As filed with the Securities and Exchange Commission on January 9, 2026.

Registration No. 333-

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

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Bob's Discount Furniture, Inc.

(Exact name of registrant as specified in its charter)

Delaware	5712	46-4501905
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

434 Tolland Turnpike
Manchester, CT 06042
(860) 474-1200

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

William G. Barton
Chief Executive Officer and President
Bob's Discount Furniture, Inc.
434 Tolland Turnpike
Manchester, CT 06042
(860) 474-1200

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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New York, NY 10020
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Approximate date of commencement of proposed sale to public: As soon as practicable after this Registration Statement is declared effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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

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 7(a)(2)(B) of the Securities Act. ☐

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is declared effective. This preliminary prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JANUARY 9, 2026.

PRELIMINARY PROSPECTUS

shares

Bob's Discount Furniture, Inc.

Common Stock

This is the initial public offering of our common stock. We are offering shares of our common stock. We currently expect the initial public offering price to be between $ and $ per share of common stock.

The selling stockholder identified in this prospectus has granted the underwriters an option to purchase up to additional shares of our common stock within 30 days of the date of this prospectus. We will not receive any proceeds from the sale of shares of common stock being sold by the selling stockholder.

Investing in our common stock involves risk. See "Risk Factors" beginning on page 28 to read about factors that you should consider before deciding to invest in shares of our common stock.

Immediately after the completion of this offering, investment funds advised by Bain Capital and its affiliates ("Bain Capital") will beneficially own approximately % of our outstanding common stock (or approximately % of our outstanding common stock if the underwriters' option to purchase additional shares from the selling stockholder is exercised in full). As a result, we expect to be a "controlled company" within the meaning of the corporate governance standards of . See "*Management—Controlled Company*."

Prior to this offering, there has been no public market for shares of our common stock. We have applied to list our common stock on the New York Stock Exchange under the symbol "BOBS."

	Per share	Total
Initial public offering price	$	$
Underwriting discounts and commissions[1]	$	$
Proceeds to us before expenses	$	$

(1) We have agreed to reimburse the underwriters for certain expenses in connection with this offering. See "*Underwriting*" for additional information regarding underwriting compensation.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of common stock to investors on or about , .

J.P. Morgan* **Morgan Stanley***

RBC Capital Markets **UBS Investment Bank**

BofA Securities **Evercore ISI** **Goldman Sachs & Co. LLC**

Baird **KeyBanc Capital Markets** **Raymond James**

*in alphabetical order

Prospectus dated ,


BOB'S
Discount Furniture®
Where America shops for furniture™


Our belief
We can help everyone turn the place they live into the home they love
By delivering value without compromise

While there are many ways to shop for furniture today, **there's still only one Bob's Way.**



Everyday low prices

Because people shouldn't have to wait for a sale to get the best price.



No pushy sales people

Because people should be as comfortable in our stores as they are at home.



A curated assortment

Because people shouldn't have to spend hours searching for that one perfect sofa.



Delivery in days

Because no one should have to wait to turn the place they live into the home they love.

Bob's Way has been our unwavering ethos for more than 30 years

From our humble beginnings in Newington CT in 1991



to 200+ stores across 26 states...
and growing!

Bob's Way comes to life in our assortment









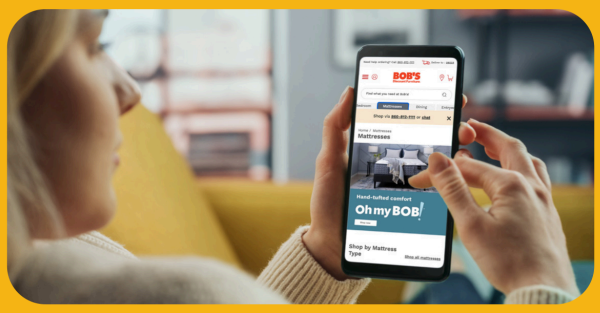




Bob's Way comes to life in our omni-channel experience













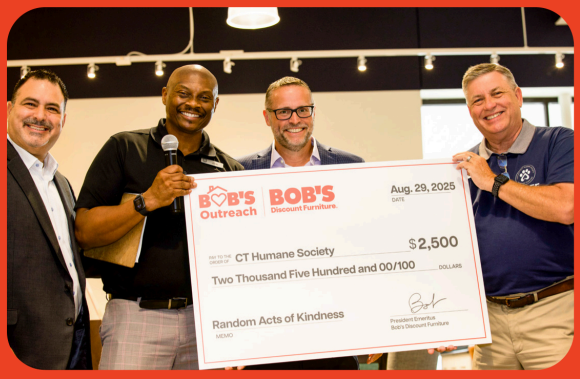
Bob's Way comes to life with our teams











Bob's by the numbers

34+

years offering superior value and service without compromising on quality or style

90% (1)

store experience customer satisfaction rating

~60%

year 2 CoC returns

200+ (1)

stores across 26 states

targeting 500+ stores by 2035

12%

store CAGR

2006-2024

$2bn+ (2)

net revenue

$119M (2)

net income

~10% (2) (3)

adjusted EBITDA margins

(1) As of September 28, 2025. (2) For the twelve month period ended September 28, 2025. (3) Adjusted EBITDA margin is a non-GAAP financial measure. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Key Performance Indicators and Non-GAAP Financial Measures" and "Management's Discussion and Analysis of Financial Condition and Results of Operations--Reconciliation of Non-GAAP Financial Measures." (4) Represents targeted year 2 cash-on-cash returns, defined as 4-wall EBITDA (excluding distribution center costs) divided by net cash investment plus pre-opening expense.

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We are responsible for the information contained in this prospectus and in any free writing prospectus we prepare or authorize. None of us, the selling stockholder or the underwriters have authorized anyone to provide you with different information, and neither we nor the underwriters take responsibility for any other information others may give you. None of us, the selling stockholder or the underwriters are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than its date.

For investors outside of the United States, none of us, the selling stockholder or any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about, and to observe any restrictions relating to, this offering and the distribution of this prospectus outside of the United States.

ABOUT THIS PROSPECTUS

You should rely only on the information included elsewhere in this prospectus and any free writing prospectus prepared by or on behalf of us that we have referred to you. Neither we nor the underwriters have authorized anyone to provide you with additional information or information different from that included elsewhere in this prospectus or in any free writing prospectus prepared by or on behalf of us that we have referred to you. If anyone provides you with additional, different or inconsistent information, you should not rely on it. Offers to sell, and solicitations of offers to buy, shares of our common stock are being made only in jurisdictions where offers and sales are permitted.

No action is being taken in any jurisdiction outside the United States to permit a public offering of shares of our common stock or possession or distribution of this prospectus in that jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restriction as to this offering and the distribution of this prospectus applicable to those jurisdictions.

Industry and Market Data

Unless otherwise indicated, information in this prospectus concerning economic conditions, our industry, our markets and our competitive position is based on a variety of sources, including information from third-party sources, including independent industry analysts, publications and other independent sources, such as Euromonitor International Limited ("Euromonitor"). Some data and other information contained in this prospectus are also based on our own estimates, research and surveys. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such information. Data regarding the industries in which we compete and our market position and market share within these industries are inherently imprecise and are subject to significant business, economic and competitive uncertainties beyond our control, but we believe they generally indicate size, position and market share within this industry. While we believe the information presented in this prospectus is generally reliable, we have not independently verified any third-party information, and our research and estimates have not been verified by any independent source. These and other factors could cause our future performance to differ materially from our assumptions and estimates. As a result, you should be aware that market, ranking and other similar industry data included in this prospectus, and estimates and beliefs based on that data, may not be reliable. Neither we nor the underwriters can guarantee the accuracy or completeness of any such information contained in this prospectus. In addition, forecasts, assumptions, expectations, beliefs, estimates and projections involve risk and uncertainties and are subject to change based on various factors, including those described under "*Cautionary Note Regarding Forward-Looking Statements*" and "*Risk Factors*."

Trademarks and Service Marks

This prospectus includes our trademarks and service marks (collectively, "marks") such as Bob's Discount Furniture and the Bob's Discount Furniture logo, which are protected under applicable intellectual property laws and are our property or the property of our subsidiaries. This prospectus may also contain trademarks or service marks of other companies, which are the property of their respective owners. We do not intend our use or display of other companies' trademarks or service marks to imply a relationship with any other companies, or endorsement or sponsorship of us by any other companies or of any other companies by us. Solely for convenience, the trademarks and service marks referred to in this prospectus are listed without the ®, ℠ or ™ symbols, but such trademarks or service marks may be subject to registration or otherwise protected under applicable intellectual property laws. Any trademarks and service marks included herein are incorporated for illustrative or informational purposes only.

Key Performance Indicators and Non-GAAP Financial Measures

This prospectus contains a number of "non-GAAP financial measures" used by management including Adjusted Net Income and Adjusted EBITDA. These are financial measures that are not calculated or presented in accordance with generally accepted accounting principles in the United States ("GAAP"). For more information about how we use these non-GAAP financial measures in our business, the limitations of these measures, and a reconciliation of these measures to the most directly comparable GAAP measures, please see the sections titled "*Summary Historical Consolidated Financial Data,*" "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators and Non-GAAP Financial Measures*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Reconciliation of Non-GAAP Financial Measures*."

We use these non-GAAP financial measures and key performance indicators ("KPIs") to supplement financial information presented in accordance with GAAP. We believe that excluding certain items from our GAAP results allows management to better understand our financial performance from period to period. Moreover, we believe these non-GAAP financial measures and KPIs provide our stakeholders with useful information to help them evaluate our operating results by facilitating an enhanced understanding of our operating performance and enabling them to make more meaningful period-to-period comparisons. Adjusted Net Income, Adjusted EBITDA, comparable sales growth, adjusted comparable sales growth, number of new stores and number of stores should not be considered as alternatives to net income or loss, income or loss from operations, or any other performance measure in accordance with GAAP, or as an alternative to cash provided by operating activities as a measure of our liquidity. There are limitations to the use of the non-GAAP financial measures and KPIs presented in this prospectus. For example, our non-GAAP financial measures may not be comparable to similarly titled measures of other companies, including companies in our industry. For a reconciliation of our non-GAAP financial measures to their most directly comparable GAAP financial measures and a description of our KPIs, see the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators and Non-GAAP Financial Measures*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Reconciliation of Non-GAAP Financial Measures*."

Basis of Presentation

The Company reports on a 52- or 53-week fiscal year comprised of 13- or 14-week fourth quarters, with each fiscal year ending on the Sunday closest to December 31. The fiscal years ended December 29, 2024, December 31, 2023 and January 1, 2023, are 52-week fiscal years with 13-week fourth quarters. The Company's fiscal quarters follow a 13-week convention, with each quarter ending on a Sunday. The third quarters for 2025 and 2024 ended on September 28, 2025 and September 29, 2024, respectively.

References in this prospectus to "fiscal year 2025" refer to the fiscal year ending December 28, 2025, "fiscal year 2024" refer to the fiscal year ended December 29, 2024, "fiscal year 2023" refer to the fiscal year ended December 31, 2023 and "fiscal year 2022" refer to the fiscal year ended January 1, 2023.

Certain Definitions

Unless the context requires otherwise, references in this prospectus to:

- "AUVs" means average unit volumes, a measure of average sales per store, which is calculated by dividing the total sales across all stores by the total number of stores, and which includes stores opened for at least the last 12 months and excludes sales made through our outlets;
- the "Company," "Bob's," "Bob's Discount Furniture," "we," "us" and "our" refer to Bob's Discount Furniture, Inc. and its consolidated subsidiaries;
- "comparable sales growth" means our KPI that measures performance during the current reporting period against the performance of the comparable store sales and eCommerce sales in the corresponding period of the previous fiscal year. Comparable store sales consist of net revenues from our stores beginning on the first day of the 14th full fiscal month following the store's opening, which is when we believe comparability is achieved. eCommerce sales consist of net revenues from online purchases during the current reporting period;
- "number of new stores" means our KPI reflecting the number of stores opened during a particular reporting period;
- "number of stores" means our KPI that reflects the number of stores as of a particular date;
- "SKU" means stock keeping unit, a unique identifier for each distinct product offered for sale by the Company; and
- "YoY" means year-over-year change of the applicable metric as compared to the metric at the same time in the prior fiscal year.

Prospectus Summary

This summary highlights selected information contained elsewhere in this prospectus. Because it is only a summary, it does not contain all of the information that you should consider before investing in our common stock and it is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this prospectus. You should read the entire prospectus carefully, especially "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements and the related notes, before deciding to buy shares of our common stock. Unless the context requires otherwise, references in this prospectus to the "Company," "Bob's," "Bob's Discount Furniture," "we," "us" and "our" refer to Bob's Discount Furniture, Inc. and its consolidated subsidiaries.

THE BOB'S WAY

"The Bob's Way" embodies our brand and culture. It's our unwavering commitment to honesty, integrity, transparency and fun in every aspect of our business – an ethos that has remained unchanged for more than 30 years and continues to be our North Star as we help our customers turn the places they live into the homes they love.

Our Ambition

To become America's leading omnichannel retailer of quality, stylish furniture at everyday low prices

Our Belief

We can help everyone turn the place they live into the home they love

Our Promise

We deliver value without compromise

Our Company

Bob's Discount Furniture is a rapidly growing, nationally proven omnichannel retailer of value home furnishings with 206 showrooms as of September 28, 2025 across 26 U.S. states. Since our founding in 1991, we have built our ethos as a trusted and reliable brand offering superior value and service, without compromising on quality or style. Our business model is anchored in delivering furniture at "Everyday Low Prices," which we estimate results in our prices being on average approximately 10% below our value-oriented furniture competitors' lowest promoted prices, which we estimate is equivalent to approximately 20-25% below their listed prices. At the heart of Bob's success is not just the value of our furniture, but the team members who bring our promise to life every day. From showroom to living room, it's our people who make Bob's feel like home.



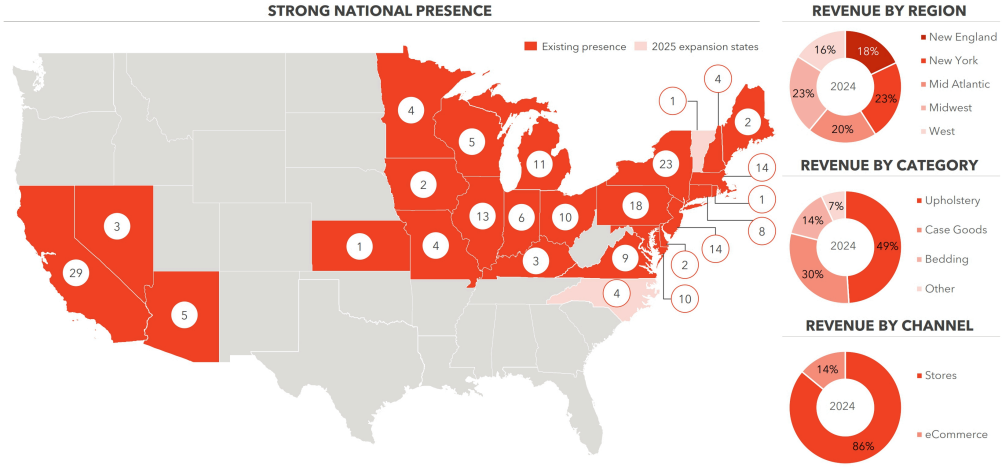
Our value proposition is made possible by our curated merchandising strategy, longstanding sourcing relationships and efficient supply chain. Our merchants target an assortment of products that is narrow and deep, which allows us to drive innovation and cost efficiency. Based on internal estimates, we believe our SKU counts are approximately one-third narrower than our value-oriented furniture competitors. Products are also tailored based on proven market trends and customer demand. Our "Good, Better, Best" assortment strategy ensures we offer customers value at every price point, driving an average order value of approximately $1,400 per transaction, excluding sales at our outlets. Our go-to-market strategy emphasizes a convenient and fun shopping experience,

integrated with our online platform and supported by our trained, tech-enabled guest experience specialists. We target our showrooms to average approximately 32,000 square feet and have generated consistently strong store-level financial returns across vintages, geographic regions and population densities.

Our efficient fulfillment process ensures most purchases have the ability to be delivered in as few as three days, rather than weeks, providing customers with a swift and reliable shopping journey. Speed and consistency of customer deliveries are enabled by our vertically integrated logistics network, anchored by five strategically located distribution centers and additional third-party regional depots. Disciplined inventory management ensures product availability matches customer demand and delivery preference, with approximately 86% of orders during the nine-month fiscal period ended September 28, 2025 in-stock and ready to be delivered in as few as three days from the time of purchase. Our expeditious delivery timeline and overall convenience are key elements of our value proposition and we believe greatly enhance our overall customer experience.

Over the past decade, we have made substantial investments in our omnichannel capabilities, enabling a seamless shopping experience across digital and physical platforms. Customers can shop online, in-store, over the phone and via our mobile app, with unified shopping cart functionality and consistent service quality. Approximately 73% of our in-store customers reported engaging with us across multiple channels in fiscal year 2025, reflecting the strength of our integrated platform. To deliver this seamless customer experience, we leverage a highly integrated operating system that draws on the same inventory, pricing and logistics network whether our customers buy in-store or online. We believe our momentum, combined with our scale, enjoyable showroom and omnichannel journey, favorably positions us to grow profitably and continue to increase market share.

We believe there remains significant opportunity to expand our store base in both existing markets and new geographies. Our growth strategy is fueled by significant and proven whitespace potential, a disciplined market entry playbook and attractive unit economics, with new stores historically generating rapid payback periods and 80+% cash-on-cash returns. Our growth is guided by a disciplined playbook that informs what markets to enter and how to enter them. We focus our expansion on areas with strong furniture demand, particularly where there are existing furniture stores, to optimize capture of qualified customers in the market. Our brand and business model has resonated across market sizes and with a diverse range of customers. As our brand awareness grows in new and existing markets, our demand increases, which in turn allows us to invest even more heavily in customer awareness and thus continually drive stronger store performance. With a proven name, a loyal customer base and a business model designed to generate high returns on capital, we believe that we are well-positioned to expand our store base to more than 500 stores in our existing format by 2035, as described in more detail below.



Map reflects data as of September 28, 2025; Revenue data for fiscal year 2024

Our belief that everyone deserves a home they love is reflected in how we operate daily and the appreciation we have for our people and communities. From our in-store guest experience specialists who create a no-pressure, no-gimmicks shopping experience, to our distribution and logistics teams who enable fast, reliable fulfillment, Bob's is built on the dedication of more than 5,800 team members nationwide, as of September 28, 2025. By investing in training, promoting collaboration and rewarding accountability, we foster a culture that creates long-term loyalty to Bob's, exemplified by an attractive average tenure of approximately seven years for our store managers. Our unique marketing, in-store experience and community engagement all focus on a friendly and relatable work environment that we believe makes working at Bob's less intimidating and more enjoyable.

Bob's has a foundational commitment to supporting our communities. Our complimentary in-store cafés are home to our "Café Collections for a Cause" initiative where Bob's will match every customer dollar donated to a featured charity, up to $75,000. In addition, as part of every new store opening, we donate to a local nonprofit organization and school during the store's ribbon cutting ceremony. Investing in our communities is deeply integrated into who we are.

Recent Financial Performance

Our strong financial performance reflects the strength of our brand strategy and is highlighted by having:

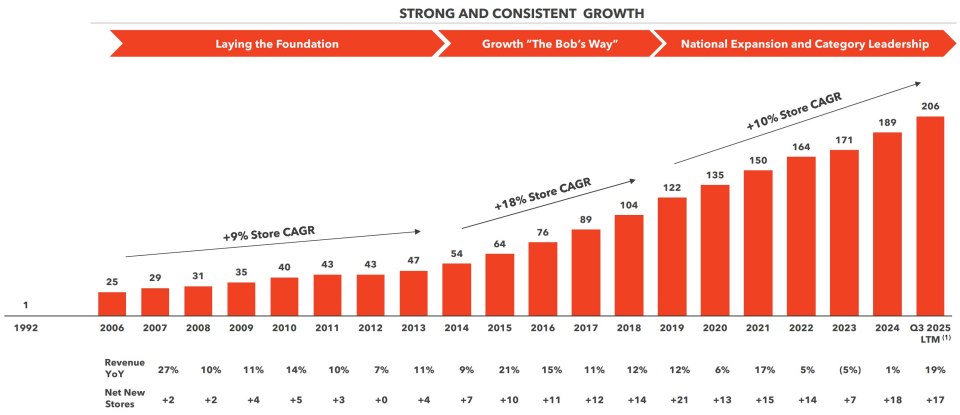
- Increased store base by 11.4% to 206 units as of September 28, 2025 from 185 units as of September 29, 2024
- Increased net revenue by 20.4% to $1,719 million in the nine months ended September 28, 2025 from $1,428 million in the nine months ended September 29, 2024
- Improved net income by 63.6% to $81 million in the nine months ended September 28, 2025 from $49 million in the nine months ended September 29, 2024
- Increased Adjusted EBITDA by 35.7% to $164 million in the nine months ended September 28, 2025 from $121 million in the nine months ended September 29, 2024
- Increased comparable sales growth to 10.5% (or adjusted comparable sales growth of 9.7%[1]) in the nine months ended September 28, 2025 from a decline of 7.6% (or a decline in adjusted comparable sales growth of 6.9%) in the nine months ended September 29, 2024

See "*Summary Consolidated Financial and Other Data,*" "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators and Non-GAAP Financial Measures*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Reconciliation of Non-GAAP Financial Measures*" for additional information regarding our financial performance and non-GAAP financial measures, together with a reconciliation of non-GAAP financial measures to their most directly comparable GAAP measures.

