orally or by telephone and believed by it to be made by the proper Person (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the signatory, sender or authenticator thereof), and may act upon any such statement prior to receipt of written confirmation thereof. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an Issuing Bank, the Administrative Agent may presume that such condition is satisfactory to such Lender or such Issuing Bank unless the Administrative Agent shall have received notice to the contrary from such Lender or such Issuing Bank prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

(d) The Administrative Agent may perform any of and all 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 of and all their duties and exercise their rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with bad faith, gross negligence or willful misconduct in the selection of such sub-agents.

(e) Subject to the terms of this paragraph, the Administrative Agent may resign at any time from its capacity as such. In connection with such resignation, the Administrative Agent shall give notice of its intent to resign to the Lenders, the Issuing Banks and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor that is an Eligible Successor Agent. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its intent to resign, then the retiring Administrative Agent may, in consultation with the Borrower, on behalf of the Lenders and the Issuing Banks, appoint a successor that is an Eligible Successor Agent, until such time, if any, as the Required Lenders appoint a successor Administrative Agent. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed by the Borrower and such successor. Notwithstanding the foregoing, in the event no successor

Administrative Agent shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its intent to resign, the retiring Administrative Agent may give notice of the effectiveness of its resignation to the Lenders, the Issuing Banks and the Borrower, whereupon, on the date of effectiveness of such resignation stated in such notice, (i) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents; provided that, solely for purposes of maintaining any security interest granted to the Administrative Agent under any Security Document for the benefit of the Secured Parties, the retiring Administrative Agent shall continue to be vested with such security interest as collateral agent for the benefit of the Secured Parties and, in the case of any Collateral in the possession of the Administrative Agent, shall continue to hold such Collateral, in each case until such time as a successor Administrative Agent is appointed and accepts such appointment in accordance with this paragraph (it being understood and agreed that the retiring Administrative Agent shall have no duty or obligation to take any further action under any Security Document, including any action required to maintain the perfection of any such security interest), and (ii) the Required Lenders shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent; provided that (A) all payments required to be made hereunder or under any other Loan Document to the Administrative Agent for the account of any Person other than the Administrative Agent shall be made directly to such Person and (B) all notices and other communications required or contemplated to be given or made to the Administrative Agent shall also directly be given or made to each Lender and each Issuing Bank. Following the effectiveness of the Administrative Agent's resignation from its capacity as such, the provisions of this Article and Section 9.03, as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Loan Document, shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent and in respect of the matters referred to in the proviso under clause (a) above.

(f) Each Lender and each Issuing Bank acknowledges that it has, independently and without reliance upon the Administrative Agent, any Arranger or any other Lender or Issuing Bank, or any of the Related Parties of any of the foregoing, 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 each Issuing Bank also acknowledges that it will, independently and without reliance upon the Administrative Agent, any Arranger or any other Lender or Issuing Bank, or any of the Related Parties of any of the foregoing, 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.

(g) Each Lender, by delivering its signature page to the Third Amendment and Restatement Agreement, or delivering its signature page to an Assignment and Assumption or any other Loan Document pursuant to which it shall become a Lender hereunder, shall be deemed to have acknowledged receipt of, and consented to and approved, this Agreement and each other Loan Document and each other document required to be delivered to, or be approved by or satisfactory to, the Administrative Agent or the Lenders on the Third A&R Effective Date.

(h) Except with respect to the exercise of setoff rights of any Lender in accordance with Section 9.08 or with respect to a Lender's right to file a proof of claim in an insolvency proceeding, no Secured Party shall have any right individually to realize

upon any of the Collateral or to enforce any Guarantee of the Obligations, it being understood and agreed that all powers, rights and remedies under the Loan Documents may be exercised solely by the Administrative Agent on behalf of the Secured Parties in accordance with the terms thereof. In the event of a foreclosure by the Administrative Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Administrative Agent or any Lender may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition, and the Administrative Agent, as agent for and representative of the Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless the Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Loan Document Obligations as a credit on account of the purchase price for any collateral payable by the Administrative Agent on behalf of the Secured Parties at such sale or other disposition.

(i) In furtherance of the foregoing and not in limitation thereof, no Hedging Agreement the obligations under which constitute Secured Hedging Obligations will create (or be deemed to create) in favor of any Secured Party that is a party thereto any rights in connection with the management or release of any Collateral or of the obligations of any Loan Party under this Agreement or any other Loan Document. By accepting the benefits of the Collateral, each Secured Party that is a party to any such Hedging Agreement shall be deemed to have appointed the Administrative Agent to serve as administrative agent and collateral agent under the Loan Documents and agreed to be bound by the Loan Documents as a Secured Party thereunder, subject to the limitations set forth in this paragraph.

(j) The Secured Parties irrevocably authorize the Administrative Agent, at its option and in its discretion, to subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 6.02(a)(v). The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

(k) In case of the pendency of any proceeding with respect to any Loan Party under any Federal, State or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, the Administrative Agent (irrespective of whether the principal of any Loan or any LC Disbursement shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, LC Exposure and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuing Banks and the Administrative Agent (including any claim under Sections 2.11, 2.12, 2.14, 2.15, 2.16 and 9.03) allowed in such judicial proceeding; and

(ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such proceeding is hereby authorized by each Lender, each Issuing Bank and each other Secured Party to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, the Issuing Banks or the other Secured Parties, to pay to the Administrative Agent any amount due to it, in its capacity as the Administrative Agent, under the Loan Documents (including under Section 9.03).