Our focus on value positions us well within the expansive and fragmented $182 billion U.S. home furnishings industry (excluding barbecues) in 2024, as defined by Euromonitor, allowing us to capture significant share by appealing to customers seeking quality, style and affordability. Bob's has grown faster than the home furnishings industry (excluding barbecues) in each of the last 14 fiscal years, with the exception of fiscal year 2023, based on Euromonitor data. Since fiscal year 2010, Bob's has grown at a compound annual growth rate ("CAGR") of approximately 9%, which is over 680bps faster than the home furnishings industry (excluding barbecues), which grew at a CAGR of approximately 3% during the same period, based on Euromonitor data. This sustained outperformance underscores our ability to effectively navigate market and macroeconomic dynamics, capitalize on customer demand, and take share.

[1] References in this prospectus to adjusted comparable sales growth refer to comparable sales growth as adjusted to eliminate the impact of a $10.2 million anomalous timing shift in comparable sales for the third quarter of fiscal year 2024 as a result of a system outage impacting the final two delivery days of the third quarter of fiscal year 2024. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations*" and "*Risk Factors—Risks Related to Data Privacy and Information Technology—We rely extensively on computer systems to process transactions, summarize results and manage our business. Disruptions in both our primary and back-up systems could adversely affect our business and operating results.*"

The home furnishings industry is sensitive to interest rates and housing activity. In 2020 and 2021, the COVID-19 pandemic served as a tailwind to the home furnishings industry, which drove a surge in demand as consumers adapted to a "stay-at-home" lifestyle. This resulted in market-wide pull forward, which led to a subsequent slowdown in the industry in the following years that was further exacerbated by increased interest rates and inflation. Bob's has emerged stronger following this cycle and continues to show resilience and outperformance compared to the home furnishings industry. For example, in fiscal year 2024 Bob's revenue growth surpassed the home furnishings industry (excluding barbecues) by over 700bps on a YoY basis, and we plan to continue to build on that momentum through fiscal year 2025. As interest rates and inflation normalize, housing turnover and new residential construction are expected to accelerate, creating a favorable demand backdrop. Bob's has proven its ability to outperform industry benchmarks even through recent headwinds, underscoring the durability of our model and positioning us to capture incremental upside as conditions improve.



(1) Q3 2025 LTM calculated for the 12-month period ended September 28, 2025

"OH MY BOB!" - KEY DRIVERS OF OUR SUSTAINED SUCCESS

We believe the following strengths differentiate us from our competitors:

A Proven, Scaled Brand Delivering Value Without Compromise

Bob's is rapidly becoming *Where America Shops for Furniture*™ by consistently delivering unparalleled customer experiences at every stage of the furniture purchasing journey. Customers know they can count on Bob's for quality, stylish furniture at everyday low prices. Consistently delivering on that promise has made Bob's a trusted name in homes across the country. Our store experience customer satisfaction rating is 90%+, based on our internal customer survey data, which reflects the loyalty we've built over nearly thirty-five years.

The Bob's brand comes to life in every part of our business. From breakthrough and memorable marketing campaigns like *Oh My Bob!*, *Dare to Compare* and an industry first reality series *Till Décor Do Us Part*, to the complimentary snacks in our in-store café, every aspect of the shopping experience is designed to be differentiated and customer-centric. We believe our fun and authentic brand image, compelling value and best-in-class, low-pressure service resonate with our customers and define Bob's as a unique and comfortable destination for furniture shopping.

Our dedicated team members deliver un-rivaled service “The Bob’s Way”. Our people-first approach builds customer trust and fuels our growth. Between our customer-centric service, tech-enabled omnichannel experience, and our trusted brand, we believe that we continue to resonate with customers on a national scale.

Highly Differentiated Merchandising, Sourcing and Logistics Infrastructure

Bob’s has established a sophisticated and highly differentiated product, pricing, sourcing and supply chain strategy that drives our go-to-market strategy.

Product

Our merchandising philosophy is to consistently deliver stylish, high-quality furniture at unbeatable value, with everyday low prices customers can trust. We have developed a curated product offering by gaining a deep understanding of customer needs and preferences which enables us to be a follower of new and emerging trends. Our streamlined assortment appeals to a broad range of customers by featuring timeless classics, innovative designs and tech-enabled alternatives that adapt to evolving customer tastes. Our product architecture of “Good, Better, Best” provides a clear framework for delivering maximum value to a diverse customer base. The “Good” value tier provides a reliable foundation of essential and durable products, while our “Better” tier introduces additional functional capabilities, upgraded materials and styles. Our “Best” product tier integrates premium materials, craftsmanship and quality with elevated designer inspired style. We have a focused merchandising strategy built around a narrow and deep SKU model that we estimate is approximately one-third narrower than our value-oriented furniture competitors. This model allows us to concentrate purchasing volume on high-velocity items, negotiate aggressive pricing and reduce our inventory risk.



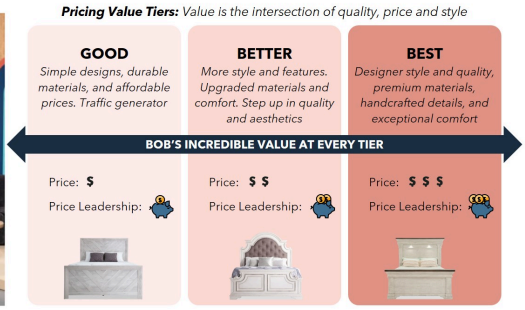
For illustrative purposes; prices and assortment are illustrative as of September 28, 2025

Pricing

Bob’s offers a differentiated customer proposition rooted in delivering value without compromise. Our sophisticated pricing strategies underpin our everyday low price model, enabling us to offer prices which we estimate are on average approximately 10% below our value-oriented furniture competitors’ lowest promoted prices, which we estimate is equivalent to approximately 20-25% below their listed prices. We do not rely on promotions or sales gimmicks. Instead, we offer transparency and trust – elements that resonate with today’s value-conscious consumer. As customers ascend our “Good, Better, Best” product architecture, we believe that our relative value increases, enhanced by everyday low price bundle and save offerings particularly in bedroom categories to increase

units per transaction. Incremental enhancements in quality, features, functionality and style are strategically priced to deliver superior customer value across the full spectrum of price points.





Sourcing

Our value leadership is driven by buying power, a streamlined assortment of products, and strategic vendor relationships extending in some cases nearly 15 years. Our everyday low price model ensures consistent, year-round order volume for suppliers, enabling them to maintain steady production and improve their efficiency. We believe that the combination of scale and consistency positions us as the first partner of choice for our suppliers. We leverage this advantage, along with long-standing strategic relationships, to drive cost optimization, innovation, and speed-to-market. Our flexible sourcing strategy enabled us to move all key production out of China by the end of fiscal year 2024, mitigating known tariff risk, while preserving the ability to pivot as circumstances evolve. Today, our primary sourcing markets are Vietnam and the United States, representing approximately 63% and 27% of our product cost volume, respectively as of October 24, 2025, with smaller sourcing markets in Thailand, Malaysia and Cambodia. This unique blend of scale, consistency, strategy, and relationship management allows us to remain nimble and responsive to changes in the macro landscape.

Supply Chain

We believe swift and reliable delivery service complements our customer shopping experience. We are not satisfied until every customer sees their furniture at home exactly as they experienced it in our showroom. Recognizing customer sensitivity to product availability, we target and have maintained an in-stock rate of approximately 86% during the nine-month fiscal period ended September 28, 2025, which allows guest experience specialists to offer prompt and reliable delivery in as few as three days. Our BOBtastic delivery options offer a range of services tailored to meet our customers' needs, from white glove delivery to quick pickup.

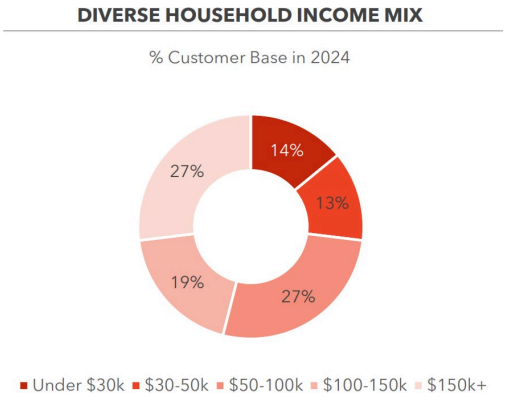
We manage the distribution and delivery of our products through our five distribution centers and 46 third-party delivery depots as of September 28, 2025, located strategically in markets throughout the United States. With more than half of our sales order volume serviced by more than one distribution center during the nine-month fiscal period ended September 28, 2025, we have the flexibility to adapt as demand shifts and protect service levels as we continue to scale. These systems allow our customers to have most products delivered to them in as few as three days, rather than weeks, as well as schedule delivery around their availability and preference; during fiscal year 2024, 55% of orders were delivered to customers in seven days or less and 76% of our orders were delivered in two weeks or less. Reflecting our focus on service, our Delivery Net Promoter Score (NPS)[2] has increased from 76 as of September 30, 2022 to 91 as of September 28, 2025, an improvement achieved while continuing to utilize third-party delivery partners. Our consistent store and delivery customer satisfaction ratings reflect the seamless customer experience from showroom to living room.

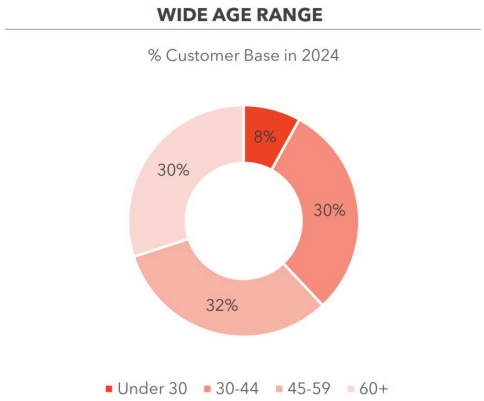
[2] NPS is a standardized measure of consumer satisfaction and loyalty that can range from a low of negative 100 to a high of positive 100 and is calculated by a survey of our customer base using a third-party platform.

Broad Customer Appeal

We have scaled successfully across markets around the country, including urban, suburban and secondary trade areas, and appeal to a diverse customer base. Our offerings cater to both budget-conscious families as well as higher-income households seeking furniture at a great value. This approach allows us to serve our customers across all purchasing occasions, including important life milestones.

In fiscal year 2024, approximately 46% of our customers had household incomes over $100,000 and approximately 27% earned above $150,000, and new customers earning over $150,000 increased almost 25% year-over-year as of September 28, 2025. Our appeal spans generations, with customers aged 30-44 representing approximately 30% of our total fiscal year 2024 customer base, 45-59 at approximately 32%, and 60+ at approximately 30%. Our active customer[3] base has grown to 2.9 million, as of December 28, 2025, underscoring the increasing resonance of our brand and depth of our customer relationships. This wide appeal reflects the strength of our value proposition and supports our geographic and digital expansion.





Omnichannel Platform Driving End-to-End Customer Engagement

At Bob's, we are committed to delivering a seamless shopping journey across all touchpoints (showrooms, phone, online, webchat), ensuring our customers can access our quality furniture wherever and however they prefer. Our strategy is built on a channel-neutral philosophy, operating as one highly integrated backend system across inventory management, pricing, fulfillment, merchandising and supply chain logistics. Our technology structure is similarly integrated across our platform enabling us to utilize advanced data analytics and technology to connect with customers across our various channels during the course of a highly considered purchase cycle. As a result of these investments, our digital ecosystem now includes over 10 million customer profiles and has attracted over 41 million website visitors as of December 28, 2025, further strengthening our ability to engage and understand our customers.

Differentiated In-Store Experience

We greet each of our guests with the phrase "Welcome to Bob's, would you like to look around?" We believe this is the beginning of a welcoming, hassle-free shopping experience with no gimmicks, reflecting our core promise of value without compromise. Our stores are designed to be engaging and helpful, with layouts that group comparable products and feature visual displays to enable discovery. Bob's low-pressure sales environment encourages customers to browse freely and comfortably, creating a relaxed and fulfilling shopping experience, particularly when compared to a more traditional furniture buying experience led by high-pressure sales associates. We believe that our showrooms serve as a powerful catalyst for accelerating brand awareness and deepening customer engagement and loyalty.

[3] Active customers are customers who have made purchases from the Company within the prior two years.

Our guest experience specialists are knowledgeable, friendly and equipped with personal tablets, leading to efficient service and driving conversion. The tablets enable real-time product recommendations, stock visibility and allow our team members to offer a broad range of Bob's comprehensive selection, including various styles, colorways and add-ons. Every store includes a café with fun, complimentary amenities that enhance the retail adventure and reinforce our brand's approachable and customer-first ethos. While a majority of our customers reported engaging with us across multiple channels in fiscal year 2025, approximately 85% of our revenue was converted in-store, showcasing the effectiveness of our showroom strategy.

Online Platform

Our eCommerce channel represented approximately 14% of total net revenue in fiscal year 2024. Our website, mybobs.com, complements our stores by offering customers convenient access to our full product lineup and generates incremental traffic to our physical locations. Enhanced by AI-driven search tools, product recommendation algorithms, virtual visualization capabilities and an AI chatbot, our online presence allows customers to research, explore and purchase with confidence. Our OmniCart technology creates a seamless experience across channels, enabling customers to build and transfer shopping carts between online and in-store touchpoints. This system provides customers with flexibility to begin their journey digitally while transacting in person, or vice versa, designed to ensure a consistent, frictionless experience across platforms. Together, our store and eCommerce platforms form a cohesive, tech-enabled ecosystem.

Attractive Unit Economics with Proven Portability Across Markets

Our ability to successfully enter, and prosper in, a wide variety of markets is a testament to the strength of our business model and strategic execution. As of September 28, 2025, we operated 206 showrooms across 26 states, delivering strong unit economics in both legacy markets and the regions into which we have more recently expanded. Mature regions such as New England and New York, first established in 1992 and 1997, have demonstrated AUVs of approximately $14 million. Our top five New England and New York stores have generated AUVs of approximately $20 million and approximately $22 million, respectively, for the 12 months ended September 28, 2025. Our newer stores continue to show strong progress, with recent cohorts either already exceeding or near our current AUV target in less than two years.



LTM AUV calculated for the 12-month period ended September 28, 2025; Average age of stores calculated as of September 28, 2025; Excludes outlet sales, closed stores and stores opened after September 28, 2024

Our development strategy involves an ongoing assessment of whitespace growth potential and extensive analysis of factors such as real estate availability, competitive market dynamics, zone pricing and return on investment ("ROI") targets. Our robust, cross-functional development process ensures that each new market entry and store opening is thoughtfully planned and highly customized to best serve local customer needs. By maintaining a disciplined approach to expansion and leveraging our proven market entry strategies, we believe that we are well-positioned to continue our successful growth trajectory across new and existing markets. As we continue to expand, we remain committed to delivering the best-in-class experience that our customers have come to expect from Bob's.

Experienced and Dedicated Team Enabling The Bob's Way

The heart of our organization is our people, who form the foundation of our success. Our management team has cultivated a motivated, people-first culture of approximately 5,800 employees, as of September 28, 2025, committed

to delivering outstanding customer experiences The Bob's Way. Our company culture is an integral part of our strategy, and we have had great success developing inspiring leaders, rewarding top performers and maintaining best-in-class employee satisfaction amongst our retail peers. Our commitment to our team is best exemplified by an attractive average tenure of approximately seven years for our store managers, with 81% of open store manager roles filled in fiscal year 2024 by internal promotions. Our focus on leadership development ensures opportunities for our next generation of managers as well as cohesion and continuity of Bob's values. This enduring loyalty has enabled us to build lasting relationships with customers and foster an environment that empowers team members to excel.

We believe that our company culture is a key competitive advantage and a strong contributor to our success, and we have prioritized maintaining our culture as we scale. Bob's measures employee engagement as a key driver of employee loyalty, belief in Bob's mission, and employee job satisfaction. Employee engagement has steadily increased since we first began measuring it in 2022.

Bob's is guided by a highly skilled and driven executive leadership team, whose acumen and industry knowledge have been essential in shaping our brand, advancing our company's progress, and ensuring our adaptability to market dynamics. Empowered by a legacy of collaborative innovation and relentless pursuit of excellence, our company's noteworthy achievements have garnered widespread recognition. Important accolades include:

- July 2025: Recognized on Newsweek List of America's Best Retailers 2025
- April 2025: Named one of America's Most Trustworthy Companies
- January 2025: Recognized by Forbes for Best Customer Service for 2nd consecutive year
- December 2023: Awarded Furniture Industry Leadership by Furniture Today

OUR GROWTH STRATEGIES

We believe we have a clear opportunity to drive sustainable growth and profitability by executing on the following strategies:

Grow Store Base Across New and Existing Markets

We believe that our compelling value proposition and the success of our stores across a broad range of geographic regions, population densities and demographic groups creates a significant opportunity to profitably increase our store base. Bob's unit expansion story is underpinned by a strategic, data-driven playbook. With a 12 to 18 month opening cycle, we have institutionalized a development process that balances speed with disciplined ROI evaluation and has powered our expansion across 26 states. Each store opening is supported by rigorous site selection, merchandising alignment and operational planning, creating a repeatable development process that has delivered consistent returns. We believe there is a clear and actionable path to more than 500 stores in our existing format nationwide by 2035, representing 2.5 times our current store base.

Our new store expansion model is guided by a disciplined opportunity assessment that prioritizes market-level profitability, supply-chain-enabled contiguous expansion, brand awareness, competitive positioning, pricing advantages and regional relationships. We target AUVs of approximately $9 million and cash-on-cash returns exceeding 80% within five years for our new store formats, with returns exceeding 60% by year two and a payback period of approximately two years. We leverage broad data analytics, on-the-ground insights and hindsight learnings from our nearly 35-year history to inform future strategic decisions and ensure success. We expect to balance expansion in new markets with high-density growth in existing markets, creating a durable and diversified path to increasing our national scale.

Grow Stores In Existing Markets

Our long-standing legacy markets in the Northeast, including New York, demonstrate the strength of our brand and the benefits of scale. In our existing markets, Bob's growing store density has continued to unlock meaningful cost and operational advantages driven by efficiencies in marketing and brand recognition and streamlined supply

chains. Our in-fill strategy is highly contiguous, densifying existing and adjacent markets to enhance existing store-level economics and provide a runway for sustainable growth.

As an example of our growth in existing markets, we have grown Philadelphia from four units in fiscal year 2014 to 14 units as of September 28, 2025. Over the same period, we have expanded our aided brand awareness in the Philadelphia market significantly to upwards of 78% and our profitability metrics have more than doubled.