(l) Notwithstanding anything herein to the contrary, no Arranger or any Person named on the cover page of this Agreement as a Syndication Agent shall have any duties or obligations under this Agreement or any other Loan Document (except in its capacity, as applicable, as a Lender or an Issuing Bank), but all such Persons shall have the benefit of the indemnities provided for hereunder.

(m) The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the Issuing Banks, and, except solely to the extent of the Borrower's rights to consent pursuant to and subject to the conditions set forth in this Article, none of the Borrower or any Subsidiary shall have any rights as a third party beneficiary of any such provisions. Each Secured Party, whether or not a party hereto, will be deemed, by its acceptance of the benefits of the Collateral and the Guarantees of the Obligations provided under the Loan Documents, to have agreed to the provisions of this Article.

Section 1.02. Erroneous Payments. (a) If the Administrative Agent notifies a Lender, Issuing Bank or Secured Party, or any Person who has received funds on behalf of a Lender, Issuing Bank or Secured Party (any such Lender, Issuing Bank, Secured Party 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 the immediately succeeding clause (b)) 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 Bank, Secured Party 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, Issuing Bank or Secured Party shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter, 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 Federal Funds Effective 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 (a) shall be conclusive, absent manifest error.

(a) Without limiting the immediately preceding clause (a), each Lender, Issuing Bank or Secured Party, or any other Payment Recipient who has received funds on behalf of a Lender, Issuing Bank or Secured Party, 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, Issuing Bank or Secured Party, or other such Payment Recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:

(i) (A) in the case of the immediately preceding clause (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) in the case of the immediately preceding clause (z), an error has been made, in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender, Issuing Bank or Secured Party shall (and shall cause any Payment 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 8.02(b).

(b) Each Lender, Issuing Bank or Secured Party hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender, Issuing Bank or Secured Party under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Lender, Issuing Bank or Secured Party from any source, against any amount due to the Administrative Agent under the immediately preceding clause (a) or under the indemnification provisions of this Agreement.

(c) 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 the immediately preceding clause (a), from any Lender or Issuing Bank 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 Bank at any time, (i) such Lender or Issuing Bank 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 Borrower) deemed to execute and deliver an Assignment and Assumption (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an electronic transmission system to which the Administrative Agent and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, and such Lender or Issuing Bank shall deliver any promissory notes evidencing such Loans to the Borrower or the Administrative Agent, (ii) the Administrative Agent as the assignee Lender shall be deemed to acquire the

Erroneous Payment Deficiency Assignment, (iii) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender or Issuing Bank, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender or assigning Issuing Bank shall cease to be a Lender or Issuing Bank, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender or assigning Issuing Bank and (iv) the Administrative Agent may reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. Subject to Section 9.04(b), 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 Bank 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 Bank (and/or against any Payment Recipient that receives funds on its respective behalf). No Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender or Issuing Bank 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, Issuing Bank or Secured Party under the Loan Documents with respect to each Erroneous Payment Return Deficiency (the “Erroneous Payment Subrogation Rights”).

(d) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Secured Obligations owed by the Borrower 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 or applicable Lender, Issuing Bank or Secured Party from the Borrower or any other Loan Party for the purpose of making payment in respect of the Secured Obligations.

(e) 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.

(f) Each party’s obligations, agreements and waivers under this Section 8.02 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender or Issuing Bank, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Secured Obligations (or any portion thereof) (other than contingent amounts not yet due) under any Loan Document.

ARTICLE IX

Miscellaneous

Section 1.01. Notices. (a) General. Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to

paragraph (b) of this Section), 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 fax, as follows:

(i) if to the Borrower, to it at:

Comtech Telecommunications Corp.
68 South Service Road, Suite 230
Melville, New York 11747
Attention: Chief Financial Officer
Telecopy: 631-962-7001

With a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019-6064
Attention: David Tarr, Esq.

(ii) (a) if to the Administrative Agent prior to December 1, 2023, to it at:

Citibank, N.A.
730 Veterans Memorial Highway
Hauppauge, New York 11788
Attention: Relationship Officer – Comtech Telecommunications Corp.

With a copy to:

Citibank, N.A.
730 Veterans Memorial Highway
Hauppauge, New York 11788
Attention: Loan Service Specialist – Comtech Telecommunications Corp.

(b) if to the Administrative Agent on or after December 1, 2023, to it at:

Citibank, N.A.
1 RXR Plaza
Uniondale, New York 11556
Attention: Relationship Officer – Comtech Telecommunications Corp.

With a copy to:

Citibank, N.A.
1 RXR Plaza
Uniondale, New York 11556
Attention: Loan Service Specialist – Comtech Telecommunications Corp.

(iii) if to any Issuing Bank, to it at its address (or fax number) most recently specified by it in a notice delivered to the Administrative Agent and the Borrower (or, in the absence of any such notice, to the address (or fax number) set forth in the Administrative Questionnaire of the Lender that is serving as such Issuing Bank or is an Affiliate thereof); and

(iv) if to any other Lender, to it at its address (or fax number) set forth in its Administrative Questionnaire.

Notices and communications 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 fax shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications, to the extent provided in paragraph (b) of this Section, shall be effective as provided in such paragraph.

(a) Electronic Communications. Notices and other communications to the Lenders and the Issuing Banks hereunder may be delivered or furnished by electronic communication (including e-mail and Internet and intranet websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices under Article II to any Lender or any Issuing Bank if such Lender or such Issuing Bank, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent and the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications or may be rescinded by any such Person by notice to each other such Person.

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 acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment) and (ii) notices and other 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 therefore; provided that, for both clauses (i) and (ii) above, 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.