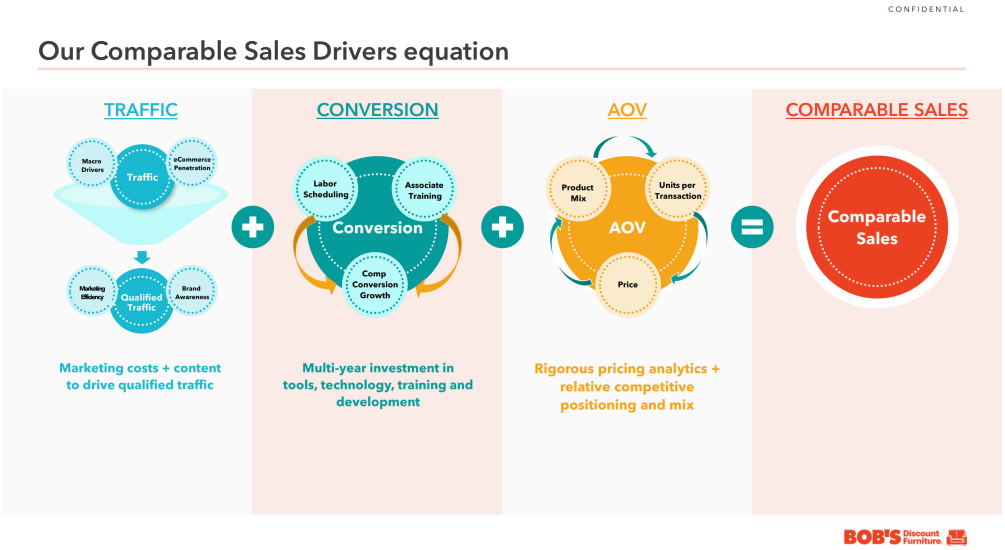
Grow Stores In New Markets

We have achieved success and demonstrated portability across geographic regions. Our momentum gives us confidence that we can continue expanding beyond newly opened and existing markets. For example, we successfully expanded into the Midwest region in fiscal year 2016 and the West Coast in fiscal year 2018, and more recently the Southeast region through our North Carolina openings in fiscal year 2025. We believe that our regional expansion demonstrates the broad resonance of our model and value proposition. In each new market, brand awareness has scaled quickly, reinforcing our confidence in our ability to replicate our success and drive efficiencies in advertising, supply chain and fixed costs. Each new store opening is followed by extensive testing and hindsight analysis, allowing us to refine our expansion and marketing playbooks and learn from every experience.

As an example of our new market expansion success, we entered Los Angeles in fiscal year 2018 with six units and an aided brand awareness of 24%, based on a third-party data collection provider. We currently have 17 units in Los Angeles and have more than doubled our aided brand awareness and revenue. Our profitability metrics in Los Angeles have expanded to our mature store average. As we continue to infill stores in Los Angeles, we expect to continue to gain market share and drive further cost efficiencies.

Drive Comparable Sales

We have a broad array of foundational and newly created initiatives that we believe will continue to increase our comparable sales by strengthening brand awareness, increasing conversion, optimizing our regionalized product assortment, and further deepening our relationship with our customers by leveraging technology.



Strengthen Brand Awareness

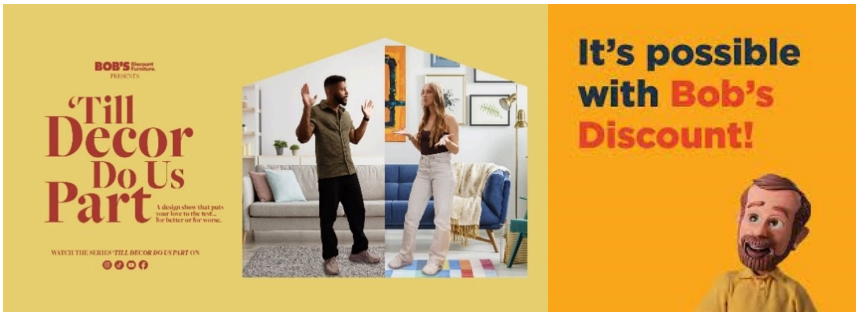
Our aided brand awareness in our top 10 designated market areas averaged approximately 71% in fiscal year 2024 whereas our national aided brand awareness was approximately 45%. We believe this speaks to the large opportunity in continuing to reach customers with our unique value proposition. Bob's aided brand awareness has more than doubled since fiscal year 2018, supported by enhanced marketing capabilities and a differentiated value proposition that resonates with a diverse customer base. According to our internal metrics, our brand scores have improved materially across key metrics since fiscal year 2018: +112% in consideration, +178% in reputation, and +77% in brand buzz.

We use a variety of marketing channels and tactics to reach our customers. Bob's is well-known for our fun, whimsical advertising that features "Little Bob", intended to create a memorable and lighthearted presence, moving away from the serious, high-end image of traditional furniture stores. Our "out-of-the-box" approach to unique campaigns infuses a playful element of surprise and humor, helping us to more authentically connect with our target audience. Our distinctive brand personality comes alive through high-impact television and digital campaigns, such as:

- Viral social media and advertising initiatives that generated 2.9 billion impressions in the second quarter of fiscal year 2025
- Our classic Oh My Bob! campaign in fiscal year 2024 highlighting the value appeal of our products in the memorable and fun Bob's tone generated over 70 million views during the Spring 2025 campaign
- Our industry-first social reality series in fiscal year 2025, Till Décor Do Us Part, resulting in highly positive sentiment that generated 79 million views, 132 million impressions and 15% higher click through rate since launch in July 2025 to September 5, 2025
- Strategic collaborations with local influencers and brands, including a Bob's branded NASCAR vehicle as we entered North Carolina, which significantly enhanced market aided brand awareness by 64% since the beginning of fiscal year 2024 to July 1, 2025 and garnered 250 million media impressions during the period beginning May 12, 2025 to August 31, 2025



Little Bob is the brand's fun-loving and memorable "spokes-puppet." He appears in much of our advertising to elevate attribution and recall. Originally conceived as founder Bob Kaufman's avatar, Little Bob has evolved over the years to embody many of the fun and wholesome attributes of the brand.



Our marketing initiatives help boost brand awareness and drive customer traffic to our showrooms and website, which we believe in turn serves as a powerful catalyst for deepening customer engagement and loyalty.

Increase Conversion

We are constantly refining and optimizing our operations to increase conversion. We leverage real-time data and past learnings to turn tactics into a cohesive, consistent and sustainable plan across our national retail experience, talent management, and technical capabilities. We track a number of operational KPIs that highly correlate with revenue growth, including close rate by associate, OmniCart attachment rate, schedule effectiveness

and training milestones. Our in-store technology platform, which was rolled out in 2024, enables retail leadership teams and store-level managers to track our operational KPIs through real-time dashboards, which enable nimble reallocation of resources and assessment of under and overperformance.

We empower regional leaders and invest in guest experience specialists. We have a robust talent pipeline that is further enhanced by continuous employee learning and development programs, fair compensation and incentives, and great store management teams. Our store associate training leverages conversion KPIs and individual performance rankings to enhance insights, coach more effectively and elevate overall team performance. Guest experience specialists offer personalized clienteling, so that each customer feels valued and understood. Our hiring and training excellence has assisted us in consistently increasing store conversion year after year.

Our showrooms are designed to deepen customer engagement through easy-to-navigate store layouts, seasonal floor resets, and café amenities, making furniture shopping enjoyable and hassle-free, which we believe in turn increases conversion. Our in-store technology enables guest experience specialists to leverage real-time stock, delivery and financing information, supported by digital shopping carts that flow seamlessly from the showroom to online, and vice versa. As we build out our technological capabilities further, we expect to generate greater process efficiencies and increase sales conversion.

Optimize Regional Assortment

Bob's value proposition and product architecture allows us to provide a product for the vast majority of customers. We believe that our product architecture is a unique competitive advantage and we have an opportunity to further expand that strength through sophisticated clustered assortment capabilities.

Our approach to product assortment utilizes data-driven insights from real-time sales to help us better manage inventory. Our assortment "newness" is a key growth lever. By integrating new products, representing approximately 15% to 30% of our showroom product offering each year, we seek to continue to drive repeat purchase demand and brand relevance. While a majority of our products are consistent across all stores, in the first quarter of fiscal year 2024, we began to test targeted and limited localized product assortments tailored to the specific preferences and tastes of certain markets. We are pleased with initial customer responses, which builds our confidence in a broader identification and rollout of clustered opportunities. For example, we cater to our Manhattan customers by focusing on small space living furniture and exclude large sectional pieces that are not ideal for city apartments. Aligning closely with local customer preferences allows us to increase AOV and more efficiently leverage supply chain efficiencies, driving margin accretion.

Deepen Customer Relationships Through Technology

Bob's is designed to meet customers wherever they choose to engage. Our upgraded website, refreshed in 2023, enables fast and easy shopping with intuitive post-order self-service. Digital investments have enabled real-time cart continuity (OmniCart), AI-driven search, and virtual product visualization. Our BobSquad virtual sales team and BobBot post-order chatbot support high engagement and seamless handoff across eCommerce channels.

Bob's leverages customer data in a variety of ways to ensure strategic, cross-functional decisions and to drive interest, conversion, and loyalty. Through our enriched customer database, we conduct in-depth analyses on our customer composition and behavior to draw valuable insights. These insights support decisions and assist in project prioritization, such as identifying marketing opportunities, capitalizing on merchandising trends and informing real estate analysis and planning. In addition, we leverage our customer data as part of our audience strategy and customer relationship management functions. For example, we develop lookalike modeling for paid media targeting and leverage our existing customer base to drive retention through email, SMS and direct mail marketing which we believe drives meaningful traffic and conversion.

Leverage Scale to Expand Margins and Drive Efficiency

We are making focused investments to efficiently drive top-line growth and margin expansion. As we continue to scale we realize benefits from increasing brand awareness and unit density in both existing and new geographies.

Our margin expansion opportunities include expanding product cost margins, increasing marketing efficiencies, achieving supply chain optimization and leveraging fixed costs.

Optimize Zone Pricing

Our everyday low price promise is supported by a sophisticated pricing strategy. Our zone pricing capabilities, which began in the fourth quarter of fiscal year 2023, are designed to help us align with local demand and purchasing power, while also enabling us to consistently offer products priced below our competitors. We track national, regional and local competitors on pricing across product categories to maintain our leading value proposition. By further strategically adjusting price points based on regional economic conditions and customer behavior, we seek to optimize our profitability while maintaining our commitment to delivering value without compromise.

Strategic Sourcing

We continue to deliver strong and expanding product cost margins, underpinned by our operational discipline and deep vendor relationships. As we continue to scale and expand our sourcing relationships with vendors, we anticipate balancing reinvestment with merchandise margin improvements, reflective of better terms, volume-based efficiencies, and increased vendor demand for our business. As of September 28, 2025, we have pivoted our supply chain completely out of China to avoid prior tariff impacts on our margins. We remain nimble and plan to proactively address incremental tariff impacts to further support continued margin expansion.

Marketing Efficiencies

Our rising retail density across existing and new markets is amplifying our brand visibility. As we pivot more towards national advertising, we continue to unlock meaningful leverage from our marketing budget. Additionally, our AI-powered targeting has enabled more precise audience engagement and has driven an approximately 50%+ improvement in return on advertising spend since fiscal year 2019. Bob's has proven that we take meaningful market share when we enter a new market given our unique value proposition which resonates with customers. As our overall brand awareness continues to scale, we believe we will continue to drive increased marketing efficiencies and lower our overall customer acquisition costs.

Supply Chain

As we continue to scale, we expect to be able to drive efficiencies across every aspect of our supply chain, including ensuring container availability, increased purchasing power with our freight vendors to reduce ocean shipping costs, reducing trucking and depots costs per order and in order to make furniture delivery to our customers more efficient. We plan to continue diversifying our supply chain network as we expand, allowing for improved utilization of our existing distribution centers and reducing overall costs.

Fixed Costs

Our existing infrastructure across field management and corporate overhead supports growth without linear cost escalation. Our corporate staff is structured to maintain effective oversight at its current level, and we believe that our model has the capacity to support future growth while simultaneously leveraging benefits from expanding scale. We anticipate gaining additional operational benefits as we continue to densify and grow our overall national penetration.

These elements provide a foundation for continued success and ongoing operating efficiencies as we scale. We will continue to make strategic investments in our infrastructure to improve operational efficiency and prepare for the next stage of our growth.

Recent Developments

Preliminary Estimated Financial Results for the Three-Month Fiscal Period and Fiscal Year Ending December 28, 2025

Set forth below are preliminary estimates of certain of our unaudited consolidated financial data and other data for the three-month fiscal period and fiscal year ending December 28, 2025, and actual unaudited consolidated financial data and other data for the three-month fiscal period and fiscal year ended December 29, 2024. Our consolidated financial statements as of and for the three-month fiscal period and fiscal year ending December 28, 2025 are not yet available and are subject to completion of our financial closing procedures. The following information reflects our preliminary estimates based on currently available information as of the date of this prospectus and is subject to change. We have provided ranges, rather than specific amounts, for the preliminary estimated financial results described below primarily because we are still in the process of finalizing our financial results as of and for the three-month fiscal period and fiscal year ending December 28, 2025 and, as a result, our final reported results may vary from the preliminary estimates presented below. Our actual results as of and for the three-month fiscal period and fiscal year ending December 28, 2025 remain subject to the completion of our financial closing process. See "*Cautionary Note Regarding Forward-Looking Statements*," "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" for additional information regarding factors that could result in differences between these preliminary estimate ranges of certain of our financial and other data that are presented below and the actual financial and other data we will report for the three-month fiscal period and fiscal year ending December 28, 2025.

The preliminary estimates of financial and other data for the three-month fiscal period and fiscal year ending December 28, 2025 presented below have been prepared by, and are the responsibility of, our management. PricewaterhouseCoopers LLP, our independent registered public accounting firm, has not audited, reviewed, examined, compiled nor applied agreed-upon procedures with respect to such preliminary data for the three-month fiscal period and fiscal year ending December 28, 2025. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.

The preliminary estimates provided below do not represent a comprehensive statement of our financial results and should not be viewed as a substitute for our consolidated financial statements prepared in accordance with GAAP. In addition, the preliminary estimate for the three-month fiscal period and fiscal year ending December 28, 2025 are not necessarily indicative of the results to be achieved in any future period. The unaudited actual results for the three-month fiscal period and fiscal year ending December 28, 2025 have been derived from our books and records.

We expect our financial closing procedures with respect to the three-month fiscal period and fiscal year ending December 28, 2025 to be completed in March 2026. Accordingly, our consolidated financial statements as of and for the three-month fiscal period and fiscal year ending December 28, 2025 will not be available until after this offering is completed. We undertake no obligation to update or supplement the information provided below until we publicly release our consolidated financial statements as of and for the three-month fiscal period and fiscal year ending December 28, 2025.

Additionally, the estimates and actual results reported below include certain financial measures that are not required by, or presented in accordance with, GAAP. We use these non-GAAP financial measures and KPIs to supplement financial information presented in accordance with GAAP. We believe that excluding certain items from our GAAP results allows management to better understand our financial performance from period to period. Moreover, we believe these non-GAAP financial measures and KPIs provide our stakeholders with useful information to help them evaluate our operating results by facilitating an enhanced understanding of our operating performance and enabling them to make more meaningful period-to-period comparisons. Adjusted Net Income and Adjusted EBITDA should not be considered as alternatives to net income or loss, income or loss from operations, or any other performance measure in accordance with GAAP, or as an alternative to cash provided by operating activities as a measure of our liquidity. There are limitations to the use of these non-GAAP financial measures and KPIs. For example, our non-GAAP financial measures may not be comparable to similarly titled measures of other companies, including companies in our industry. For more information about how we use these non-GAAP financial

measures in our business, the limitations of these measures, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators and Non-GAAP Financial Measures*".

The following are our preliminary estimated financial results for the three-month fiscal period and fiscal year ending December 28, 2025:

	Three-Month Fiscal Period Ended			Fiscal Year Ended		
(in thousands)	**December 28, 2025 (Estimated Low)**	**December 28, 2025 (Estimated High)**	**December 29, 2024 (Actual)**	**December 28, 2025 (Estimated Low)**	**December 28, 2025 (Estimated High)**	**December 29, 2024 (Actual)**
Net revenues			$ 599,761			$ 2,028,143
Comparable sales growth			8.7 %			(3.4)%
Adjusted comparable sales growth[(1)]			6.8 %			(3.4)%
Gross profit			273,039			948,440
Net income			38,621			87,933
Adjusted net income			40,830			90,754
Adjusted EBITDA			72,931			193,994

(1) Adjusted comparable sales growth for the three-month fiscal periods ending December 28, 2025 and ended December 29, 2024 are presented on an adjusted basis to eliminate the impact of a $10.2 million anomalous timing shift in comparable sales for the third quarter of fiscal year 2024 as a result of a system outage impacting the final two delivery days of the third quarter of fiscal year 2024. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Unaudited Quarterly Results of Operations Data*" and "*Risk Factors—Risks Related to Data Privacy and Information Technology—We rely extensively on computer systems to process transactions, summarize results and manage our business. Disruptions in both our primary and back-up systems could adversely affect our business and operating results.*"

- Our store count at December 28, 2025 was compared to 189 at December 29, 2024. In the three-month fiscal period and fiscal year ending December 28, 2025, we opened and showrooms, respectively.
- Net revenues is expected to be between $ million and $ million for the three-month fiscal period ending December 28, 2025 and between million and million for fiscal year 2025, increases from the corresponding prior year periods of % and %, respectively, at the midpoint of the range. The estimated increases in net revenues compared to the corresponding prior year periods are primarily due to revenues from new stores and comparable sales growth discussed below.
- Comparable sales growth is expected to be between % and % for the three-month fiscal period ending December 28, 2025 compared to 8.7% in the corresponding prior year period and between % and % for fiscal year 2025 compared to (3.4)% in fiscal year 2024. The estimated increases in comparable sales growth compared to the corresponding prior year period are primarily due to .
- Adjusted comparable sales growth is expected to be between % and % for the three-month fiscal period ending December 28, 2025 compared to 6.8% in the corresponding prior year period and between % and % for fiscal year 2025 compared to (3.4)% in fiscal year 2024. The estimated increases in adjusted comparable sales growth compared to the corresponding prior year period are primarily due to .
- Gross profit is expected to be between $ million and $ million for the three-month fiscal period ending December 28, 2025 and between $ million and $ million for fiscal year 2025, increases from the corresponding prior year periods of % and %, respectively, at the midpoint of the range. This represents gross profit as a percentage of net revenues between % and % for the three-month fiscal period ending December 28, 2025 and between % and % for fiscal year 2025. The estimated increases in gross profit compared to the corresponding prior year periods are primarily due to .

- Net income is expected to be between $ million and $ million for the three-month fiscal period ending December 28, 2025 and between $ million and $ million for fiscal year 2025, increases from the corresponding prior year periods of % and %, respectively, at the midpoint of the range. The estimated increases in net income compared to the corresponding prior year periods are primarily due to .

- Adjusted net income is expected to be between $ million and $ million for the three-month fiscal period ending December 28, 2025 and between $ million and $ million for fiscal year 2025, increases from the corresponding prior year periods of % and %, respectively, at the midpoint of the range.

- Adjusted EBITDA is expected to be between $ million and $ million for the three-month fiscal period ending December 28, 2025 and between million and million for fiscal year 2025, increases from the corresponding prior year periods of % and %, respectively, at the midpoint of the range.

The following tables show reconciliations of Adjusted net income and Adjusted EBITDA used in this filing to the most directly comparable GAAP financial measure.

	Three-Month Fiscal Period Ended			Fiscal Year Ended		
(in thousands except percentages)	December 28, 2025 (Estimated Low)	December 28, 2025 (Estimated High)	December 29, 2024 (Actual)	December 28, 2025 (Estimated Low)	December 28, 2025 (Estimated High)	December 29, 2024 (Actual)
Non-GAAP Reconciliations						
Net revenues			$ 599,761			$ 2,028,143
Adjusted net income						
Net income			$ 38,621			$ 87,933
Restructuring charges			—			—
Insurance recoveries			—			—
Gain on hedge accounting de-designation of interest rate cap			—			(3,067)
(Gain) loss on disposal of fixed assets			7			17
Impairment of long-lived assets			2,061			2,061
Management fee[1]			507			2,013
Other expenses[2]			274			2,616
Tax effect of adjustments			(640)			(819)
Adjusted net income			$ 40,830			$ 90,754
Adjusted net income as % of net revenues			6.8 %			4.5 %

Adjusted EBITDA		
Net income	$ 38,621	$ 87,933
Interest expense	894	10,538
Interest income	(411)	(2,450)
Income tax expense	13,612	25,491
Depreciation and amortization	16,512	65,194
Stock-based compensation expense	854	3,648
Restructuring charges	—	—
Insurance recoveries	—	—
Gain on hedge accounting de-designation of interest rate cap	—	(3,067)
(Gain) loss on disposal of fixed assets	7	17
Impairment of long-lived assets	2,061	2,061
Management fee[(1)]	507	2,013
Other expenses[(2)]	274	2,616
Adjusted EBITDA	$ 72,931	$ 193,994
Adjusted EBITDA as % of net revenues	12.2 %	9.6 %

(1) Represents management fees paid in accordance with our Advisory Agreement with our controlling stockholder, which will terminate in connection with the consummation of our proposed initial public offering ("IPO"). See "*Certain Relationships and Related Party Transactions—Advisory Agreement*."

(2) Other expenses represents costs that are not indicative of ongoing business operations and performance, including, but not limited to, third-party professional fees related to the planned IPO readiness, litigation matters outside the ordinary course of business and senior executive termination benefits.

We include Adjusted net income and Adjusted EBITDA in this prospectus for the reasons as described in the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—How We Assess the Performance of Our Business*." Adjusted net income and Adjusted EBITDA have certain limitations in that it does not reflect all expense items that affect our results. These and other limitations are described in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—How We Assess the Performance of Our Business*." We encourage you to review our financial information in its entirety and not rely on a single financial measure.

Recapitalization

On October 31, 2025, we entered into a term loan credit agreement (the "Term Loan Credit Agreement") with JPMorgan Chase Bank, N.A., as administrative agent and collateral agent, and the other agents, arrangers and lenders party thereto, providing for a $350.0 million first-lien secured term loan facility (the "Term Loan Facility"). We used the net proceeds from the Term Loan Facility, together with cash on hand, to pay an aggregate cash dividend of approximately $423.3 million to holders of our common stock as of October 31, 2025, together with a compensatory make-whole payment in an aggregate amount of $2.6 million to the holders of certain of our outstanding options. In connection with the dividend payment, the Board of Directors adjusted the exercise price of vested and unvested options outstanding under the Company's 2014 Stock Option Plan (the "2014 Plan") and approved a compensatory make-whole payment in an aggregate amount of $2.6 million to the holders of certain such options. We refer to these transactions collectively as the "Recapitalization." We are required under the terms of the

Term Loan Credit Agreement to prepay the Term Loan with net proceeds from an initial public offering of the Company's common stock.

See "*Description of Certain Indebtedness—Term Loan Facility*" for more information regarding the Term Loan Facility.

Summary of Risks Related to Our Business

An investment in our common stock involves a high degree of risk. Among these important risks are the following:

- We are subject to risks associated with our reliance on foreign manufacturing, suppliers and imports for our products.
- We face significant competition from national, regional and local retailers of home furnishings.
- If we fail to successfully anticipate or respond to changes in consumer preferences in a timely manner, our sales may decline.
- Our business, results of operations and financial condition may be adversely affected by global economic conditions and the effect of economic pressures, including inflation, and other business factors on discretionary consumer spending and consumer preferences.
- If we fail to successfully manage the challenges that our planned new store growth poses or encounter unexpected difficulties or higher costs during our expansion, our operating results and future growth opportunities could be adversely affected.
- Our business requires that we lease substantial amounts of space and there can be no assurance that we will be able to continue to lease space on terms as favorable as the leases negotiated in the past.
- We are dependent upon the ability of our third-party suppliers to meet our requirements; any failures by these producers, or the unavailability of suitable suppliers at reasonable prices or limitations on our ability to source from third-party vendors may negatively impact our ability to deliver quality products to our customers on a timely basis or result in higher costs or reduced net revenues.
- Any disruption in our distribution capabilities, supply chain or our related planning and control processes may adversely affect our business, financial condition and operating results.
- Failure to comply with data privacy and security laws and regulations could adversely affect our operating results and business.
- If our efforts to protect the privacy and security of information related to our customers, us, our employees, our associates, our suppliers and other third parties are not successful, we could become subject to litigation, investigations, liability and negative publicity that could significantly harm our reputation and relationships with our customers and adversely affect our business, financial condition, and operating results.
- Our intellectual property rights are valuable, and any failure to protect them could reduce the value of our products and brand and harm our business.
- Federal, state or local laws and regulations, or our failure to comply with such laws and regulations, could increase our expenses, restrict our ability to conduct our business and expose us to legal risks.
- Because Bain Capital owns a significant percentage of our common stock, it may control all major corporate decisions and its interests may conflict with your interests as an owner of our common stock and our interests.
- The other factors set forth under "*Risk Factors*."

Before you invest in our common stock, you should carefully consider all the information in this prospectus, including matters set forth in the section titled "*Risk Factors*."

Corporate Information and Structure

The Company, which is the issuer of the common stock offered by this prospectus, was formed as a Delaware corporation on December 20, 2013 under the name BDF Holding Corp., and effective October 13, 2025, changed its name to Bob's Discount Furniture, Inc. The Company does not conduct any operations other than with respect to its direct and indirect ownership of its subsidiaries, and the business operations of Bob's are conducted primarily out of its indirect operating subsidiaries.

Our principal executive offices are located at 434 Tolland Turnpike, Manchester, CT 06042, and our telephone number at that location is (860) 474-1200. Our website address is www.mybobs.com. Our website and the information contained on our website do not constitute a part of this prospectus.

Our Principal Stockholder

Upon the closing of this offering, BCPE BDF Investor, LP, an investment fund advised by Bain Capital, will beneficially own approximately % of our common stock (or % if the underwriters exercise in full their over-allotment option). As a result, we will be a "controlled company" within the meaning of the applicable listing rules of the New York Stock Exchange. See "*Risk Factors—Risks Related to Ownership of our Common Stock and this Offering—Following the consummation of this offering, we will be a "controlled company" within the meaning of the rules of the New York Stock Exchange and, as a result, will qualify for, and may rely on, exemptions from certain corporate governance requirements; you will not have the same protections afforded to stockholders of companies that are subject to all such requirements*."

Bain Capital

Founded in 1984, Bain Capital, L.P. is one of the world's leading private investment firms, with approximately $185 billion in assets under management. Bain Capital, L.P. is committed to creating lasting impact for its investors, management teams, businesses, and the communities in which it operates. As a private partnership, Bain Capital, L.P. leads with conviction and a culture of collaboration—advantages that enable it to innovate investment approaches, unlock opportunities, and create exceptional outcomes. The firm's global platform invests across five focus areas: Private Equity, Growth & Venture, Capital Solutions, Credit & Capital Markets, and Real Assets. In these focus areas, Bain Capital, L.P. brings deep sector expertise and wide-ranging capabilities to each of these areas, supported by more than 1,850 employees across 25 offices on four continents.

Since its founding, Bain Capital Private Equity has made over 400 investments in companies in a variety of industries around the world. The firm has a long and successful history of investing in consumer products, restaurants and retail businesses and has partnered with management teams to complete numerous initial public offerings in these sectors, including Virgin Australia, Canada Goose, Michaels, Burlington Holdings, Bright Horizons, BRP, Bloomin' Brands, Dunkin' Brands, and Dollarama.

Implications of being a Controlled Company

Immediately after the completion of this offering, investment funds advised by Bain Capital will own approximately % of our outstanding common stock (or approximately % of our outstanding common stock if the underwriters' option to purchase additional shares from the selling stockholder is exercised in full). As a result, we expect to be a "controlled company" within the meaning of the corporate governance standards of the New York Stock Exchange. Under the New York Stock Exchange corporate governance standards, a company of which more than 50% of the voting power is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance standards, including (i) the requirement that a majority of the board of directors consist of independent directors, (ii) the requirement that we have a compensation committee that is composed entirely of independent directors and (iii) the requirement that our director nominations be made, or recommended to our full board of directors, by our independent directors or by a nominations committee that consists entirely of independent directors. We may take advantage of certain of these

exemptions, and, as a result, you may not have the same protections afforded to stockholders of companies that are subject to all of the New York Stock Exchange corporate governance requirements. In the event that we cease to be a "controlled company," we will be required to comply with these provisions within the transition periods specified in the New York Stock Exchange corporate governance rules. See "*Management—Controlled Company*."

The Offering

Common stock offered by us	shares.
Option to purchase additional shares	The selling stockholder has granted the underwriters an option to purchase up to additional shares of our common stock within 30 days of the date of this prospectus.
Common stock to be outstanding after this offering	shares.
Directed Share Program	At our request, the underwriters have reserved, at the initial offering price, up to shares of common stock, or up to % of the shares of common stock offered by this prospectus for sale to certain of our directors, officers, employees and related persons through a directed share program. The number of shares of common stock available for sale to the general public will be reduced to the extent these individuals purchase such reserved shares. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same basis as the other shares offered by this prospectus. The shares purchased pursuant to the directed share program will not be subject to lock-up agreements with the underwriters, except in the case of shares purchased by any of our directors or executive officers, which will be subject to a 180-day lock-up restriction. The directed share program will be administered by Morgan Stanley & Co. LLC. See "*Underwriting—Directed Share Program*."
Use of proceeds	We estimate that the net proceeds from the sale of shares of our common stock offered by us in this offering will be approximately $ million, based on an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any proceeds from the sale of shares of our common stock by the selling stockholder named in this prospectus. We intend to use the net proceeds from this offering to (i) prepay all of the approximately $ of indebtedness under the Term Loan Facility (the net proceeds from which were used to fund a cash dividend to the holders of our common stock as of October 31, 2025) and (ii) for general corporate purposes. See "*Use of Proceeds*."
Dividend policy	We do not anticipate paying dividends on our common stock in the future. However, we expect to reevaluate our dividend policy on a regular basis following the offering and may, subject to compliance with the covenants contained in our credit facilities and other considerations, determine to pay dividends in the future. See "*Dividend Policy*."
Risk factors	Investing in our common stock involves a high degree of risk. You should read the "*Risk Factors*" section of this prospectus for a discussion of factors to consider carefully before deciding to invest in shares of our common stock.
Controlled Company	Immediately after the completion of this offering, investment funds advised by Bain Capital will own approximately % of our outstanding common stock (or approximately % of our outstanding common stock if the underwriters' option to purchase additional shares from the selling stockholder is exercised in full). As a result, we expect to be a "controlled company" within the meaning of the corporate governance standards of . See "*Management—Controlled Company*."
Proposed stock exchange symbol	"BOBS "

The number of shares of common stock to be outstanding after this offering is based on shares of common stock outstanding immediately prior to this offering, and excludes shares of common stock reserved for future issuance under our equity incentive plans.

Unless otherwise indicated, information presented in this prospectus gives effect to the following:

- an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus;
- a -for- split of our common stock effected on ;
- the effectiveness of our second restated certificate of incorporation and our second amended and restated bylaws, upon the closing of this offering; and
- no exercise by the underwriters of their option to purchase up to additional shares of our common stock from the selling stockholder in this offering.

Summary Historical Consolidated Financial Data

We present below our summary consolidated statements of operations and of cash flow data for the fiscal years ended December 29, 2024, December 31, 2023 and January 1, 2023, and our consolidated balance sheet data as of December 29, 2024. We have derived this information from our audited consolidated financial statements included elsewhere in this prospectus. The summary consolidated statements of operations and of cash flow data for the nine-month periods ended September 28, 2025 and September 29, 2024 have been derived from our interim unaudited financial statements included elsewhere in this prospectus.

The historical results presented below are not necessarily indicative of the results to be expected for any future period. You should read the summary consolidated financial and operating data presented below in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and our audited consolidated financial statements and related notes included elsewhere in this prospectus.

(in thousands, except share and per share amounts)	Nine-Month Fiscal Period Ended		Fiscal Year Ended		
	September 28, 2025	September 29, 2024	December 29, 2024	December 31, 2023	January 1, 2023
Net revenues	$ 1,719,212	$ 1,428,382	$ 2,028,143	$ 2,008,082	$ 2,105,508
Cost of sales	934,401	752,981	1,079,703	1,073,355	1,252,072
Gross profit	784,811	675,401	948,440	934,727	853,436
Operating expenses (income)					
Selling, general, and administrative	662,968	596,365	813,302	806,938	793,887
Pre-opening expenses	15,157	13,562	15,326	4,662	9,565
(Gain) loss on disposal of fixed assets	(134)	10	17	2,226	28
Impairment of long-lived assets	—	—	2,061	1,322	—
Restructuring charges	292	—	—	1,760	—
Insurance recoveries	(4,497)	—	—	—	—
Total operating expenses	673,786	609,937	830,706	816,908	803,480
Operating income	111,025	65,464	117,734	117,819	49,956
Other (income) expense					
Interest expense	3,201	9,644	10,538	19,872	24,343
Interest income	(1,502)	(2,039)	(2,450)	(1,006)	(638)
Other income, net	(653)	(3,332)	(3,778)	(3,665)	(8,488)
Total other expense, net	1,046	4,273	4,310	15,201	15,217
Income before taxes	109,979	61,191	113,424	102,618	34,739
Income tax expense	29,282	11,879	25,491	24,519	7,091
Net income	$ 80,697	$ 49,312	$ 87,933	$ 78,099	$ 27,648
Basic net income per share	$ 0.47	$ 0.29	$ 0.51	$ 0.46	$ 0.16
Diluted net income per share	$ 0.46	$ 0.28	$ 0.50	$ 0.44	$ 0.16
Pro Forma net income per share data:					
Basic net income per share[(1)]					
Diluted net income per share[(1)]					
Pro Forma weighted average number of shares outstanding:					
Basic[(1)]					
Diluted[(1)]					

(1) Pro forma net income per share, basic, is computed by dividing pro forma net income of million and million by and pro forma weighted-average shares outstanding for the period ended September 28, 2025 and the year ended December 29, 2024, respectively. Pro forma net income per share, diluted, is computed by dividing pro forma net income of $ million and $ million by and pro forma weighted-average shares outstanding for the period ended September 28, 2025 and the year ended December 29, 2024, respectively. For the period ended September 28, 2025, pro forma net income gives effect to (i) the incremental interest expense of $21.4 million resulting from the additional $350.0 million borrowed under the Term Loan, reduced by $ as a result of the application of $ million of the net proceeds to prepay $ million of the Term Loan, (ii) the incremental amortization expense of $1.0 million resulting from the $11.0 million deferred debt issuance costs associated with the Term Loan, reduced by $ as a result of the application of $ million of the net proceeds to prepay $ million of the Term Loan, and (iii) the incremental tax benefit of $5.9 million resulting from the incremental interest expense and amortization expense associated with the Term Loan, reduced by $ as a result of the application of $ million of the net proceeds to prepay $ million of the Term Loan, as if the offering had occurred

on January 1, 2024, as set forth under "*Use of Proceeds*." For the year ended December 29, 2024, pro forma net income gives effect to (i) the incremental interest expense of $28.7 million resulting from the additional $350.0 million borrowed under the Term Loan, reduced by $ as a result of the application of $ million of the net proceeds to prepay $ million of the Term Loan, (ii) the incremental amortization expense of $1.2 million resulting from the $11.0 million deferred debt issuance costs associated with the Term Loan, reduced by $ as a result of the application of $ million of the net proceeds to prepay $ million of the Term Loan, and (iii) the incremental tax benefit of $6.7 million resulting from the incremental interest expense and amortization expense associated with the Term Loan, reduced by $ as a result of the application of $ million of the net proceeds to prepay $ million of the Term Loan, as if the offering had occurred on January 1, 2024, as set forth under "*Use of Proceeds*." For the period ended September 28, 2025 and the year ended December 29, 2024, pro forma weighted-average shares outstanding gives effect to the issuance of shares of common stock, which is the number of shares that would be attributable to the proceeds used to prepay $ million of the Term Loan, as described in "*Use of Proceeds*" at an assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus). This pro forma per share information is presented for informational purposes only and does not purport to represent what our net income or net income per share actually would have been had the Recapitalization, the offering and use of proceeds to prepay $ million of the Term Loan, as described in "*Use of Proceeds,*" or to project our net income or net income per share for any future period. The pro forma per share information does not give effect to the new rate of interest that would be applicable to the extent the Term Loan was in effect on January 1, 2024.

	Nine-Month Fiscal Period Ended		Fiscal Year Ended		
(in thousands)	**September 28, 2025**	**September 29, 2024**	**December 29, 2024**	**December 31, 2023**	**January 1, 2023**
Consolidated statement of cash flow data:					
Net cash provided by operating activities	$ 118,748	$ 92,025	$ 161,154	$ 197,172	$ 51,993
Net cash used in investing activities	(57,989)	(60,145)	(78,224)	(22,773)	(49,733)
Net cash used in financing activities	(8,570)	(102,161)	(105,469)	(94,527)	(89,749)
Net (decrease) increase in cash and cash equivalents	$ 52,189	$ (70,281)	$ (22,539)	$ 79,872	$ (87,489)

	September 28, 2025	
(in thousands)	**Actual**	**As Further Adjusted[1][2]**
Consolidated balance sheet data		
Cash and cash equivalents	$ 123,379	
Total assets	1,850,640	
Total operating and financing lease liabilities, including current portion	824,690	
Total stockholders' equity	547,800	

Key Performance Indicators and Non-GAAP Financial Measures[3][4]	Nine-Month Fiscal Period Ended		Fiscal Year Ended		
(in thousands, except percentages and number of stores)	**September 28, 2025**	**September 29, 2024**	**December 29, 2024**	**December 31, 2023**	**January 1, 2023**
Adjusted net income	$ 79,014	$ 49,924	$ 90,754	$ 83,239	$ 23,803
Adjusted EBITDA	164,297	121,063	193,994	195,037	117,752
Comparable sales growth	10.5 %	(7.6)%	(3.4)%	(7.4)%	0.4 %
Adjusted comparable sales growth[5]	9.7 %	(6.9)%	(3.4)%	(7.4)%	0.4 %
Number of new stores opened	17	15	19	7	14
Number of stores at period end	206	185	189	171	164

(1) Adjusted to give effect to (i) the Recapitalization, (ii) the effectiveness of our second restated certificate of incorporation and our second amended and restated bylaws, upon the closing of this offering, (iii) the issuance of shares of common stock by us in this offering and the receipt of approximately $ million in net proceeds to us from the sale of such shares, assuming an initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting

discounts and commissions and estimated offering expenses payable by us, and (iv) the application of the net proceeds from this offering as set forth under "*Use of Proceeds.*"

(2) Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, each of our as further adjusted cash and cash equivalents, total assets and total stockholders' equity by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million in the number of shares offered by us would increase or decrease, as applicable, each of our as further adjusted cash and cash equivalents, total assets and total stockholders' equity by approximately $ million, assuming that the assumed initial public offering price remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. The as further adjusted information discussed above is illustrative only and will adjust based on the actual initial public offering price and other terms of this offering.

(3) Adjusted net income and Adjusted EBITDA are non-GAAP financial measures. The reconciliations to the most comparable GAAP financial measures and a discussion of the rationale for the presentation of these items are provided in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators and Non-GAAP Financial Measures*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Reconciliation of Non-GAAP Financial Measures*."

(4) Our KPIs are discussed and defined in the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*."

(5) Adjusted comparable sales growth for the nine-month fiscal periods ended September 28, 2025 and September 29, 2024, are presented on an adjusted basis to eliminate the impact of a $10.2 million anomalous timing shift in comparable sales for the third quarter of fiscal year 2024 as a result of a system outage impacting the final two delivery days of the third quarter of fiscal year 2024. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations*" and "*Risk Factors—Risks Related to Data Privacy and Information Technology—We rely extensively on computer systems to process transactions, summarize results and manage our business. Disruptions in both our primary and back-up systems could adversely affect our business and operating results.*"

Risk Factors

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below, together with all of the other information included in this prospectus, including in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in our audited consolidated financial statements and the related notes elsewhere in this prospectus, before making an investment decision. The risks and uncertainties set out below are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition, results of operations, liquidity and stock price. If any of the following events occur, our business, financial condition, and operating results could be materially and adversely affected. In that case, the trading price of our common stock could decline, and you may lose all or part of your investment.

Risks Related to Our Business

We are subject to risks associated with our reliance on foreign manufacturing, suppliers and imports for our products.

We procure the majority of our products from suppliers located outside of the United States. As of October 24, 2025, our primary sourcing markets are Vietnam and the United States, representing approximately 63% and 27% of our product cost volume, respectively, with smaller sourcing markets in Thailand, Malaysia and Cambodia. As a result, our business depends on global trade, as well as trade and other factors that impact the specific countries where our suppliers' production facilities are located. Our future success will depend in large part upon our ability to maintain our existing foreign supplier relationships and to develop new ones based on the requirements of our business and any changes in trade dynamics that might dictate changes in the locations for sourcing of products. While we rely on long-term relationships with many of our suppliers, we have no long-term contracts with them and generally transact business with them on an order-by-order basis.