(b) Change of Address, etc. Any party hereto may change its address or fax number for notices and other communications hereunder by notice to the other parties hereto.

(c) Platform. The Borrower agrees that the Administrative Agent may, but shall not be obligated to, make any Communications by posting such Communication on Debt Domain, IntraLinks, SyndTrak or a substantially similar electronic transmission system (the "Platform"). The Platform is provided "as is" and "as available". Neither the Administrative Agent nor any of its Related Parties warrants, or shall be deemed to warrant, as to the adequacy of the Platform and each such Person expressly disclaims any liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or

other code defects, is made, or shall be deemed to be made, by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties have any liability to the Loan Parties, any Lender, any Issuing Bank or any other Person for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise), arising out of any Loan Party's or the Administrative Agent's transmission of Communications through the Platform except to the extent such damages, losses or expenses have resulted from the gross negligence or willful misconduct of such Person.

Section 1.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent, any Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Banks and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. Without limiting the generality of the foregoing, the execution and delivery of the Third Amendment and Restatement Agreement, the making of a Loan or the issuance, amendment, renewal or extension of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time. No notice or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

(a) Except as otherwise provided for in this Section 9.02, none of this Agreement, any other Loan Document or any provision hereof or thereof may be waived, amended or modified except, in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Borrower, the Administrative Agent and the Required Lenders and, in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Loan Party or Loan Parties that are parties thereto, in each case with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender (or reinstate any Commitment previously terminated by the Borrower in accordance with the terms hereof) without the written consent of such Lender, (ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder (in each case, other than as a result of any change in the definition of the term "Leverage Ratio" or in any component thereof), in each case without the written consent of each Lender affected thereby, (iii) postpone the scheduled maturity date of any Loan, or the date of any scheduled payment of the principal amount of any Term Loan under Section 2.09, or the required date of reimbursement of any LC Disbursement, or any date for the payment of any interest or fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.17(b) or 2.17(c) (or any other provision hereof which would have the effect of changing the provisions of Section 2.17(b) or Section 2.17(c)) in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender adversely affected thereby, (v) change any of the provisions of this Section or the percentage set forth in the

definition of the term “Required Lenders” or any other provision of this Agreement or any other Loan Document specifying the number or percentage of Lenders (or Lenders of any Class) required to waive, amend or otherwise modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender (or each Lender of such Class, as applicable); provided that, with the consent of the Required Lenders, the provisions of this Section and the definition of the term “Required Lenders” may be amended to include references to any new class of loans created under this Agreement (or to lenders extending such loans) on substantially the same basis as the corresponding references relating to the existing Classes of Loans or Lenders, (vi) release or otherwise limit all or substantially all of the value of the Guarantees provided by the Subsidiary Loan Parties (including, in each case, by limiting liability in respect thereof) under the Collateral Agreement, in each case without the written consent of each Lender (except as expressly provided in Section 9.14 or the Collateral Agreement (including any such release by the Administrative Agent in connection with any sale or other disposition of any Subsidiary upon the exercise of remedies under the Security Documents)), (vii)(a) release all or substantially all the Collateral from the Liens of the Security Documents without the written consent of each Lender (except as expressly provided in Section 9.14 or the applicable Security Document (including any such release by the Administrative Agent in connection with any sale or other disposition of the Collateral upon the exercise of remedies under the Security Documents)) or (b) subordinate the Liens on all or substantially all the Collateral without the written consent of each Lender (except as expressly provided in Section 8.01(k) or the applicable Security Document), (viii) change any provisions of this Agreement or any other Loan Document in a manner that by its terms adversely affects the rights in respect of payments due to, or the Collateral of, Lenders holding Loans of any Class differently than those holding Loans of any other Class, without the written consent of each Lender of each affected Class, (ix) modify the protections afforded to an SPV pursuant to the provisions of Section 9.04(e) without the written consent of such SPV or (x) impose any additional restrictions on a Lender’s ability to assign any of its rights or obligations hereunder without the written consent of such Lender; provided further that (A) no such agreement shall amend, modify, extend or otherwise affect the rights or obligations of the Administrative Agent or any Issuing Bank without the prior written consent of the Administrative Agent or such Issuing Bank, as applicable and (B) any waiver, amendment or other modification of this Agreement that by its terms affects the rights or duties under this Agreement of the Lenders of one or more Classes (but not the Lenders of any other Class) may be effected by an agreement or agreements in writing entered into by the Borrower and the requisite number or percentage in interest of each affected Class of Lenders that would be required to consent thereto under this Section if such Class of Lenders were the only Class of Lenders hereunder at the time. Notwithstanding any of the foregoing, (1) no consent with respect to any waiver, amendment or other modification of this Agreement or any other Loan Document shall be required of any Defaulting Lender, except with respect to any waiver, amendment or other modification referred to in clause (i), (ii) or (iii) of the first proviso of this paragraph and then only in the event such Defaulting Lender shall be affected by such waiver, amendment or other modification and (2) no agreement referred to in the immediately preceding sentence shall waive any condition set forth in Section 4.02 without the written consent of the Majority in Interest of the Revolving Lenders (it being understood and agreed that any amendment or waiver of, or any consent with respect to, any provision of this Agreement (other than any waiver expressly relating to Section 4.02) or any other Loan Document, including any amendment of an affirmative or negative covenant set forth herein or in any other Loan Document or any waiver of a Default or an Event of Default, shall not be deemed to be a waiver of any condition set forth in Section 4.02).

(b) In connection with any proposed amendment, modification, waiver or termination (a “Proposed Change”) requiring the consent of all Lenders or all affected Lenders, if the consent of the Required Lenders (and, to the extent any Proposed Change requires the consent of Lenders holding Loans of any Class pursuant to clause (v), (viii) or (x) of paragraph (b) of this Section, the consent of a Majority in Interest of the outstanding Loans and unused Commitments of such Class) to such Proposed Change is obtained, but the consent to such Proposed Change of other Lenders whose consent is required is not obtained (any such Lender whose consent is not obtained as described in paragraph (b) of this Section being referred to as a “Non-Consenting Lender”), then, so long as the Lender that is acting as Administrative Agent is not a Non-Consenting Lender, the Borrower may, at its sole expense and effort, upon notice to such Non-Consenting Lender and the Administrative Agent, require such Non-Consenting Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent (and, if a Revolving Commitment is being assigned, each Issuing Bank), which consent shall not unreasonably be withheld, (ii) such Non-Consenting Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder (if applicable, in each case only to the extent such amounts relate to its interest as a Lender of a particular Class) from the assignee (in the case of such principal and accrued interest and fees) or the Borrower (in the case of all other amounts), (iii) the Borrower or such assignee shall have paid to the Administrative Agent the processing and recordation fee specified in Section 9.04(b), (iv) such assignment does not conflict with applicable law and (v) the assignee shall have given its consent to such Proposed Change and, as a result of such assignment and delegation and any contemporaneous assignments and delegations and consents, such Proposed Change can be effected.

(c) Notwithstanding anything herein to the contrary, the Administrative Agent may, without the consent of any Secured Party, consent to a departure by any Loan Party from any covenant of such Loan Party set forth in this Agreement, the Collateral Agreement or any other Security Document to the extent such departure is consistent with the authority of the Administrative Agent set forth in the definition of the term “Collateral and Guarantee Requirement”.

(d) Notwithstanding anything in this Section 9.02 to the contrary, the Administrative Agent shall be permitted to amend any provision of any Loan Document in order to reflect the appointment of any additional issuing bank contemplated by clause (B) of the last sentence of Section 2.04(b) and, such amendment shall become effective without any further consultation with or action or consent of any other party to any Loan Document; provided that the Borrower’s consent shall be required for such amendments (such consent not to be unreasonably withheld).

(e) Notwithstanding anything in this Section 9.02 to the contrary, if the Administrative Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical nature in any provision of any Loan Document, then the Administrative Agent and the Borrower shall be permitted to amend such provision and any such amendments shall become effective without any further consultation with or action or consent of any other party to any Loan Document if the same is not objected to in writing by the Required Lenders within five Business Days following receipt thereof.

(f) Notwithstanding anything in this Section 9.02 to the contrary, the Administrative Agent may amend this Agreement to reflect Benchmark Replacement Conforming Changes and Term SOFR Conforming Changes pursuant to Sections 2.13(c) and 2.13(d), respectively, and such amendment shall become effective in accordance with the procedures set forth in Sections 2.13(c) and 2.13(d), as applicable.

Section 1.03. Expenses; Indemnity; Damage Waiver. (a) The Borrower shall pay (i) all reasonable and documented out-of-pocket costs and expenses incurred by the Administrative Agent, the Arrangers and their respective Affiliates, including the reasonable and documented out-of-pocket fees, charges, and disbursements of a single counsel for all of the foregoing, collectively (and of a single local counsel in each material jurisdiction), in connection with the credit facilities provided for herein, as well as the preparation, negotiation, execution, delivery and administration of this Agreement, the other Loan Documents or any waiver, amendments or modifications of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable and documented out-of-pocket expenses incurred by any Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable and documented out-of-pocket costs and expenses incurred by the Administrative Agent, the Arrangers, any Issuing Bank or any Lender (including the reasonable and documented fees, charges and disbursements of (x) a single counsel for all of the foregoing (and, solely in the case of an actual or potential conflict of interest, one additional counsel for each set of similarly affected Persons), (y) one regulatory or specialty counsel to the foregoing with respect to any material regulatory and/or specialty areas and (z) one local counsel to the foregoing in each material jurisdiction), in connection with the enforcement or protection of its rights in connection with the Loan Documents, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(a) The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), the Arrangers, the Syndication Agent, each Lender and each Issuing Bank, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnitee”), against, and hold each Indemnitee harmless from, any and all losses, claims, damages, penalties, liabilities and related expenses (including the reasonable and documented out-of-pocket fees, charges and disbursements of counsel but limited, in the case of legal fees and expenses, to one counsel to such Indemnitees, taken as a whole, and, solely in the case of an actual or potential conflict of interest, one additional counsel to each set of similarly affected Indemnitees, taken as a whole (and, if reasonably necessary, of (x) one regulatory or specialty counsel with respect to any material regulatory and/or specialty areas, (y) one local counsel in any material jurisdiction to all such Persons, taken as a whole, and (z) solely in the case of any such actual or potential conflict of interest, one additional counsel of the applicable type to each set of similarly affected Indemnitees)), that may be incurred by or asserted against any such Indemnitee arising out of, in connection with or as a result of (i) the credit facilities provided for herein, in the Existing Credit Agreement, in the First A&R Credit Agreement (as amended by the First Amendment to First A&R Credit Agreement, Second Amendment to First A&R Credit Agreement and Third Amendment to First A&R Credit Agreement) or in the Original Credit Agreement, the preparation, negotiation, execution, delivery and administration of this Agreement, the other Loan Documents or any other agreement or instrument contemplated hereby or thereby, the performance by the parties to this Agreement or the other Loan Documents of their respective obligations hereunder or thereunder or the consummation of the Transactions or any other transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use of the