While we have in recent years pursued a geographic diversification of our sourcing and suppliers, including the steady reduction of sourcing from China and increased sourcing from emerging markets such as Malaysia and Thailand, our continued reliance on international suppliers increases our risk that we will not have adequate and timely supplies of various products. Events that have in the past and could in the future cause disruptions to our supply chain include but are not limited to, the imposition of additional trade laws or regulations; public health crises; political instability, international conflicts, acts of terrorism or natural disasters; the imposition of additional duties, tariffs and other charges on imports and exports; foreign currency fluctuations; theft; and restrictions on the transfer of funds. The occurrence of any of the foregoing could materially increase the cost and reduce or delay the supply of our products, which could materially and adversely affect our business, financial condition, results of operations, liquidity and stock price.

All of our products imported into the United States are subject to import taxes or costs, including new or increased tariffs, or similar duties, some of which could be applied retroactively, and modification to or withdrawal from free trade agreements or trade relationships, could increase the cost of the products that we distribute. For example, since the beginning of 2025, the United States government has announced several different measures regarding tariffs, including the imposition of new tariffs on products imported into the United States from a number of countries, including Vietnam, Thailand, Malaysia, Mexico, Canada and could propose additional tariffs or increases to those already in place. For example, after announcing proposed blanket tariff rates of 46% on imports from Vietnam in April 2025, the United States and Vietnam governments announced a trade deal between the countries that imposes 20% tariffs on all products imported to the United States from Vietnam. In addition, in October 2025, the United States government imposed a 25% tariff on imports of certain upholstered wooden furniture imports, which is set to rise to 30% on January 1, 2027. While these tariff obligations on imports of certain upholstered wood furniture are currently replacing the country-specific tariff obligations described above, there is no assurance that tariffs that may be imposed in the future will replace, rather than stack on top of, existing tariff obligations. These tariffs, as well as the government's adoption of "buy national" and similar policies or retaliation by another government against such tariffs or policies could introduce significant uncertainty into the market and may affect the prices of and supply of the products available to us. Tariffs also can impact our suppliers' ability to source raw materials and other inputs efficiently or create other supply chain disruptions. We may not be able to

fully or substantially mitigate the impact of these or future tariffs, pass price increases on to our customers or secure adequate alternative sources of products, which would have a material adverse effect on our business, operating results and financial performance.

We also face uncertainty in the interpretation of new tariffs and their applicability, including with respect to customs valuation, product classification and country-of-origin determinations. Although we and our suppliers seek to comply with applicable customs laws and regulations, the application of rules regarding new tariffs can be subject to varying interpretations or future re-interpretations. It is possible that U.S. Customs and Border Protection or other relevant authorities could, upon review or audit, disagree with the valuation, rules of origin or classification methods applied to certain merchandise. Any such disagreement could result in the retroactive assessment of additional duties with interest, the imposition of penalties, or other enforcement actions without the ability to mitigate such penalties, thereby adversely affecting our operations or financial results.

We face significant competition from national, regional and local retailers of home furnishings.

The retail market for home furnishings is highly fragmented and intensely competitive. We currently compete against a diverse group of retailers, including internet-only retailers, regional or independent specialty stores, dedicated franchises of furniture manufacturers and national department stores. In addition, there are few barriers to entry into our current and contemplated markets, and new competitors may enter our current or future markets at any time. Our existing competitors or new entrants into our industry may use a number of different strategies to compete against us, including aggressive advertising, pricing and marketing, social media campaigns and extension of credit to customers on terms more favorable than we offer. Furthermore, some of our competitors have greater financial resources, greater national brand recognition or larger customer bases than we have, and as a result may have a more advanced omnichannel platform, be able to adapt quicker to changes in consumer behavior, have attractive customer loyalty programs, and maintain higher profitability in an aggressive low-pricing environment. There can be no assurance that such competitors will not be more successful than us or that we will be able to continue to maintain or enhance our competitive position in the market in the future.

If we fail to successfully anticipate or respond to changes in consumer preferences in a timely manner, our sales may decline.

Sales of our products are dependent upon consumer demand for our product designs, styles, quality and price. Accordingly, our products must appeal to our target customers whose needs, preferences, tastes and trends cannot be predicted with certainty and are subject to change. We continuously monitor changes in home design trends and consumer preferences through attendance at international industry events, internal marketing research, and regular communication with our retailers and design professionals who provide valuable input on consumer tendencies. However, as with all retailers, our business is susceptible to changes in consumer tastes and trends. Our success depends upon our ability to anticipate and respond in a timely manner to fashion trends and consumer behaviors and preferences relating to home furnishings. Such tastes and trends can change rapidly and any delay or failure to anticipate or respond to changing consumer tastes and trends in a timely manner could result in a decline in sales and could have a material adverse effect on our business, financial condition, results of operations, liquidity and stock price.

Our business, results of operations and financial condition may be adversely affected by global economic conditions and the effect of economic pressures, including inflation, and other business factors on discretionary consumer spending and consumer preferences.

We face numerous business risks relating to macroeconomic factors. Uncertainties in global economic conditions that are beyond our control have in the past impacted discretionary consumer spending and our business and may in the future materially adversely affect our business, financial condition, results of operations, liquidity and stock price. Consumer purchases of discretionary items, including our products, generally decline during recessionary periods and other times when disposable income is lower. Factors impacting discretionary consumer spending include general economic conditions, inflation, reduction in wages and discretionary income, levels of unemployment, consumer debt, reductions in net worth based on severe market declines, residential real estate and mortgage markets, taxation, regulations and new or increased tariffs, including retaliatory tariffs, export controls,

volatility of fuel and energy prices, fluctuations in interest rates or currency exchange rates, consumer confidence, closure or restricted operating conditions for businesses, political and economic uncertainty, inclement weather, natural disasters, health epidemics or pandemics and other macroeconomic factors, including geopolitical conditions and regional conflicts. Deterioration in economic conditions, increasing inflation or increasing unemployment levels may reduce the level of discretionary consumer spending and inhibit consumers' use of credit, which may adversely affect our sales. In recessionary periods and other periods where disposable income is adversely affected, we may have to increase the number of promotional sales or otherwise dispose of inventory for which we have previously paid to manufacture, which could further adversely affect our financial performance. A downturn in the economic environment can also lead to financial instability, increased credit and collectability risk on our receivables, the failure of important partners, including suppliers, manufacturers, logistics providers, and other financial institutions. It is difficult to predict when or for how long any of these conditions could affect our business and a prolonged economic downturn could have a material adverse effect on our business, financial condition, results of operations, liquidity and stock price.

For example, the housing market has and may continue to be impacted by a number of macroeconomic factors, including high interest rates and higher home prices putting pressure on housing affordability and resulting in a decline in existing home sales, inflation, and a shift in consumer spending toward services. Such factors have in the past, and may in the future, contribute to slowdowns in demand for furniture. Our strategies to navigate the impacts of such challenging markets may not be successful and the potential significance and duration of these macroeconomic difficulties is uncertain and further pressures on the housing market could have an adverse impact on our business, financial condition, operating results and prospects.

In addition to its impacts on discretionary consumer spending and use of credit, inflation has affected us, and may in the future further affect us, by increasing our cost of labor, material, transportation, and our general costs. Periods of high or rising inflation have in the past and could in the future adversely affect our operating results. For example, in fiscal year 2022 and fiscal year 2024 and again in the nine-month fiscal period ended September 28, 2025, we experienced increases in ocean freight rates that impacted our profitability. Our efforts to mitigate such impacts of inflation through price increases and the negotiation of vendor arrangements with more favorable pricing and other terms may not prove effective and may themselves have an adverse impact on our business, financial condition, operating results and prospects by, for example, limiting our ability to strategically adjust price points or by adversely impacting our reputation or results of operations.

If we fail to successfully manage the challenges that our planned new store growth poses or encounter unexpected difficulties or higher costs during our expansion, our operating results and future growth opportunities could be adversely affected.

As of September 28, 2025, we operated 206 stores in 26 states across the United States. Opening new stores is a critical component of our growth strategy and we expect new store growth to be a key driver of our net revenue growth over the long-term. New stores require an initial capital investment from us for store build-outs, fixtures and equipment and other pre-opening expenses. Accordingly, this growth strategy and the investment associated with the development of each new store may cause our operating results to fluctuate and be unpredictable or decrease our profits. We cannot ensure that store locations or leases will be available to us, or that they will be available on terms acceptable to us. If additional retail store locations are unavailable on acceptable terms, we may not be able to carry out a significant part of our growth strategy, or our new stores' profitability may be lower. Our future operating results and ability to grow will depend on various other factors, including our ability to successfully select new markets and store locations; attract, train and retain highly qualified managers and staff, including guest experience specialists; maintain our reputation of providing quality, safe and compliant products; manage store pre-opening and opening costs, including rising construction costs and costs due to delays in obtaining necessary permits and completing construction; renew existing store leases on terms acceptable to us; and capture anticipated efficiencies in marketing, brand recognition and streamlined supply chains.

In addition, laws or regulations in new markets may make opening new stores more difficult or cause unexpected delays. As we continue to open new stores, the ultimate cost of future store openings and remodeling of existing stores could continue to rise significantly due to construction-related or other reasons, including construction and other delays and cost overruns, such as shortages of materials, shortages of skilled labor or work

stoppages, unforeseen construction, scheduling, engineering, environmental or geological problems, governmental or permitting delays, weather interference, fires or other casualty losses and unanticipated cost increases. We cannot guarantee that any project will be completed on time, and delays in store openings have had, and may in the future have, a negative impact on our business and operating results. In addition, consumers in new markets may be less familiar with our brand, and we may need to increase brand awareness in such markets through additional investments in advertising or high-cost locations with more prominent visibility.

Our business requires that we lease substantial amounts of space, and there can be no assurance that we will be able to continue to lease space on terms as favorable as the leases negotiated in the past.

We lease all of our retail stores, distribution centers, corporate headquarters and certain equipment under operating and finance leases. Our retail stores are generally leased from third parties, with typical initial lease terms of approximately 10 to 15 years with options to renew for three successive five-year periods. Historically, we have been able to negotiate favorable rental rates and terms due in large part to the general state of the economy, the availability of vacant retail sites, strong and longstanding landlord relationships, our careful identification of favorable lease opportunities and, in the case of our corporate headquarters, certain incentives and subsidies offered by local and state governments. While we continually seek to identify the most advantageous lease opportunities, there is no guarantee that we will continue to be able to find low-cost sites or obtain favorable lease terms.

Our current lease obligations are substantial and, as we grow the number of our retail stores, our lease expenses will increase and significant capital expenditures will be required. Many of our lease agreements have defined escalating rent provisions over the initial term and any extensions. Our substantial lease obligations, including increases in our occupancy costs and difficulty in identifying economically suitable new store locations could have significant negative consequences to our business, including without limitation:

- increasing our vulnerability to general adverse economic and industry conditions;
- requiring that a greater portion of our available cash be applied to pay our rental obligations, thus reducing cash available for other purposes and reducing profitability;
- limiting our ability to obtain financing;
- limiting our flexibility in planning for, or reacting to changes in, our business, or in the industry in which we compete; and
- placing us at a disadvantage with respect to some of our competitors who sell their products exclusively online.

We are dependent upon the ability of our third-party suppliers to meet our requirements; any failures by these producers, or the unavailability of suitable suppliers at reasonable prices or limitations on our ability to source from third-party vendors, may negatively impact our ability to deliver quality products to our customers on a timely basis or result in higher costs or reduced net revenues.

We source substantially all of our products from non-exclusive, third-party suppliers, many of which are located in foreign countries. Although we have long-term relationships with many of our suppliers, we must compete with other companies for the production capacity of these independent manufacturers. We regularly depend upon the ability of third-party suppliers to secure a sufficient supply of raw materials, develop a skilled workforce, adequately finance the production of goods ordered and maintain sufficient manufacturing and shipping capacity. Although we monitor production and quality in third-party manufacturing locations, we cannot be certain that we will not experience operational difficulties with our manufacturers, such as the reduction of availability of production capacity, errors in complying with product specifications, insufficient quality control, failures to meet production deadlines or increases in manufacturing costs. Such difficulties may negatively impact our ability to deliver quality products to our customers on a timely basis, which may, in turn, have a negative impact on our customer relationships and result in lower net revenues.

We also require third-party suppliers to meet certain standards in terms of working conditions, environmental protection and other matters before placing business with them. As a result of costs relating to compliance with these standards, we may pay higher prices than some of our competitors for products. In addition, failure by our independent manufacturers to adhere to ethical labor or other laws or business practices, and the potential litigation, negative publicity and political pressure relating to any of these events, could disrupt our operations or harm our reputation.

If we or our suppliers fail to adhere to the quality standards that we set for our products, or the applicable legislative or regulatory frameworks regarding product safety, we could be subject to investigations, litigation, write-offs, recalls or boycotts of our products, which could damage our reputation and our brand, increase our costs, and otherwise adversely affect our business.

We do not control the operations of our suppliers. Although we conduct due diligence including third-party factory audits at the outset of and annually during our engagement of suppliers and require our suppliers to certify compliance with applicable laws and regulations, we cannot guarantee that our suppliers will comply with applicable laws and regulations or operate in a legal, ethical and responsible manner. Violation of applicable laws and regulations by our suppliers or their failure to operate in a legal, ethical or responsible manner, could expose us to legal risks, cause us to violate laws and regulations and reduce demand for our products if, as a result of such violation or failure, we attract negative publicity. In addition, the failure of our suppliers to adhere to the quality standards that we set for our products, or any actual, potential or perceived product safety concerns, could lead to government investigations, litigation, write-offs and recalls, which could damage our reputation and our brand, increase our costs, and otherwise adversely affect our business.

Despite our continual efforts to deliver our customers satisfying experiences in our stores, we may fail to maintain the necessary level of quality for some of our products in order to satisfy our customers. For example, we might not identify a quality deficiency before merchandise ships to our stores or customers. Our failure to supply high quality products, our announcement of product recalls, or any perception that we are not adequately maintaining our sourcing and quality control processes in order to anticipate product quality issues, could adversely impact our customers' perception of value or applicable government requirements could trigger high rates of customer complaints or returns, which could in turn damage our reputation and brand image, result in customer litigation (including class-action lawsuits), and harm our business. With the growth in importance and the impact of social media, the magnitude of such harm to our business, reputation and brand image may be significantly amplified.

Our failure to successfully anticipate merchandise returns might have a negative impact on our business.

We record a reserve for merchandise returns based on historical return trends together with current product sales performance in each reporting period. If actual returns are greater than those projected and reserved for by management, additional sales returns might be recorded in the future. In addition, to the extent that returned merchandise is damaged, we often do not receive full retail value from the resale or liquidation of the merchandise. Further, the introduction of new merchandise, changes in merchandise mix, changes in consumer confidence, or other competitive and general economic conditions may cause actual returns to differ from merchandise return reserves. Any significant increase in merchandise returns that exceeds our reserves could have a material adverse effect on our business, reputation and operating results.

Any disruption in our distribution capabilities, supply chain or our related planning and control processes may adversely affect our business, financial condition and operating results.

Our success is highly dependent on our planning and distribution infrastructure, which includes the ordering, transportation and distribution of products and the ability of suppliers to meet distribution requirements. If we are not able to manage our distribution centers successfully, our business, financial condition and operating results may be adversely impacted. As we add distribution centers, we may incur unexpected costs, and our ability to distribute our products may be adversely affected. Further, in addition to our distribution centers, our distribution infrastructure also includes 46 third-party delivery depots as of September 28, 2025. Accordingly, our ability to deliver inventory in a timely manner and meet customer demand is also dependent on our last mile delivery partners.

Non-performance by, or loss of, one or more third-party delivery depots could negatively impact our financial performance or financial condition. Any disruption in operations at our distribution centers or third-party delivery depots could have an adverse impact on our business, financial condition, results of operations, liquidity and stock price.

A disruption within our logistics or supply chain network could adversely affect our ability to deliver inventory in a timely manner, which could impair our ability to meet customer demand for products and result in lost sales, increased supply chain costs or damage to our reputation. In recent years, global ports, trade lanes and U.S. ports have been impacted by capacity constraints, port congestion and delays, periodic labor disputes, security issues, weather-related events and natural disasters. Disruptions to our supply chain due to any of the factors listed above could negatively impact our financial performance or financial condition.

We need to continue to identify and improve our processes and supply chain and ensure that our distribution infrastructure and supply chain can keep pace with our anticipated growth and increased number of stores. The cost of these enhanced processes could be significant and any failure to maintain, grow or improve them could have a material adverse effect on our business, financial condition, results of operations, liquidity and stock price. Due to continued growth, we continue to add additional, and expand existing, distribution centers as needed to support our operations. Increasing the size and number of our distribution centers may decrease the efficiency of our distribution operations and increase associated costs.

In addition, our success is also dependent on our ability to provide timely delivery to our customers. Our business could also be adversely affected if fuel prices increase or there are delays in product shipments due to freight difficulties, inclement weather, strikes by our associates or associates of third parties involved in our supply chain, or other difficulties. If we are unable to deliver products to our customers on a timely basis, they may decide to purchase products from our competitors instead of from us, which could have a material adverse effect on our business, financial condition, results of operations, liquidity and stock price.

Significant fluctuations in the price, availability and quality of raw materials and components, or other fluctuations in sourcing or distribution costs, could adversely affect our profits.

The primary materials our suppliers use to produce and manufacture our products include various woods and wood products, resin, steel, leather, various fabrics including cotton, and certain oil-based products. On a global and regional basis, the sources and prices of those materials and components are susceptible to significant price fluctuations due to supply and demand trends, transportation costs, government regulations and tariffs, changes in currency exchange rates, price controls, the economic and political climate, and other unforeseen circumstances. In addition, our sourcing costs may fluctuate due to labor conditions, transportation or freight costs, energy prices, currency fluctuations, tariffs and trade restrictions, public health crises, or other unpredictable factors. Any supply chain disruptions could materially adversely impact the ability of our suppliers to fulfil our orders in a timely manner, if at all, and could lead to increased prices, which we may not be able to pass through to our customers and may negatively impact our gross margins.

Imported finished goods represent approximately 76% of our consolidated net revenues for the nine months ended September 28, 2025. The prices paid for these imported products include inbound freight. Elevated ocean freight container rates may be impacted by container supply and elevated demand. To the extent that we experience incremental costs in any of these areas, we may increase our selling prices to offset the impact. However, increases in selling prices may not fully mitigate the impact of the cost increases which would adversely impact operating income. Furthermore, supply chain disruptions could materially adversely impact our vendors' manufacturing production and fulfillment of backlog.

Our success depends substantially upon the continued retention of our key personnel, including our executive officers.

We are currently managed by a group of experienced senior executives, including our President and Chief Executive Officer ("CEO"), Bill Barton, and other key team members with substantial knowledge and understanding of the industry sector in which we operate. We believe that our success has depended and continues to depend to a significant extent on the efforts and abilities of our key personnel, including our executive officers, and the loss of

the services of one or more of our executive officers could have a material adverse effect on us and would be potentially disruptive to our business until such time as a suitable replacement is hired. Any future changes to our key personnel, including our executive officers, or our failure to engage in effective succession planning may be disruptive to our business, including by distracting management from our core business and effective employee productivity. Further, we may have difficulty identifying, attracting and integrating new executives to replace any losses of our existing executive officers, all of which could have a material adverse effect on our business, financial condition, results of operations, liquidity and stock price.

Our success depends upon our ability to attract, hire, train, and retain highly qualified managers and staff.

Our success depends in part on our ability to attract, hire, train and retain qualified managers and staff, including our guest experience specialists. Purchasing furniture is an infrequent event for consumers, and the typical consumer in these groups has limited knowledge of the range, characteristics and suitability of the products available before starting the purchasing process. Therefore, consumers in the furniture business expect to have sales associates serving them who are knowledgeable about the entire assortment of products offered by the retailer and the process of choosing and delivering the furniture.

Each of our stores is managed by a store manager who uses his or her experience and knowledge of local market dynamics to adjust their store in a way that is most likely to increase net revenues and profitability. Our store managers are also expected to anticipate, gauge and quickly respond to changing consumer demands in these markets. Further, it generally takes a substantial amount of time for our store managers to develop the entrepreneurial skills that we expect them to have in order to make our stores successful.

Any failure by us to attract, hire, train, and retain highly qualified managers and staff could adversely affect our operating results and future growth opportunities, and any increased labor costs due to competition, increased minimum wage (including various federal, state, and local actions to increase minimum wages), associate benefit costs, unionization activity, or other factors would adversely impact our operating expenses.

Our business operations depend on good relations with our employees.