proceeds therefrom (including any refusal by any Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or Release of Hazardous Materials on, at, to or from any Mortgaged Property or any other property currently or formerly owned or operated by the Borrower or any Subsidiary, or any other Environmental Liability related in any way to the Borrower or any Subsidiary or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based in contract, tort or any other theory and whether initiated against or by any party to this Agreement or any other Loan Document, any Affiliate of any of the foregoing or any third party (and regardless of whether any Indemnitee is a party thereto); provided that the foregoing indemnity shall not, as to any Indemnitee, apply to any losses, claims, damages, penalties, liabilities or related expenses to the extent they (A) are found in a final and non-appealable judgment of a court of competent jurisdiction to have resulted from the bad faith, willful misconduct or gross negligence of such Indemnitee, (B) [reserved] or (C) result from a proceeding that does not involve an act or omission by the Borrower or any of its Affiliates and that is brought by an Indemnitee against any other Indemnitee (other than a proceeding that is brought against the Administrative Agent or any Arranger in its capacity or in fulfilling its roles as an agent or arranger hereunder or any similar role with respect to the Indebtedness incurred or to be incurred hereunder). This paragraph shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(b) To the extent that the Borrower fails to indefeasibly pay any amount required to be paid by it under paragraph (a) or (b) of this Section to the Administrative Agent (or any sub-agent thereof), any Issuing Bank or any Related Party of any of the foregoing (and without limiting its obligation to do so), each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), such Issuing Bank or such Related Party, as applicable, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount (it being understood and agreed that the Borrower's failure to pay any such amount shall not relieve the Borrower of any default in the payment thereof); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as applicable, was incurred by or asserted against the Administrative Agent (or such sub-agent) or such Issuing Bank 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 any Issuing Bank in connection with such capacity; provided further that, with respect to such unpaid amounts owed to any Issuing Bank in its capacity as such, or to any Related Party of any of the foregoing acting for any Issuing Bank in connection with such capacity, only the Revolving Lenders shall be required to pay such unpaid amounts. For purposes of this Section, a Lender's "pro rata share" shall be determined based upon its share of the sum of the total Revolving Exposures, unused Revolving Commitments and, except for purposes of the second proviso of the immediately preceding sentence, the outstanding Term Loans and unused Term Commitments, in each case at that time. The obligations of the Lenders under this paragraph are subject to the last sentence of Section 2.02(a) (which shall apply mutatis mutandis to the Lenders' obligations under this paragraph).

(c) To the fullest extent permitted by applicable law, the Borrower shall not assert, or permit any of its Subsidiaries or Related Parties to assert, and each hereby waives, any claim against any Indemnitee (i) for any damages arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including the Internet) or (ii) on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or

actual damages) arising out of, in connection with or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

(d) All amounts due under this Section shall be payable promptly after written demand therefor.

Section 1.04. Successors and Assigns. (a) General. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), except that (i) the Borrower may not assign, delegate or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender (and any attempted assignment, delegation or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign, delegate or otherwise transfer its rights or obligations hereunder except in accordance with this Section. 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 as permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section), the Arrangers, the Syndication Agent and, to the extent expressly contemplated hereby, the sub-agents of the Administrative Agent and the Related Parties of any of the Administrative Agent, the Arrangers, the Syndication Agent, any Issuing Bank and any Lender) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(a) Assignments by Lenders. (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign and delegate to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of (A) the Borrower; provided that no consent of the Borrower shall be required (1) for an assignment and delegation to a Lender, an Affiliate of a Lender or an Approved Fund and (2) if an Event of Default has occurred and is continuing, for any assignment and delegation; provided further that the Borrower shall be deemed to have consented to any such assignment and delegation unless it shall have objected thereto by written notice to the Administrative Agent within ten Business Days after having received notice thereof, (B) the Administrative Agent; provided that no consent of the Administrative Agent shall be required for an assignment and delegation of all or any portion of a Term Loan to a Lender, an Affiliate of a Lender or an Approved Fund and (C) each Issuing Bank, in the case of any assignment and delegation of all or a portion of a Revolving Commitment or any Lender's obligations in respect of its LC Exposure.

(i) Assignments and delegations shall be subject to the following additional conditions: (A) except in the case of an assignment and delegation to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment and delegation of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment and delegation (determined as of the trade date specified in the Assignment and Assumption with respect to such assignment and delegation or, if no trade date is so specified, as of the date the Assignment and Assumption with respect to such assignment and delegation is delivered to the Administrative Agent) shall not be less than \$1,000,000 or, in the case of Term Loans, \$1,000,000, unless each of the Borrower and the Administrative Agent otherwise consents (such consent not to be unreasonably withheld or delayed); provided that no such consent of the Borrower shall be required if an Event

of Default has occurred and is continuing, (B) each partial assignment and delegation shall be made as an assignment and delegation of a proportionate part of all the assigning Lender's rights and obligations under this Agreement; provided that this clause (B) shall not be construed to prohibit the assignment and delegation of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans, (C) the parties to each assignment and delegation shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; provided that (1) only one such processing and recordation fee shall be payable in the event of simultaneous assignments and delegations from any Lender or its Approved Funds to one or more other Approved Funds of such Lender and (2) with respect to any assignment and delegation pursuant to Section 2.18(b) or 9.02(c), the parties hereto agree that such assignment and delegation may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee and that the Lender required to make such assignment and delegation need not be a party thereto, and (D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent any tax forms required by Section 2.16(f) and an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain MNPI) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable law, including Federal, State and foreign securities laws.

(ii) Subject to acceptance and recording thereof pursuant to paragraph (b)(v) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned and delegated by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned and delegated by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all 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 (and subject to the obligations and limitations of) Sections 2.14, 2.15, 2.16 and 9.03 and to any fees payable hereunder that have accrued for such Lender's account but have not yet been paid). Any assignment, delegation or other transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 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 9.04(c).

(iii) The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount (and stated interest) of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent, the Issuing Banks and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and, as to entries pertaining to it, any Issuing Bank or any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(iv) Upon receipt by the Administrative Agent of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire and any tax forms required by

Section 2.16(f) (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b)(ii) of this Section and any written consent to such assignment and delegation required by paragraph (b)(i) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that the Administrative Agent shall not be required to accept such Assignment and Assumption or so record the information contained therein if the Administrative Agent reasonably believes that such Assignment and Assumption lacks any written consent required by this Section or is otherwise not in proper form, it being acknowledged that the Administrative Agent shall have no duty or obligation (and shall incur no liability) with respect to obtaining (or confirming the receipt of) any such written consent or with respect to the form of (or any defect in) such Assignment and Assumption, any such duty and obligation being solely with the assigning Lender and the assignee. No assignment or delegation shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph and, following such recording, unless otherwise determined by the Administrative Agent (such determination to be made in the sole discretion of the Administrative Agent, which determination may be conditioned on the consent of the assigning Lender and the assignee), shall be effective notwithstanding any defect in the Assignment and Assumption relating thereto. Each assigning Lender and the assignee, by its execution and delivery of an Assignment and Assumption, shall be deemed to have represented to the Administrative Agent that all written consents required by this Section with respect thereto (other than the consent of the Administrative Agent) have been obtained and that such Assignment and Assumption is otherwise duly completed and in proper form, and each assignee, by its execution and delivery of an Assignment and Assumption, shall be deemed to have represented to the assigning Lender and the Administrative Agent that such assignee is an Eligible Assignee.

(v) 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 applicable, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act or any other similar State laws based on the Uniform Electronic Transactions Act.

(b) Participations. Any Lender may, without the consent of the Borrower, the Administrative Agent or any Issuing Bank, sell participations to one or more Eligible Assignees (each, a “Participant”) in all or a portion of such Lender’s rights and obligations under this Agreement (including all or a portion of its Commitments and Loans of any Class); provided that (A) such Lender’s obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent, the Issuing Banks and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. 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 or any other Loan Document; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant or requires the approval of all the Lenders. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.14, 2.15 and 2.16 (subject to the requirements and limitations therein,

including the requirements under Section 2.16(f) (it being understood and agreed that the documentation required under Section 2.16(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment and delegation pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 2.17 and 2.18 as if it were an assignee under paragraph (b) of this Section and (B) shall not be entitled to receive any greater payment under Section 2.14 or 2.16, 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 Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.18(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.17(c) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement or any other Loan Document (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under this Agreement or any other 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.

(c) Certain Pledges. Any Lender may, without the consent of the Borrower, the Administrative Agent or any Issuing Bank, 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, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(d) Special Purpose Funding Vehicles. Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Lender") may grant to a special purpose funding vehicle (an "SPV"), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower, the option to provide to the Borrower all or any part of any Loan that such Granting Lender would otherwise be obligated to make to the Borrower pursuant to this Agreement; provided that (i) nothing herein shall constitute a commitment by any SPV to make any Loan and (ii) if an SPV elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPV hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPV shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which

shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPV, such party will not institute against, or join any other person in instituting against, such SPV any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section, any SPV may (i) with notice to, but without the prior written consent of, the Borrower and the Administrative Agent and without paying any processing fee therefor, assign and delegate all or a portion of its interests in any Loans to the Granting Lender or to any financial institutions (consented to by the Borrower and Administrative Agent) providing liquidity or credit support to or for the account of such SPV to support the funding or maintenance of Loans and (ii) disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPV.

Section 1.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in this Agreement and the other Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the other Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, any Arranger, the Syndication Agent, any Issuing Bank, any Lender or any Affiliate of any of the foregoing may have had notice or knowledge of any Default or incorrect representation or warranty at the time the Third Amendment and Restatement Agreement or any other Loan Document is executed and delivered or any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any LC Exposure is outstanding and so long as the Commitments have not expired or terminated. Notwithstanding the foregoing or anything else to the contrary set forth in this Agreement or any other Loan Document, in the event that, in connection with the refinancing or repayment in full of the credit facilities provided for herein, an Issuing Bank shall have provided to the Administrative Agent a written consent to the release of the Revolving Lenders from their obligations hereunder with respect to any Letter of Credit issued by such Issuing Bank (whether as a result of the obligations of the Borrower (and any other account party) in respect of such Letter of Credit having been collateralized in full by a deposit of cash with such Issuing Bank, or being supported by a letter of credit that names such Issuing Bank as the beneficiary thereunder, or otherwise), then from and after such time such Letter of Credit shall cease to be a "Letter of Credit" outstanding hereunder for all purposes of this Agreement and the other Loan Documents, and the Revolving Lenders shall be deemed to have no participations in such Letter of Credit, and no obligations with respect thereto, under Section 2.04(d) or 2.04(e). The provisions of Sections 2.14, 2.15, 2.16, 2.17(e) and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment or prepayment of the Loans, the expiration or termination of the Letters of Credit, the resignation of the Administrative Agent, the replacement of any Lender and the Commitments or the termination of this Agreement or any provision hereof.