As of September 28, 2025, a total of 260 of our employees in 12 of our stores are represented by a union or subject to collective bargaining agreements. We believe that we have good relations with our employees and that these good relations contribute to the success of our operations. As we continue to grow and enter different regions, unions may attempt to organize all or part of our employee base at certain stores or distribution centers or within certain regions. Responding to such organizational activity may distract management and employees and may have a negative financial effect on our business, financial condition or results of operations.

The effects of weather conditions, natural disasters or other unexpected events, including public health crises, may disrupt our operations and have a negative impact on our business.

The effects of global climate change, such as extreme weather conditions and natural disasters occurring more frequently or with more intense effects, or the occurrence of unexpected events including wildfires, tornadoes, hurricanes, earthquakes, floods, tsunamis and other severe hazards could adversely affect our business, financial condition, results of operations and cash flows. Extreme weather, natural disasters, power outages or other unexpected events could disrupt our operations by causing physical damage and partial or complete closure of our retail stores, store support center or distribution centers, loss of human capital, temporary or long-term disruption in the supply of products and services and disruption in our ability to deliver products and services to customers. These events and disruptions could also adversely affect our customers' and suppliers' financial condition or ability to operate, resulting in reduced customer demand, delays in payments received or supply chain disruptions, including adverse effects on our ability to stock our stores and deliver products to our customers. Further, these events and disruptions could increase insurance and other operating costs, including impacting our decisions regarding construction of new facilities to select areas less prone to climate change risks and natural disasters, which could result in indirect financial risks passed through the supply chain or other price modifications to our products and services.

Public health crises in the United States or countries where we source or sell products could adversely affect our operations and financial performance. Further, any national, state or local government mandates or other orders taken to minimize the spread of a public health crisis could restrict our ability to conduct business as usual, as well as the business activities of our customers and key suppliers, including the potential for labor shortages. In particular, the ultimate extent of the impact of any epidemic, pandemic or other public health crisis on our business, financial condition and results of operations will depend on future developments which are highly uncertain and cannot be predicted, including new information that may emerge concerning the duration and severity of such public health crisis, actions taken to contain or prevent their further spread and the pace of global economic recovery following containment of the spread.

We will require significant capital to fund our expanding business and we may be unable to obtain needed capital or financing on satisfactory terms or at all, which could limit our ability to grow. If we are unable to maintain sufficient levels of cash flow or if we are unable to meet our debt service obligations under our revolving credit facility, we may not meet our growth expectations or we may require additional financing, which could adversely affect our financial health and impose covenants that limit our business activities.

We have historically financed capital expenditures primarily with funding from cash generated by operations, and borrowings under our $125.0 million asset based revolving credit facility (the "Revolving Credit Facility"). We plan to continue investing for growth, including opening new stores, remodeling existing stores, adding staff, adding distribution center capacity, upgrading our information technology systems and other infrastructure, and strategic acquisitions. These investments will require significant capital, which we plan on funding with cash flow from operations and borrowings under our Revolving Credit Facility, pursuant to which we had $124.4 million of available borrowing capacity as of September 28, 2025.

If our business does not generate sufficient cash flow from operations to fund these activities or if these investments do not yield cash flows in line with past performance or our expectations, we may need additional equity or debt financing. If such financing is not available to us, or is not available on satisfactory terms, our ability to operate and expand our business or respond to competitive pressures would be curtailed, and we may need to delay, limit or eliminate planned store openings or operations or other elements of our growth strategy. If we raise additional capital by issuing equity securities or securities convertible into equity securities, our stockholders' ownership would be diluted.

Further, our ability to pay interest on and principal of our debt obligations under our Revolving Credit Facility will primarily depend upon our future operating performance. As a result, prevailing economic conditions and financial, business and other factors, many of which are beyond our control, will affect our ability to make these payments. If we do not generate sufficient cash flow from operations to satisfy such debt service obligations, we may have to undertake alternative financing plans, such as refinancing or restructuring our indebtedness, selling our assets, reducing or delaying capital investments, or seeking to raise additional capital. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. From time to time, capital markets may experience periods of disruption and instability. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*" for more information.

Inability to maintain and enhance our brand may materially adversely impact our business.

Maintaining and enhancing our brand is critical to our ability to expand our base of customers and may require us to make substantial investments. Our advertising campaigns utilize digital marketing, direct mailing, television and on-air radio, and other media to maintain and enhance our existing brand equity. We cannot provide assurance that our advertising and other efforts to promote and maintain awareness of our brand will not require us to incur substantial costs or will be successful (regardless of the costs we incur). If these efforts are unsuccessful or we incur substantial costs in connection with these efforts, our business, operating results and financial condition could be materially adversely affected.

Furthermore, our brand may be damaged by a variety of incidents, such as actions taken (or not taken) by us with respect to social, environmental, and community outreach initiatives, customer service, health, safety, welfare,

social justice, political activism, environmental and climate change issues, or otherwise; litigation and legal claims; growth or rebranding strategies; development efforts in domestic and foreign markets; and the ordinary course operation of our businesses. Other incidents that could be damaging to our brand may arise from events that are beyond our ability to control, such as actions taken (or not taken) by one or more current or former officers, employees or subcontractors or other individuals associated or perceived to be associated with us; security breaches or other fraudulent activities associated with us or our systems; third-party misappropriation, dilution, infringement or other violation of our intellectual property; or illegal activity. Any of these incidents may damage our brand even if unjustified or untruthful or out of our control, and the damage caused may not be able to be mitigated regardless of whether or how we respond. Customer demand for our products could diminish significantly if any such incidents or other matters erode customer confidence in us or our products and cause our business, operating results and financial condition to be materially adversely affected.

We rely on third parties, such as search engines and social media platforms and related service providers, to drive traffic to our website, and these third parties may change their algorithms, pricing or policies in ways that could, or the actions of these third parties or our use of them could otherwise, negatively impact our business, results of operations, financial condition and prospects.

We rely in part on digital advertising, including search engine marketing and social media advertising, to promote awareness of our brand, grow our business, attract new customers and retain existing customers. In particular, we rely on search engines, such as Google, and social media platforms such as Instagram, Facebook, TikTok and Pinterest as important marketing channels. If search engines or social media platforms change their algorithms, terms of service, display or the featuring of search results, determine we are out of compliance with their terms of service or if competition increases for advertisements, we may be unable to cost-effectively market through these channels. Further, changes to third-party policies that limit our ability to deliver, target or measure the effectiveness of advertising, including changes by mobile operating system and browser providers such as Apple and Google, could reduce the effectiveness of our marketing. We also cannot accurately predict if the followers of our social media influencer partners will be interested in buying our products. Our relationships with our marketing vendors are not long-term in nature and do not require any specific performance commitments. In addition, many of our online advertising vendors provide advertising services to other companies, including companies with whom we may compete. As competition for online advertising has increased, the cost for some of these services has also increased. Our marketing initiatives may become increasingly expensive and generating a return on those initiatives may be difficult. Even if we successfully increase revenue as a result of our paid marketing efforts, such increase may not offset the additional marketing expenses we incur.

Our efforts to use digital advertising may not be successful, and pose a variety of other risks, including the improper disclosure of proprietary information, the posting of negative comments about our brand, the exposure of personally identifiable information, fraud, use of out-of-date information or failure to comply with regulations regarding such practices. Furthermore, laws and regulations, including Federal Trade Commission enforcement, rapidly evolve to govern digital advertising, including the use of social media and influencers. The failure by us or our personnel, influencers or other representatives to abide by applicable laws and regulations when engaging in digital advertising, including using social media, could adversely impact our reputation, marketing collaborators, financial condition and results of our operations or subject us to fines or other penalties. Negative or false commentary about us may be posted on social media platforms and may harm our reputation or business. Customers value readily available information and often act on such information without affording any opportunity for redress or correction. The inappropriate use of social media vehicles by us, customers, employees or others could increase our costs, lead to litigation or result in negative publicity that could damage our reputation. The occurrence of any such developments could have a material adverse effect on our business.

If we are unable to effectively manage our eCommerce platform and digital marketing efforts, our reputation and operating results may be harmed.

Our eCommerce sales channel represented approximately 14% of total net revenue in fiscal year 2024. We believe eCommerce offers a significant growth opportunity and our strategy includes investment in and expansion of our digital platform and eCommerce sales channel. The success of our eCommerce sales channel depends, in part, on third parties and factors over which we have limited control. We must continuously respond to changing

consumer preferences and buying trends relating to eCommerce usage, including an emphasis on mobile eCommerce. Our success in eCommerce has been strengthened in part by our ability to leverage the information we have on our customers to infer customer interests and affinities such that we can personalize the experience they have with us. We also utilize digital advertising to target internet and mobile users whose behavior indicates they might be interested in our products. Current or future legislation may reduce or restrict our ability to use these techniques, which could reduce the effectiveness of our marketing efforts. For more information, see "*Risks Related to Data Privacy and Information Technology*."

We are also vulnerable to certain additional risks and uncertainties associated with our eCommerce and mobile websites and digital marketing efforts, including: changes in required technology interfaces; website downtime and other technical failures; internet connectivity issues; costs and technical issues as we upgrade our website software; changes in online tracking technologies; computer viruses; supplier reliability; changes in applicable privacy laws and regulations; compliance costs related to maintaining a reasonable privacy and data security program that addresses constantly evolving legal requirements; security breaches; and customer privacy concerns. We must keep up to date with competitive technology trends and opportunities that are emerging throughout the retail environment, including the use of new or improved technology, evolving creative user interfaces, and other eCommerce marketing trends such as paid search, re-targeting, and the proliferation of mobile usage, among others.

We expect to continue to invest capital and other resources in our eCommerce sales channel, but there can be no assurance that our initiatives will be successful or otherwise succeed in driving sales or attracting customers. Our failure to successfully respond to these risks and uncertainties might adversely affect the sales or margin in our eCommerce sales channel, require us to impair certain assets, and damage our reputation and brands.

Our business exposes us to personal injury, product liability and warranty claims and related governmental investigations, which could result in negative publicity, harm our brand and adversely affect our business, financial condition, and operating results.

Our stores and distribution centers are warehouse environments that involve the operation of forklifts and other machinery and the storage and movement of heavy products, all of which are activities that have the inherent danger of injury or death to associates or customers despite safety precautions, training and compliance with federal, state and local health and safety regulations. While we have insurance coverage in place in addition to policies and procedures designed to minimize these risks, we may nonetheless be unable to avoid material liabilities for an injury or death arising out of these activities.

In addition, we face an inherent risk of exposure to product liability or warranty claims or governmental investigations in the event that the use of our products is alleged to have resulted in economic loss, personal injury or property damage or violated environmental or other laws. If any of our products prove to be defective or otherwise in violation of applicable law, we may be required to recall such products and be subject to legal action. Further, our suppliers or international manufacturers may not have sufficient resources or insurance to satisfy their indemnity and defense obligations. Although we maintain liability insurance, we cannot be certain that our coverage will be adequate for liabilities actually incurred or that insurance will continue to be available to us on economically reasonable terms, or at all. Any product liability claims asserted against us could, among other things, harm our reputation, damage our brand, cause us to incur significant costs, and have a material adverse effect on our business, financial condition, results of operations, liquidity and stock price.

We maintain a reserve for warranty claims. However, there can be no assurance that our reserve for warranty claims will be adequate or that additional warranty reserves will not be required. Material warranty claims could, among other things, harm our reputation and damage our brand, cause us to incur significant repair and/or replacement costs, and have a material adverse effect on our business, financial condition, results of operations, liquidity and stock price.

Our products are delivered to customer homes by our third-party delivery partners. While we believe we have appropriate indemnification and risk management practices in place, such activities involve liability and reputational risk, which could adversely affect us.

Unfavorable allegations, government investigations and legal actions surrounding our products and us could harm our reputation, impair our ability to grow or sustain our business, and adversely affect our business, financial condition, and operating results.

We rely on our reputation for offering great value, superior service and a broad assortment of high-quality, safe products. If we become subject to unfavorable allegations, government investigations or legal actions involving our products or us, such circumstances could harm our reputation and our brand and adversely affect our business, financial condition, results of operations, liquidity and stock price. If this negative impact is significant, our ability to grow or sustain our business could be jeopardized.

Negative publicity surrounding product matters, including publicity about other retailers, may harm our reputation and affect the demand for our products. In addition, if more stringent laws or regulations are adopted in the future, we may have difficulty complying with the new requirements imposed by such laws and regulations, and in turn, our business, financial condition, and operating results could be adversely affected. Moreover, regardless of whether any such changes are adopted, we may become subject to claims or governmental investigations alleging violations of applicable laws and regulations. Any such matter may subject us to fines, penalties, injunctions, litigation and/or potential criminal violations. Any one of these results could negatively affect our business, financial condition, and operating results and impair our ability to grow or sustain our business.

If we are unable to manage our inventory levels and products, including with respect to our omnichannel operations, there could be a material adverse effect on our business, financial condition, operating results and prospects.

Inventory levels in excess of customer demand may result in lower than planned financial performance. We may be required to mark down certain products to sell any excess inventory or to sell such inventory through liquidation channels at prices that are significantly lower than our retail prices, any of which would negatively impact our business and operating results. Alternatively, if we underestimate demand for our products, we may experience inventory shortages resulting in delays in fulfilling customer demands and replenishing to appropriate inventory levels, missed sales and lost revenues. We may not always be able to respond quickly and effectively to changes in consumer taste and demand due to the amount of time and financial resources that may be required to bring new products to market or to constraints in our supply chain if our suppliers do not have the capacity to handle elevated levels of demand for part or all of our orders or could experience delays in production for our products. Many of our products require that we provide suppliers with significant ordering lead times, and we may not be able to source sufficient inventory if demand for a product is greater than anticipated. Continued or lengthy delays in fulfilling customer demand could cause our customers to shop with our competitors instead of us, which could harm our business. Either of these events could significantly affect our operating results and brand image and loyalty.

As a result of becoming a public company, we will be obligated to develop and maintain proper and effective disclosure controls and procedures and internal control over financial reporting. Our controls and procedures may not be effective, which may adversely affect investor confidence in us and, as a result, the value of our common stock.

Upon the completion of this offering, we will become subject to the periodic reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We must design our disclosure controls and procedures to reasonably assure that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the U.S. Securities and Exchange Commission (the "SEC"). Any disclosure controls and procedures, no matter how well-conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP. We are in the early stages of the costly and intensive process of compiling the system and processing documentation necessary to perform the evaluation needed to comply with Section 404 of the Sarbanes-Oxley Act. We may not be able to

complete our evaluation, testing and any required remediation in the time required. If we are unable to assert that our internal control over financial reporting is effective, we could lose investor confidence in the accuracy and completeness of our financial reports, which would cause the value of our common stock to decline, and we may be subject to investigation or sanctions by the SEC.

We will be required, pursuant to Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting as of the end of the fiscal year that coincides with the filing of our second annual report on Form 10-K. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. We will also be required to disclose changes made in our internal control and procedures on a quarterly basis. However, our independent registered public accounting firm will not be required to report on the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act until the end of the fiscal year that the Company qualifies as either an accelerated or large accelerated filer. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed or operating.

Additionally, the existence of any material weakness or significant deficiency would require management to devote significant time and incur significant expense to remediate any such material weaknesses or significant deficiencies and management may not be able to remediate any such material weaknesses or significant deficiencies in a timely manner. The existence of any material weakness in our internal control over financial reporting could also result in errors in our consolidated financial statements that could require us to restate our consolidated financial statements, cause us to fail to meet our reporting obligations and cause stockholders to lose confidence in our reported financial information, all of which could materially and adversely affect our business and share price.

The accuracy of our audited consolidated financial statements and related disclosures could be affected if the judgments, assumptions or estimates used in our critical accounting policies and estimates are inaccurate.

The preparation of audited consolidated financial statements and related disclosures in conformity with GAAP requires us to make judgments, assumptions and estimates that affect the amounts reported in our audited consolidated financial statements and accompanying notes. Our critical accounting policies and estimates, which are included in the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," describe those significant accounting policies and methods used in the preparation of our audited consolidated financial statements that we consider "critical" because they require judgments, assumptions and estimates that materially affect our audited consolidated financial statements and related disclosures. As a result, if future events differ significantly from the judgments, assumptions and estimates in our critical accounting policies, those events or assumptions could have a material impact on our audited consolidated financial statements and related disclosures.

Fluctuations in foreign currency could have an adverse impact on our business.

We procure a significant portion of our products from foreign suppliers who source their raw materials in currencies other than the U.S. dollar. Accordingly, changes in the value of foreign currencies relative to the U.S. dollar can affect our operating results reflected in our U.S. dollar-denominated financial statements. From time to time, we may engage in currency hedging activities to limit the risk of foreign currency exchange rate fluctuations. To the extent we use hedging instruments to hedge exposure to fluctuations in foreign currency exchange rates, the use of such hedging instruments may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place, and may introduce additional risks if we are unable to structure effective hedges with such instruments.

Changes in tax laws, trade policies and regulations or in our operations and newly enacted laws or regulations may impact our effective tax rate or may adversely affect our business, financial condition, and operating results.

Changes in tax laws in any of the multiple jurisdictions in which we operate, or adverse outcomes from tax audits that we may be subject to in any of the jurisdictions in which we operate, could result in an unfavorable change in our effective tax rate, which could have a material adverse effect on our business, financial condition, results of operations, liquidity and stock price. For example, on July 4, 2025, the "One Big Beautiful Bill Act" (the

"OBBBA") was signed into law, which includes significant changes to federal tax law and other regulatory provisions that may impact the Company. The Company is currently evaluating the provisions of the new law and the potential effects on its financial position, results of operations and cash flows. Regulatory guidance under the OBBBA, and potentially additional tax-related legislation, is forthcoming, and any such guidance or legislation could ultimately increase or lessen the impact of these laws on our business and financial condition. In the ordinary course of business, we are subject to tax examinations by various governmental tax authorities. Developments in tax policy or trade relations could also have a material adverse effect on our business, results of operations and liquidity. We may not be able to fully or substantially mitigate the impact of tariffs, pass price increases on to our customers, or secure adequate alternative sources of products or materials. The tariffs, along with any additional tariffs or retaliatory trade restrictions implemented by other countries, could negatively impact customer sales, including potential delays in product received from our suppliers, our cost of goods sold and results of operations.

Our estimated addressable market is subject to inherent challenges and uncertainties. If we have overestimated the size of our addressable market, our future growth opportunities may be limited.

We have determined our total addressable market based on, among other things, our analysis of the historical market size of the United States home furnishings industry, our observation and analysis of recent trends, customer behaviors and customer satisfaction, our estimates and expectations concerning future growth of the U.S. home furnishings industry as well as other information derived from third-party research. As a result, our estimated total addressable market is subject to significant uncertainty and is based on assumptions that may not prove to be accurate. Our estimates are based, in part, on third-party reports and are subject to significant assumptions and estimates. These estimates, as well as the estimates and forecasts in this prospectus relating to the size and expected growth of the markets in which we operate, and our penetration of those markets, may change or prove to be inaccurate. While we believe the information on which we base our total addressable market is generally reliable, such information is inherently imprecise. In addition, our expectations, assumptions and estimates of future opportunities are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described herein. If third-party or internally generated data prove to be inaccurate or we make errors in our assumptions based on that data, our future growth opportunities may be affected. If our addressable market proves to be inaccurate, our future growth opportunities may be limited and there could be a material adverse effect on our prospects, business, financial condition, and results of operations.

Our current retail markets and other markets that we may enter in the future may not achieve the growth and profitability we anticipate.

We may remodel and relocate existing stores and experiment with new store formats and may from time to time close underperforming stores. Profitability of new, remodeled, relocated and new format stores will depend on lease rates and retail sales and profitability justifying the costs of acquisition, remodeling, and relocation. Such remodeling or relocation of existing stores may result in increased volatility in certain of our financial and operating metrics. If we do not meet our sales or earnings expectations for these stores or businesses, we have in the past incurred and may in the future incur charges for the impairment of long-lived assets, the impairment of right-of-use ("ROU") lease assets, the impairment of goodwill, or the impairment of other intangible assets.

Our ability to attract customers to our stores depends on successfully locating our stores in suitable locations. Any impairment of a store location, including any decrease in customer traffic, could cause our sales to be lower than expected.