Section 1.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different

counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission (including pdf) shall be effective as delivery of a manually executed counterpart of this Agreement. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent or the syndication of the Loans and Commitments 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 the commitments of the Lenders and, if applicable, their Affiliates under the commitment letter in respect of the credit facilities set forth herein and any related commitment advices submitted by the Lenders (but do not supersede any other provisions of such commitment letter or any related fee letters that do not, by the terms of such documents, terminate upon the effectiveness of this Agreement, all of which provisions shall remain in full force and effect). This Agreement shall become effective on the Third A&R Effective Date.

Section 1.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 1.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, each Issuing Bank and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) or other amounts at any time held and other obligations (in whatever currency) at any time owing by such Lender, such Issuing Bank or any such Affiliate to or for the credit or the account of the Borrower against any of and all the Obligations then due of the Borrower now or hereafter existing under this Agreement held by such Lender, such Issuing Bank or any such Affiliates, irrespective of whether or not such Lender, such Issuing Bank or any such Affiliate shall have made any demand under this Agreement and although such obligations of the Borrower are owed to a branch or office of such Lender, such Issuing Bank or any such Affiliate different from the branch or office holding such deposit or obligated on such Indebtedness. Each Lender and each Issuing Bank agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give or any delay in giving such notice shall not affect the validity of any such setoff and application under this Section. The rights of each Lender, each Issuing Bank and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, such Issuing Bank and any such Affiliate may have.

Section 1.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement and the transactions contemplated hereby shall be governed by, and construed in accordance with, the law of the State of New York.

(a) The Borrower irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Lender, any Issuing Bank or any Related Party of any of the foregoing in any way

relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits, for itself and its property, to the jurisdiction of such courts and agrees that all claims in respect of any action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable law, in such Federal court. Each party hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent, any Lender or any Issuing Bank may otherwise have to bring any action, litigation or proceeding relating to this Agreement or any other Loan Document against any Loan Party or any of its properties in the courts of any jurisdiction.

(b) The Borrower hereby 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, litigation or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

Section 1.10. 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 IN CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 1.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 1.12. Confidentiality. Each of the Administrative Agent, the Lenders and the Issuing Banks agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' Related Parties, including accountants, legal counsel and other agents and advisors, it being understood and agreed that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and will agree to keep such

Information confidential, (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under this Agreement or any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its Related Parties) to any Hedging Agreement relating to the Borrower or any Subsidiary and its obligations hereunder or under any other Loan Document, in each case if such Person agrees to be bound by the terms of this paragraph (or language substantially similar to this paragraph), (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided for herein or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the credit facilities provided for herein, (h) with the consent of the Borrower or (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, any Lender or any Issuing Bank or any Affiliate of any of the foregoing on a nonconfidential basis from a source other than the Borrower; provided that, in the case of clause (c) above, the party disclosing such information shall provide to the Borrower prior written notice of such disclosure to the extent permitted by applicable law (and to the extent commercially feasible under the circumstances) and shall cooperate with the Borrower, at the Borrower's sole expense, in obtaining a protective order for, or other confidential treatment of, such disclosure, in each case at the Borrower's sole expense. For purposes of this Section, "Information" means all information received from any Loan Party relating to the Borrower or any Subsidiary or their businesses, other than any such information that is available to the Administrative Agent, any Lender or any Issuing Bank on a nonconfidential basis prior to disclosure by the Borrower; provided that, in the case of information received from the Borrower after the Third A&R Effective Date, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section 9.12 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information, but in no event less than a commercially reasonable degree of care.

Section 1.13. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan or participation in any LC Disbursement, together with all fees, charges and other amounts that are treated as interest on such Loan or LC Disbursement or participation therein under applicable law (collectively, the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") that may be contracted for, charged, taken, received or reserved by the Lender or Issuing Bank holding such Loan or LC Disbursement or participation therein in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan or LC Disbursement or participation therein but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender or Issuing Bank in respect of other Loans or LC Disbursement or participation therein or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at

the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender or Issuing Bank.

Section 1.14. Release of Liens and Guarantees. Subject to the reinstatement provisions set forth in the Collateral Agreement, a Subsidiary Loan Party shall automatically be released from its obligations under the Loan Documents, and all security interests created by the Security Documents in Collateral owned by such Subsidiary Loan Party shall be automatically released, upon the consummation of any transaction permitted by this Agreement as a result of which such Subsidiary Loan Party ceases to be a Subsidiary; provided that, if so required by this Agreement, the Required Lenders shall have consented to such transaction and the terms of such consent shall not have provided otherwise. Upon any sale or other transfer by any Loan Party (other than to the Borrower or any other Loan Party) of any Collateral in a transaction permitted under this Agreement, or upon the effectiveness of any written consent to the release of the security interest created under any Security Document in any Collateral pursuant to Section 9.02, the security interests in such Collateral created by the Security Documents shall be automatically released. In connection with any termination or release pursuant to this Section, the Administrative Agent shall execute and deliver to any Loan Party, at such Loan Party's expense, all instruments and documents that such Loan Party shall reasonably request to evidence such termination or release and return to the Borrower all possessory collateral (including share certificates (if any)) held by it in respect of any Collateral so released, all without the further consent or joinder of any Lender or any other Secured Party. Any representation, warranty or covenant contained in any Loan Document relating to any such Collateral or Subsidiary Loan Party shall no longer be deemed to be made. Any execution and delivery of documents pursuant to this Section shall be without recourse to or warranty by the Administrative Agent. Each of the Secured Parties irrevocably authorize the Administrative Agent, at its option and in its discretion, to effect the releases set forth in this Section.

Section 1.15. USA PATRIOT Act Notice. Each Lender, each Issuing Bank and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies each Loan Party that, pursuant to the requirements of the USA PATRIOT Act and the Beneficial Ownership Regulation, it is required to obtain, verify and record information that identifies such Loan Party, which information includes the name and address of such Loan Party (or any of their respective officers and beneficial owners) and other information that will allow such Lender, such Issuing Bank or the Administrative Agent, as applicable, to identify such Loan Party in accordance with the USA PATRIOT Act and the Beneficial Ownership Regulation, and each Loan Party agrees to provide such information from time to time to such Lender, such Issuing Bank and the Administrative Agent, as applicable. This notice is given in accordance with the requirements of the USA PATRIOT Act and the Beneficial Ownership Regulation and is effective for each Lender, each Issuing Bank and the Administrative Agent.

Section 1.16. No Fiduciary Relationship. The Borrower, on behalf of itself and its Subsidiaries, agrees that in connection with all aspects of the transactions contemplated hereby and any communications in connection therewith, the Borrower, the Subsidiaries and their respective Affiliates, on the one hand, and the Administrative Agent, the Arrangers, the Lenders, the Issuing Banks and their respective Affiliates, on the other hand, will have a business relationship that does not create, by implication or otherwise, any fiduciary duty on the part of the Administrative Agent, the Lenders, the Issuing Banks or their Affiliates, and no such duty will be deemed to have arisen in connection with any such transactions or communications. The Administrative Agent, the Arrangers, the Lenders, the Issuing Banks and their respective Affiliates may be engaged, for their own accounts or the accounts of customers, in a broad range of

transactions that involve interests that differ from those of the Borrower, the Subsidiaries and their respective Affiliates, and none of the Administrative Agent, the Arrangers, the Lenders, the Issuing Banks or any of their respective Affiliates has any obligation to disclose any of such interests to the Borrower, the Subsidiaries or any of their respective Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it or any of its Affiliates may have against the Administrative Agent, the Arrangers, the Lenders, the Issuing Banks or any of their respective Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 1.17. Non-Public Information. (a) Each Lender acknowledges that all information, including requests for waivers and amendments, furnished by the Borrower or the Administrative Agent pursuant to or in connection with, or in the course of administering, this Agreement will be syndicate-level information, which may contain MNPI. Each Lender represents to the Borrower and the Administrative Agent that (i) it has developed compliance procedures regarding the use of MNPI and that it will handle MNPI in accordance with such procedures and applicable law, including Federal, State and foreign securities laws, and (ii) it has identified in its Administrative Questionnaire a credit contact who may receive information that may contain MNPI in accordance with its compliance procedures and applicable law, including Federal, State and foreign securities laws.

(d) The Borrower and each Lender acknowledge that, if information furnished by the Borrower pursuant to or in connection with this Agreement is being distributed by the Administrative Agent through the Platform, (i) the Administrative Agent may post any information that the Borrower has indicated as containing MNPI solely on that portion of the Platform as is designated for Private Side Lender Representatives and (ii) if the Borrower has not indicated whether any information furnished by it pursuant to or in connection with this Agreement contains MNPI, the Administrative Agent reserves the right to post such information solely on that portion of the Platform as is designated for Private Side Lender Representatives. The Borrower agrees to clearly designate all information provided to the Administrative Agent by or on behalf of the Borrower that is suitable to be made available to Public Side Lender Representatives, and the Administrative Agent shall be entitled to rely on any such designation by the Borrower without liability or responsibility for the independent verification thereof.

Section 1.18. Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Solely to the extent any Lender or Issuing Bank that is an EEA Financial Institution is a party to this Agreement and notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among the parties hereto, each party hereto acknowledges that any liability of any EEA 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 an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) 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 EEA Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(C) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

(c) The following terms shall for purposes of this Section have the meanings set forth below:

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

“Bail-In Legislation” means, 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 for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“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 clause (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 delegatee) having responsibility for the resolution of any EEA Financial Institution.

“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.

“Write-Down and Conversion Powers” means, 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.

Section 1.19. Certain ERISA Matters. (a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and its Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans in connection with the Loans, the Letters of Credit, the Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement; or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(d) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and its Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that none of the Administrative Agent or any of its Affiliates is a fiduciary with respect to the assets of such Lender involved in the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related to hereto or thereto).

Section 1.20. Acknowledgement Regarding any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Specified Swap Obligation or any other agreement or instrument that is a QFC (such support, “QFC Credit Support” and each such QFC, a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated

to be governed by the laws of the State of New York and/or of the United States or any other state of the United States);

In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ken Peterman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Comtech Telecommunications Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 7, 2023

/s/ Ken Peterman

Ken Peterman
Chairman of the Board
President and Chief Executive Officer

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael A. Bondi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Comtech Telecommunications Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 7, 2023

/s/ Michael A. Bondi

Michael A. Bondi
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 Quarterly Report of Comtech Telecommunications Corp. (the “Company”) on Form 10-Q for the period ended October 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Ken Peterman, Chairman of the Board, President and 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; 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: December 7, 2023

/s/ Ken Peterman

Ken Peterman
Chairman of the Board
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 Quarterly Report of Comtech Telecommunications Corp. (the “Company”) on Form 10-Q for the period ended October 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael A. Bondi, 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; 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: December 7, 2023

/s/ Michael A. Bondi

Michael A. Bondi
Chief Financial Officer