We believe that our stores and customers' store experience are key for generating and increasing revenue. We plan to grow our store base across both new and existing markets by opening new stores in areas with existing home furnishings demand. Each new store site selection is based on an opportunity assessment that considers, among other things, real estate availability, brand awareness, competitive positioning and customer segmentation. Revenues at these stores are derived, in part, from the volume of foot traffic in these locations. Store locations may become unsuitable due to, and our revenue volume and customer traffic generally may be harmed by, among other things:

- economic downturns in a particular area;
- competition from nearby retailers selling similar products;

- changing customer demographics in a particular market;
- changing preferences of customers in a particular market;
- the closing or decline in popularity of other businesses located near our stores;
- reduced customer foot traffic outside a store location; and
- store impairments due to natural disasters, pandemic, terrorism, protest or periods or civil unrest.

Even if a store location becomes unsuitable, we will generally be unable to cancel the long-term lease associated with such store, which could negatively impact our financial results.

Disruption in the financial markets could have a material adverse effect on customer demand and our ability to refund customer deposits.

We collect deposits from our customers at the time of purchase and in advance of delivering merchandise to the customer. As of September 28, 2025 we had approximately $79.1 million in customer deposits. If there were disruptions in the financial markets or economy that led to significant customer order cancellations, there can be no assurance that we will have the cash or cash equivalents to refund all customer deposits for canceled orders. If we are unable to refund customer deposits or use our customer deposits as a source of funding for our operating activities, our reputation and brand may be damaged and our funding costs may increase, which could have a material adverse effect on our business, financial condition, results of operations, liquidity and stock price.

Risks Related to Data Privacy and Information Technology

Failure to comply with data privacy and security laws and regulations could adversely affect our operating results and business.

We collect, use, transfer or otherwise process proprietary, confidential and sensitive information, including personal information from our customers, employees, contractors, vendors and other third parties, which subjects us to evolving and complex data privacy and security obligations, including various laws, regulations, guidance, industry standards, external and internal privacy policies, contracts and other obligations that govern the processing of such information in connection with our business.

In the United States, numerous federal and state laws and regulations apply to our processing of personal information, including state data breach notification laws, employee privacy law and federal and state consumer protection laws and regulations (e.g., Section 5 of the Federal Trade Commission Act of 1914, as amended). At the state level, the privacy and data protection landscape is changing rapidly, and many states have enacted comprehensive privacy laws. For example, California has adopted the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020 (together, the "CCPA"), which gives California residents certain privacy rights in the collection and use of their personal information and requires businesses to make certain disclosures, limit their use of personal information, and take certain other acts in furtherance of those rights. The CCPA provides for civil penalties for violations, as well as a private right of action in connection with certain data breaches, and establishes a regulatory agency authorized to implement and enforce the CCPA. In addition, almost 20 other states have adopted similar comprehensive privacy laws, which may require companies to change their practices for collecting and handling personal information, including allowing consumers to request that we delete certain personal information and enable consumers to opt out of certain uses of their personal information, including targeted advertising.

Moreover, we are subject to certain U.S. state laws regarding the processing of biometric identifiers, including the Illinois Biometric Information Privacy Act ("BIPA"), which applies to the collection and use of "biometric identifiers" and "biometric information" which include fingerprints. A business required to comply with BIPA is not permitted to sell, lease, trade or otherwise profit from biometric identifiers or biometric information it collects, and is also under obligations to have a publicly available, written policy with respect to the retention and destruction of all biometric identifiers and biometric information, and must ensure that it informs the subject of the collection and the purpose of the collection and obtains consent for such collection. Individuals are afforded a private right of

action under BIPA and may recover statutory damages and reasonable attorneys' fees and costs. Several class action lawsuits have been brought under BIPA, including against our business, as the statute is broad and still being interpreted by the courts.

All of these evolving compliance and operational requirements impose significant costs that are likely to increase over time, may require us to modify our data processing practices and policies, and divert resources from other initiatives and projects, all of which may adversely affect our results of operations. Complying with these laws and regulations may be more costly or take longer than we anticipate, and any failure to comply with any of these laws and regulations could result in enforcement actions against us, including fines, claims for damages by affected individuals, damage to our reputation and loss of goodwill, any of which could have a material adverse effect on our business, financial condition, results of operations or prospects.

There are many other federal and state-based data privacy and security laws and regulations that may impact our business, including laws, regulations and standards covering marketing, advertising and other activities conducted by telephone, email, mobile devices and the Internet, such as the Federal Communications Act, the Electronic Communications Privacy Act, the Telephone Consumer Protection Act (the "TCPA"), the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (the "CAN-SPAM Act"), and similar state consumer protection and communication privacy laws, such as California's Invasion of Privacy Act ("CIPA"). For example, the CAN-SPAM Act and the TCPA impose specific requirements on communications with consumers. The TCPA and analogous state laws impose various consumer consent requirements and other requirements on certain communications with consumers by phone or text message. TCPA violations can result in significant financial penalties, including penalties or criminal fines imposed by the Federal Communications Commission (FCC) or statutory damages of up to $1,500 per violation imposed through private litigation or by state authorities. The TCPA provides for substantial penalties and statutory damages and has generated significant class action activity. The costs of litigating and/or settling a TCPA or similar legal claim could be significant. There has also been a noticeable uptick in class action litigation wherein plaintiffs have utilized a variety of laws, including state wiretapping laws such as CIPA, in relation to companies' use of tracking technologies, such as cookies and pixels. Actual or perceived failure to comply with requirements relating to marketing, advertising, electronic communications and the Internet, could subject us to legal proceedings, which could result in adverse publicity, substantial monetary damages and legal defense costs, injunctive relief and fines or penalties.

If our efforts to protect the privacy and security of information related to our customers, us, our employees, our associates, our suppliers and other third parties are not successful, we could become subject to litigation, investigations, liability and negative publicity that could significantly harm our reputation and relationships with our customers and adversely affect our business, financial condition, and operating results.

Our business, like that of most retailers, involves the receipt, storage and transmission of customers' personal information, customer preferences and payment card data, as well as other confidential information related to us, our associates, our suppliers and other third parties, some of which is entrusted to third-party service providers and vendors that provide us with technology, systems and services that we use in connection with the receipt, storage and transmission of such information. Techniques used for cyber-attacks designed to gain unauthorized access to these types of sensitive information by breaching or sabotaging critical systems of organizations, including those that use artificial intelligence, are constantly evolving and generally are difficult to recognize and react to effectively. We may be unable to anticipate these techniques or to implement adequate preventive or reactive security measures. High profile security breaches leading to unauthorized release of sensitive information have occurred in recent years with increasing frequency and sophistication at a number of major U.S. companies, including several large retailers, as well as our business.

Despite our security measures and those of third parties with whom we do business, our respective systems and facilities and those of our third-party vendors have been and may in the future be vulnerable to security incidents, disruptions, cyberattacks, ransomware, data breaches, viruses, phishing attacks and other forms of social engineering, denial-of-service attacks, third-party or employee theft or misuse and other negligent actions. Unauthorized parties or rogue insiders may also attempt to gain access to our systems or facilities through fraud, trickery or other forms of deception targeted at our customers, associates, suppliers and service providers. Any such,

incidents could compromise our networks and the information stored there could be accessed, misused, publicly disclosed, lost, stolen or rendered, permanently or temporarily, inaccessible.

An actual or anticipated attack or security incident may cause us to incur additional costs, including costs related to diverting or deploying personnel, implementing preventative measures, training associates and engaging third-party experts and consultants. In addition, as the regulatory environment relating to retailers and other companies' obligation to protect sensitive data becomes increasingly rigorous, with new and constantly changing requirements applicable to our business, compliance with those requirements could result in additional costs, and a material failure on our part to comply could subject us to fines, other regulatory sanctions and lawsuits. Further, any security breach incident could expose us to risks of data loss, regulatory and law enforcement investigations, enforcement actions, litigation (including class claims) and liability and could seriously disrupt our operations and result in negative publicity, any of which could significantly harm our reputation and relationships with our customers and adversely affect our business, financial condition, results of operations, liquidity and stock price. Insurance policies that may provide coverage with regard to such incidents may not cover any or all of the resulting financial losses.

A material disruption in our information systems, including our website, could adversely affect our business or operating results and lead to reduced net revenues and reputational damage.

We rely on our information systems to process transactions, summarize our results of operations and manage our business. In particular, our website is an important part of our integrated connected customer strategy and customers use these systems as information sources on the range of products available to them and as a way to order our products. In addition, we rely on our enterprise resource planning, telecommunications, inventory tracking, billing and other information systems to track transactions, billing, payments, inventory and a variety of day-to-day business decisions. Therefore, the reliability and capacity of our information systems is critical to our operations and the implementation of our growth initiatives. However, our information systems are subject to damage or interruption from planned upgrades in technology interfaces, power outages, computer and telecommunications failures, computer viruses, cyber-attacks or other security breaches and catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes, acts of war or terrorism and usage errors by our associates. If our information systems are damaged or cease to function properly, we may have to make a significant investment to fix or replace them, and we may suffer losses of critical data and/or interruptions or delays in our operations.

In addition, to keep pace with changing technology, we must continuously implement new information technology systems as well as enhance our existing systems. Moreover, the successful execution of some of our growth strategies, in particular the expansion of our connected customer and online capabilities, is dependent on the design and implementation of new systems and technologies and/or the enhancement of existing systems. If we encounter implementation or usage problems with these new systems or other related systems and infrastructure, or if the systems do not operate as intended, do not give rise to anticipated benefits, or fail to integrate properly with our other systems or software platforms, then the costs of such new information technology systems may be more than we anticipate. Any disruption in our information systems, or delays or difficulties in implementing or integrating new systems or enhancing or expanding current systems, could have a material adverse effect on our business and our operating results and could lead to reduced net revenues and reputational damage.

We rely on a variety of information technologies to operate our business, and our inability to successfully adopt new or improved technologies in a timely fashion may weaken our ability to effectively compete or otherwise adversely affect our business, financial condition, and operating results.

We are not able to forecast the utility or impact of new or improved technologies in our business, including changes in consumer or employee behavior facilitated by these technologies. In light of the increased public interest and technological advancements in artificial intelligence and other similar technologies, our failure to efficiently incorporate such technologies into our business at the same pace as our competitors may result in our competitors obtaining significant competitive advantages over us and result in deterioration of our financial performance. We may pursue certain of those technologies and consumer offerings if we believe they offer a sustainable customer proposition and can be successfully integrated into our business model. However, we cannot predict consumer acceptance of these technologies or their impact on our business. We may incorporate traditional or generative

artificial intelligence solutions into our business, and these solutions may become important in our operations over time. Our incorporation of such technologies into our business may require substantial resources to be expended and divert the attention of our management and may also prove to be unsuccessful or even harmful to our business, including by producing inaccurate data or results. The use of these artificial intelligence solutions may expose us to additional risks and expenses, including if we were to incorporate artificial intelligence technologies that we become dependent on or fail to adopt artificial intelligence in a timely or effective manner, and may also increase the risk that we become subject to claims that we violate third-party intellectual property, publicity or data rights, or consumer class actions and other consumer claims. There has also been increased scrutiny from regulators and other bodies regarding the use of data in connection with artificial intelligence and similar technologies and around use of personal data in a manner that may involve identifying, tracking or marketing to individuals. The legal regimes and enforcement actions associated with artificial intelligence continue to change rapidly and may not be predictable. If we adopt such technologies, public perception that using artificial intelligence is unethical, insecure, biased or otherwise inappropriate—whether justified or not—could harm our reputation, increase scrutiny from or actions by regulators, consumer groups or other third parties, increase the scope of regulation or government restrictions affecting us, involve us in litigation or otherwise have a material adverse impact on our businesses or financial position.

We are subject to payments-related risks that could increase our operating costs, expose us to fraud, subject us to potential liability and potentially disrupt our business.

We accept payments using a variety of methods, including credit cards, cash, private label credit, debit cards, gift cards, Affirm, Klarna and physical bank checks. These payment options subject us to many compliance requirements, including, but not limited to, compliance with the Payment Card Industry Data Security Standard, which represents a common set of industry tools and measurements to help ensure the safe handling of sensitive payment information, and compliance with contracts with our third-party processors. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time and increase our operating costs and we may be unable to pass through these costs to customers. These payment options also subject us to potential fraud by criminal elements seeking to discover and take advantage of security vulnerabilities that may exist in some of these payment systems. We rely on third parties to provide payment processing services, including the processing of credit cards, debit cards and gift cards, and it could disrupt or harm our business if these companies become unwilling or unable to provide these services to us, experience a data security incident or fail to comply with applicable rules and industry standards. We are also subject to payment card association operating rules, including data security rules, certification requirements, and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. If we fail to comply with these rules or requirements, or if our data security systems (or those of our third-party processors) or payment card information of our customers are breached or compromised, we may face civil liability, we may be liable for card issuing banks' costs, subject to fines and higher transaction fees, lose our ability to accept credit cards and debit card payments from our customers, process electronic funds transfers, or facilitate other types of online payments, and we could lose the confidence of customers and our business, each of which could adversely affect our financial condition, and operating results.

We rely extensively on computer systems to process transactions, summarize results and manage our business. Disruptions in both our primary and back-up systems could adversely affect our business and operating results.

Our primary and back-up computer systems are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, security breaches, natural disasters and errors by employees. Though losses arising from some of these issues would be covered by insurance, interruptions of our critical business computer systems or failure of our back-up systems could reduce our sales or result in longer production times. If our critical business computer systems or back-up systems are damaged or cease to function properly, we may have to make a significant investment to repair or replace them.

Despite our security measures and those of third parties with whom we do business, our information technology systems and facilities have in the past, and may in the future, become subject to security incidents or attacks and related system and operational disruptions. An actual or anticipated attack or security incident, as well as the responses we take to mitigate the risks and consequences therefrom, may result in disruptions to our operations and

cause us to incur additional costs, including costs related to diverting or deploying personnel and engaging third-party experts and consultants. We may not be able to recover from our insurance all of the potential financial losses from such incidents, if we are able to recover such losses at all. For example, in September 2024, we experienced a cybersecurity incident in response to which the Company acted promptly to disconnect certain of the Company's information technology systems to stop further unauthorized access. As a result of this information technology system outage, the Company's operations were interrupted and our operating results, particularly comparable sales, for the third quarter of fiscal year 2024 were adversely impacted. The timing and amount of any additional insurance recoveries with respect to this event beyond our receipt in May 2025 of $4.5 million in insurance recoveries for lost profits is uncertain.

Unauthorized disclosure of sensitive or confidential information, whether through a breach of our computer systems or otherwise, could severely hurt our business.

Certain aspects of our business involve the receipt, storage and transmission of customers' personal information and customer preferences, as well as confidential information about our associates, our suppliers and our Company, some of which is entrusted to third-party service providers and vendors. Despite the security measures we have in place, our facilities and systems, and those of third parties with which we do business, have been subject to and may in the future be vulnerable to security breaches, acts of vandalism and theft, computer viruses, misplaced or lost data, programming and/or human errors, or other similar events. In addition, the rapid evolution and increased adoption of artificial intelligence technologies may intensify these cybersecurity risks.

An electronic security breach in our systems (or in the systems of third parties with which we do business) that results in the unauthorized release of individually identifiable information about customers or other sensitive data could occur and have a material adverse effect on our reputation, lead to substantial financial losses from remedial actions, and lead to a substantial loss of business and other liabilities, including possible punitive damages. In addition, as the regulatory environment relating to retailers and other companies' obligation to protect such sensitive data becomes increasingly rigorous, with new and constantly changing requirements applicable to our business, compliance with those requirements could result in additional costs, and a material failure on our part to comply could subject us to fines, other regulatory sanctions and lawsuits.

Risks Related to Our Intellectual Property

Our intellectual property rights are valuable, and any failure to protect them could reduce the value of our products and brand and harm our business.

We regard our intellectual property as having significant value, and our brand is an important factor in the marketing of our products. We rely on trademark, trade secret and other intellectual property protections, agreements and other methods with our employees and others to protect our proprietary rights. For a variety of reasons, we might not be able to obtain protection in the United States or internationally for all of our intellectual property. We cannot assure you that the steps we take to protect our trademarks or other intellectual property will be adequate to prevent others from copying or using our trademarks or other intellectual property without authorization, which could harm the value of our brand, our competitive advantages or our business.

We might be required to spend significant resources to monitor and protect our intellectual property rights. We may not be able to discover or determine the extent of any infringement, misappropriation or other violation of our intellectual property rights, confidential information or other proprietary rights. We have in the past initiated, and may in the future initiate, claims or litigation against others for infringement, misappropriation or violation of our intellectual property rights, confidential information or proprietary rights or to establish the validity of such rights. We have from time to time encountered other retailers selling products substantially similar to our products or misrepresenting that the products such retailers were selling were our products. We cannot assure you that the steps taken by us to protect our intellectual property rights will be adequate to prevent some infringement of our rights by others (especially with respect to infringement by non-United States entities with no physical United States presence and in countries outside of the United States that do not have laws to protect against "squatting," or in "first-to-file" nations where trademark rights can be obtained despite a third party's prior use), including imitation of our products and misappropriation of our images and brand. Despite our efforts, we also may be unable to prevent former

employees, consultants or independent contractors from infringing upon, misappropriating, disclosing or otherwise violating our intellectual property rights, confidential information and other proprietary rights.

If we are unable to protect and maintain our intellectual property rights, the value of our brand could be diminished, and our competitive position could suffer. The costs of defending and enforcing our intellectual property assets may incur significant time, legal expense and other resources, including the attention of our management. While we take steps to protect and enforce our intellectual property rights, because of factors beyond our control, we may not be entirely successful in protecting our intellectual property, enforcing our rights or collecting on judgments.

If we are unable to protect, acquire, use or maintain our marks and domain names for our sites, our business and operating results could be harmed.

We are the owner of various trademarks for our brands and hold trademark registrations in the United States and Canada, but we have not sought registrations for our trademarks in all major jurisdictions worldwide. We also own the Internet domain name registrations for the Bob's Discount Furniture websites such as mybobs.com. Rights in trademarks are generally national in character, and are obtained on a country-by-country basis by the first person to obtain protection through registration (or in some jurisdictions such as the United States, use) in that country in connection with specified products and services. Some countries' laws do not protect unregistered trademarks at all, or make them more difficult to enforce, and third parties may have filed for "Bob's Discount Furniture" or similar marks in countries where we have not yet obtained applicable trademark registrations. There is also a risk that our growth could be limited or unavailable due to preexisting third-party intellectual property rights, whether registered or unregistered.

Third parties may use trademarks and brand names similar to our trademarks and brand names, and any potential confusion as to the source of goods or services could have an adverse effect on our business and may inhibit our ability to build name recognition in our markets of interest. Third parties may also oppose our trademark applications or otherwise challenge our use of the trademarks. If our trademarks are successfully challenged, we could be forced to rebrand our products which could result in the loss of brand recognition and could require additional resources devoted to advertising and marketing new brands.

We may not be able to claim or assert trademark or unfair competition claims against third parties for any number of reasons, and our trademarks may be found invalid or unenforceable. A judge, jury or other adjudicative body may find that the conduct of competitors does not infringe or violate our trademark rights. Third parties may claim that the use of our trademarks and branding infringe, dilute or otherwise violate the common law or registered marks of that party, or that our sales and marketing efforts constitute unfair competition. Such claims could result in injunctive relief prohibiting the use of our marks, branding and marketing activities, and significant damages, treble damages and attorneys' fees and costs could be awarded as a result of such claims. Moreover, United States or foreign trademark offices may refuse to grant existing and future trademark applications and may cancel or partially cancel trademark registrations.

We may be involved in disputes from time to time relating to our intellectual property and the intellectual property of third parties.

We are and may continue to become parties to disputes from time-to-time over rights and obligations concerning intellectual property, and we may not prevail in these disputes. Third parties have and may raise future claims against us alleging infringement or violation of the intellectual property of such third party, including assertions that our products or marketing activities infringe or violate such third party's intellectual property rights. The asserted claims and/or litigation could include claims against us or our suppliers alleging infringement of intellectual property rights with respect to our marketing materials, products or components of such products. Regardless of the merit of the claims, if our marketing materials or products are alleged to infringe or violate the intellectual property rights of other parties, we could incur substantial costs and we may have to, among other things: (a) obtain licenses to use such intellectual property rights, which may not be available on commercially reasonable terms, or at all; (b) redesign our products or change our marketing activities to avoid infringement or other violations of the intellectual property rights of others; (c) stop using the subject matter protected by the

intellectual property held by others; or (d) pay significant compensatory and/or enhanced damages, attorneys' fees and costs.

Even if we prevail in such disputes, the costs we incur in defending such dispute may be material and costly. Some third-party intellectual property rights may be extremely broad, and it may not be possible for us to conduct our operations in such a way as to avoid violating any such intellectual property rights. Any such intellectual property claim could subject us to costly litigation and impose a significant strain on our financial resources and management personnel regardless of whether such claim has merit.

Risks Related to Our Indebtedness

The ABL Credit Agreement and Term Loan Credit Agreement each contain covenants, which may restrict our current and future operations and could adversely affect our ability to execute our business needs.

The (i) Revolving Credit Agreement, dated as of February 12, 2014, as amended, among BDF Acquisition Corp., as borrower, Royal Bank of Canada, as administrative agent and collateral agent, the lenders from time to time party thereto, and the other parties thereto (the "ABL Credit Agreement") and (ii) Credit Agreement, dated as of October 31, 2025, among BDF Acquisition Corp, as borrower, BDF Intermediate, LLC, as holdings, JPMorgan Chase Bank, N.A., as administrative agent and collateral agent, the lenders from time to time party thereto and the other parties thereto (the "Term Loan Credit Agreement") each contain restrictive covenants that limit our ability to, among other things, incur certain additional indebtedness, make certain investments, merge, dissolve, liquidate or consolidate all or substantially all of our assets, make certain dispositions or restricted payments, enter into certain transactions with affiliates, pay dividends and distributions on capital stock or make certain amendments to our organizational documents. We are also required under the terms of the Term Loan Credit Agreement to prepay the Term Loan with net proceeds from an initial public offering of the Company's common stock. The terms of the ABL Credit Agreement and the Term Loan Credit Agreement may restrict our current and future operations and could adversely affect our ability to finance our future operations or capital needs or to execute business strategies in the means or manner desired. Further, complying with these covenants could make it more difficult for us to successfully execute our business strategy, invest in our growth strategy and compete against our competitors who may not be subject to such restrictions. In addition, we may not be able to generate sufficient cash flow to meet the financial covenants or pay the principal or interest thereunder.

If we are unable to comply with our payment requirements, our lender may accelerate our obligations under the ABL Credit Agreement and the Term Loan Credit Agreement and foreclose upon the collateral, or we may be forced to sell assets, restructure our indebtedness or seek additional equity capital, which would dilute our stockholders' interests. If we fail to comply with our covenants under the ABL Credit Agreement and the Term Loan Credit Agreement, it could result in an event of default thereunder and our lenders could accelerate the entire indebtedness, which could cause us to be unable to repay our debt or borrow sufficient funds to refinance it. Even if new financing is available, it may be on terms that are unfavorable to us.

The amount of borrowings permitted under the Revolving Credit Facility may fluctuate significantly, which may adversely affect our business, results of operations and financial condition.

The amount of borrowings permitted at any one time under the Revolving Credit Facility is subject to certain borrowing base valuations of the collateral thereunder, net of certain reserves. As a result, our access to credit under the Revolving Credit Facility is potentially subject to significant fluctuations depending on the value of the borrowing base of eligible assets as of any measurement date, as well as certain discretionary rights of the agents in respect of the calculation of such borrowing base values. The inability to borrow under the Revolving Credit Facility could have a material adverse effect on our business, financial condition, results of operations, liquidity and stock price.

General Risks

Federal, state or local laws and regulations, or our failure to comply with such laws and regulations, could increase our expenses, restrict our ability to conduct our business and expose us to legal risks.

We are subject to a wide range of general and industry-specific laws and regulations imposed by federal, state and local authorities in the countries in which we operate, including those related to customs, foreign operations (such as the Foreign Corrupt Practices Act), truth-in-advertising, consumer protection and privacy (such as the CCPA and TCPA), product safety (such as the Formaldehyde Standards in Composite Wood Products Act), the environment (such as the Lacey Act), import and export controls (such as the Uyghur Forced Labor Prevention Act), intellectual property infringement, zoning and occupancy matters, as well as the operation of retail stores and distribution facilities. In addition, various federal and state laws govern our relationship with, and other matters pertaining to, our associates, including wage and hour laws, laws governing independent contractor classifications, requirements to provide meal and rest periods or other benefits, family leave mandates, requirements regarding working conditions and accommodations to certain associates, citizenship or work authorization and related requirements, insurance and workers' compensation rules and anti-discrimination laws. In recent years, we and other parties in the furniture industry have been or currently are parties to litigation involving claims that allege violations of these laws, including claims related to product safety and patent claims. In addition, there has been an increase in the number of wage and hour class action claims that allege misclassification of overtime eligible workers and/or failure to pay overtime-eligible workers for all hours worked, particularly in the retail industry, and we may be involved in such claims in the future. Although we believe that we have complied with these laws and regulations, there is nevertheless a risk that we will become subject to additional claims that allege we have failed to do so. Any claim that alleges a failure by us to comply with any of these laws and regulations may subject us to fines, penalties, injunctions, litigation and/or potential criminal violations, which could have a material adverse effect on our business, financial condition, results of operations, liquidity and stock price.

Certain of our products may require us to spend significant time and resources in order to comply with applicable advertising, labeling, importation, exportation, environmental, health and safety laws and regulations because if we violate these laws or regulations, we could experience delays in shipments of our goods, be subject to fines or penalties, be liable for costs and damages or suffer reputational harm, any of which could reduce demand for our products and adversely affect our business, financial condition, and operating results. Any changes to these laws or regulations or any new laws or regulations that are passed or go into effect may make it more difficult for us to operate our business and in turn adversely affect our operating results.

We are engaged in various legal actions, claims and proceedings arising in the ordinary course of business and, while we cannot predict the outcomes of such proceedings and other contingencies with certainty, this litigation and any potential future litigation could have an adverse impact on us.

We are engaged in various legal actions, claims and proceedings arising in the ordinary course of business, including claims related to breach of contract, product liabilities, intellectual property matters and employment-related matters resulting from our business activities. As with most actions such as these, an estimate of any possible and/or ultimate liability cannot always be determined. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors. Additionally, we cannot guarantee that we will not become engaged in additional legal actions, claims, proceedings or governmental investigations in the future. Any such action could result in negative publicity, harm to our reputation and adversely affect our business, financial condition, results of operations, liquidity and stock price.

Moreover, our operations are characterized by a high volume of customer traffic and by transactions involving a wide array of product selections. These operations carry a higher exposure to customer litigation risk when compared to the operations of companies operating in many other industries. Consequently, we have been, and may in the future be from time to time, involved in lawsuits seeking cash settlements for alleged personal injuries, property damage and other business-related matters, as well as product liability and other legal actions in the ordinary course of our business. While these actions are generally routine in nature and incidental to the operation of our business, if our assessment of any action or actions should prove inaccurate and/or if we are unsuccessful in our defense in these litigation matters, or any other legal proceeding, we may be forced to pay damages or fines, enter

into consent decrees or change our business practices, any of which could adversely affect our business, financial condition, results of operations, liquidity and stock price. Further, adverse publicity about customer or other litigation may negatively affect us, regardless of whether the allegations are true, by discouraging customers from purchasing our products.

We are subject to risks related to corporate social responsibility.

Our business could face public scrutiny related to environmental, social and governance ("ESG") activities. We risk damage to our brand and reputation if we fail to act responsibly in a number of areas, environmental stewardship, corporate governance and transparency. We will incur additional expenses as we continue to execute our ESG framework in the coming years, such as coordinating audits of social compliance at our overseas suppliers. Adverse incidents could impact the value of our brand, the cost of our operations and relationships with investors, all of which could adversely affect our business, financial condition, results of operations, liquidity and stock price.

Our insurance coverage may be inadequate to cover all the liabilities we may incur.

We carry comprehensive insurance against the hazards and risks underlying our operations. We believe our insurance policies are customary in the industry; however, some losses and liabilities associated with our operations may not be covered by our insurance policies. In addition, there can be no assurance that we will be able to obtain similar insurance coverage on favorable terms, or at all, in the future. Significant uninsured losses and liabilities could have a material adverse effect on our business, financial condition, results of operations, liquidity and stock price. In addition, our insurance is subject to deductibles. As a result, certain large claims, even if covered by insurance, may require a substantial cash outlay by us, which could have a material adverse effect on our business, financial condition, results of operations, liquidity and stock price.

Risks Related to Ownership of our Common Stock and this Offering.

There is no existing market for our common stock, and we do not know if one will develop to provide you with adequate liquidity. If our stock price fluctuates after this offering, you could lose a significant part of your investment.

Prior to this offering, there has not been a public market for our common stock. We cannot predict the extent to which investor interest in us will lead to the development of a trading market on the , or otherwise or how active and liquid that market may come to be. If an active trading market does not develop, you may have difficulty selling any of the common stock that you buy.

Negotiations between us and the underwriters have determined the initial public offering price for our common stock, which may not be indicative of prices that will prevail in the open market following this offering. Consequently, you may not be able to sell our common stock at prices equal to or greater than the price you paid in this offering. The market price of our common stock may be influenced by many factors including:

- variations in our operating results compared to market expectations or any guidance given by us, or changes in our guidance or guidance practices;
- changes in the preferences of our customers;
- low total comparable sales growth and gross margins compared to market expectations;
- the failure of securities analysts to cover us after this offering or changes in financial estimates by the analysts who cover us, our competitors or our industry;
- economic, legal and regulatory factors unrelated to our performance;
- changes in consumer spending or the economy, including periods of high inflation;
- increased competition or stock price performance of our competitors;

- strategic decisions by us or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- actual or anticipated variations in our or our competitors' operating results, and our competitors' growth rates;
- future sales of our common stock or the perception that such sales may occur;
- changes in senior management or key personnel;
- changes in laws or regulations, or new interpretations or applications of laws and regulations that are applicable to our business; lawsuits, enforcement actions and other claims by third parties or governmental authorities;
- action by institutional stockholders or other large stockholders;
- events beyond our control, such as war, terrorist attacks, natural disasters, severe weather and widespread illness, public health emergencies or pandemics; and
- the other factors listed in this "*Risk Factors*" section.

As a result of these factors, investors in our common stock may not be able to resell their shares at or above the initial offering price. In addition, our stock price may be volatile. The stock market in general has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies like us. Accordingly, these broad market fluctuations, as well as general economic, political and market conditions, such as recessions or interest rate changes, may significantly reduce the market price of the common stock, regardless of our operating performance. In the past, following periods of market volatility, stockholders have instituted securities class action litigation. If we were to become involved in securities litigation, it could result in substantial costs and divert resources and our management's attention from other business concerns, regardless of the outcome of such litigation.

We will incur increased costs as a result of operating as a public company, and our management will be required to devote substantial time to compliance with our public company responsibilities and corporate governance practices.

As a public company, we will incur significant legal, accounting, and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of , and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. We expect that we will need to hire additional accounting, finance, and other personnel in connection with our becoming, and our efforts to comply with the requirements of being a public company, and our management and other personnel will need to devote a substantial amount of time to maintaining compliance with these requirements. Our management and other personnel will also need to devote a substantial amount of time to compliance with the additional reporting requirements of the Exchange Act. These requirements will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect that the rules and regulations applicable to us as a public company may make it more difficult and more expensive for us to obtain director and officer liability insurance. We are currently evaluating these rules and regulations and cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. These rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

If securities or industry analysts do not publish research or reports about our business, or if they change their recommendations regarding our common stock adversely, our stock price and trading volume could decline.

The trading market for our common stock is and will be influenced by the research and reports that industry or securities analysts publish about us or our business. We do not have any control over these analysts. If one or more of the analysts who cover us downgrade our common stock or describe us or our business in a negative manner, the price of our common stock would likely decline. If one or more of these analysts cease coverage of our Company or fails to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the price or trading volume of our common stock to decline. In addition, if we fail to meet the expectations and forecasts for our business provided by securities analysts, the price of our common stock could decline.

Because Bain Capital owns a significant percentage of our common stock, it may control all major corporate decisions and its interests may conflict with your interests as an owner of our common stock and our interests.

We are controlled by Bain Capital, which owns % of our common stock and will own approximately % after the consummation of this offering. Accordingly, Bain Capital currently controls the election of our directors and could exercise a controlling interest over our business, affairs and policies, including the appointment of our management and the entering into of business combinations or dispositions and other corporate transactions. The directors Bain Capital elects have had, and will continue to have, the authority to incur additional debt, issue or repurchase stock, declare dividends and make other decisions that could be detrimental to stockholders. For example, our Board of Directors (the "Board of Directors") approved the entry into the Term Loan Credit Agreement on October 31, 2025, providing for a $350.0 million Term Loan Facility, the net proceeds of which, together with cash on hand, were used to pay an aggregate cash dividend of approximately $423.3 million to holders of our common stock as of October 31, 2025, including Bain Capital, together with a compensatory make-whole payment in an aggregate amount of $2.6 million to the holders of certain of our outstanding options. We intend to use net proceeds from this offering to prepay the indebtedness under the Term Loan Facility.

Pursuant to our second restated certificate of incorporation, following this offering, Bain Capital will have specified board representation rights, governance rights and other rights, including Bain Capital having the right to nominate designees to the Board of Directors on a sliding scale based on Bain Capital's ownership of our common stock. See "*Management—Board Composition and Director Independence*." In addition, in connection with this offering, we will enter into the Amended and Restated Stockholders Agreement with Bain Capital and certain of our other existing stockholders, pursuant to which Bain Capital will have certain registration rights and other rights. Even if Bain Capital were to own or control less than a majority of our total outstanding shares of common stock, it will be able to influence the outcome of corporate actions so long as it owns a significant portion of our total outstanding shares of common stock.

Bain Capital may have interests that are different from yours and may vote in a way with which you disagree and that may be adverse to your interests. In addition, Bain Capital's concentration of ownership could have the effect of delaying or preventing a change in control or otherwise discouraging a potential acquirer from attempting to obtain control of us, which could cause the market price of our common stock to decline or prevent our stockholders from realizing a premium over the market price for their common stock.

Additionally, Bain Capital is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us or supply us with goods and services. Bain Capital may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. Stockholders should consider that the interests of Bain Capital may differ from their interests in material respects.

Following the consummation of this offering, we will be a "controlled company" within the meaning of the rules of the New York Stock Exchange and, as a result, will qualify for, and may rely on, exemptions from certain corporate governance requirements; you will not have the same protections afforded to stockholders of companies that are subject to all such requirements.

Following the consummation of this offering, Bain Capital will continue to control a majority of our outstanding common stock. As a result, we expect to be a "controlled company" within the meaning of the New York Stock

Exchange corporate governance standards. A company of which more than 50% of the voting power is held by an individual, a group or another company is a "controlled company" within the meaning of the New York Stock Exchange rules and may elect not to comply with certain corporate governance requirements of the New York Stock Exchange, including:

- the requirement that a majority of our Board of Directors consist of independent directors;
- the requirement that we have a nominating/corporate governance committee that is comprised entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- the requirement that we have a compensation committee that is comprised entirely of independent directors with a written charter addressing the committee's purpose and responsibilities.

For at least a period of time following this offering, we intend to utilize certain of these exemptions. As a result, our nominating and corporate governance committee and compensation committee will not consist entirely of independent directors. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the New York Stock Exchange. Our status as a "controlled company" could make our common stock less attractive to some investors or otherwise harm the trading price of our common stock.

Certain of our directors may have conflicts of interest because of their ownership of equity interests of, and their employment with, Bain Capital and its affiliates.

Certain of our directors hold ownership interests in affiliates of Bain Capital or ownership in and employment positions with its affiliates. Such interests in affiliates of Bain Capital by our directors could create, or appear to create, potential conflicts of interest when our directors are faced with decisions that could have different implications for us and for Bain Capital or its affiliates. For example, the Board of Directors approved the entry into the Term Loan Credit Agreement on October 31, 2025, providing for a $350.0 million Term Loan Facility, the net proceeds of which, together with cash on hand, were used to pay an aggregate cash dividend of approximately $423.3 million to holders of our common stock as of October 31, 2025, including Bain Capital, together with a compensatory make-whole payment in an aggregate amount of $2.6 million to the holders of certain of our outstanding options. We cannot assure you that any conflicts of interest will be resolved in our favor.

Our second restated certificate of incorporation after this offering will contain a provision renouncing our interest and expectancy in certain corporate opportunities, which could adversely impact our business.

Bain Capital and the members of our Board of Directors who are affiliated with them, by the terms of our second restated certificate of incorporation, will not be required to offer us any corporate opportunity of which they become aware and can take any such corporate opportunity for themselves or offer it to other companies in which they have an investment. We, by the terms of our second restated certificate of incorporation, will expressly renounce any interest or expectancy in any such corporate opportunity to the extent permitted under applicable law, even if the opportunity is one that we or our subsidiaries might reasonably have pursued or had the ability or desire to pursue if granted the opportunity to do so. Our certificate of incorporation will not be able to be amended to eliminate our renunciation of any such corporate opportunity arising prior to the date of any such amendment.

Bain Capital and certain of its affiliates are in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. These potential conflicts of interest could have a material adverse effect on our business, financial condition, results of operations, liquidity and stock price if Bain Capital and its affiliates allocate attractive corporate opportunities to themselves or their affiliates instead of to us.

Future sales, or the perception of future sales, of our common stock may depress the price of our common stock. In addition, a significant portion of our common stock is restricted from immediate resale but may be sold into the market in the near future. This could cause the market price of our common stock to drop significantly, even if our business is doing well.

If we sell, or any of our stockholders sells, a large number of shares of our common stock, or if we issue a large number of shares in connection with future acquisitions, financings, equity incentive plans or other circumstances, the market price of our common stock could decline significantly. Moreover, the perception in the public market that we or our stockholders might sell shares of our common stock could depress the market price of those shares.

We cannot predict the size of future issuances of our common stock or the effect, if any, that future issuances or sales of our shares will have on the market price of such shares. Possible sales also may make it more difficult for us to sell equity or equity-related securities in the future at a time and price we deem necessary or appropriate.

Our directors and executive officers, and holders of substantially all of our common stock, including the selling stockholder, are subject to lock-up agreements with the underwriters of this offering that restrict the stockholders' ability to transfer shares of our common stock for 180 days from the date of this prospectus, subject to certain exceptions. The lock-up agreements limit the number of shares of common stock that may be sold immediately following the public offering. After this offering, we will have outstanding shares of common stock based on the number of shares outstanding. Subject to limitations, shares will become eligible for sale upon expiration of the lock-up period, as calculated and described in more detail in the section entitled "*Shares Eligible for Future Sale*." In addition, none of the shares issued or issuable upon exercise of options vested as of the expiration of the lock-up period will be eligible for sale at that time. Further, the representatives of the underwriters may, in their sole discretion, release all or some portion of the shares subject to the lock-up agreements at any time and for any reason. See "*Shares Eligible for Future Sale*" for more information. Sales of a substantial number of such shares upon expiration of the lock-up agreements, the perception that such sales may occur, or early release of these agreements, could have a material and adverse effect on the trading price of our common stock.

Furthermore, less than 5% of our outstanding shares of common stock and securities directly or indirectly convertible into or exercisable or exchangeable for our common stock are subject to market standoff provisions with us, pursuant to which, subject to certain exceptions, such holders agreed to not offer, pledge, sell, assign, encumber or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for our common stock held immediately prior to the effectiveness of the registration statement of which this prospectus forms a part during the restricted period.

As a result of the foregoing, substantially all of our outstanding shares of common stock and securities directly or indirectly convertible into or exchangeable or exercisable for our common stock are subject to a lock-up agreement or market standoff provision during the restricted period. We have agreed to enforce all such market standoff restrictions on behalf of the underwriters and not to amend or waive any such market standoff provisions during the restricted period without the prior written consent of J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC, on behalf of the underwriters, provided that we may release shares from such restrictions to the extent such shares would be entitled to release under the form of lock-up agreement with the underwriters entered into by our directors and executive officers and certain other holders of our securities as described herein.

Moreover, after this offering, holders of % of our outstanding common stock will have rights pursuant to the Amended and Restated Stockholders Agreement, subject to certain conditions such as the 180-day lock-up arrangement described above, to require us to file registration statements for the public sale of their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. Registration of these shares under the Securities Act of 1933, as amended (the "Securities Act"), would result in the shares becoming freely tradable without restriction under the Securities Act, except for shares held by our affiliates as defined in Rule 144 under the Securities Act. Any sales of securities by these stockholders could have a material and adverse effect on the trading price of our common stock.

Our second restated certificate of incorporation will contain exclusive forum provisions, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our second restated certificate of incorporation, which will become effective immediately prior to the consummation of this offering, provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, in the event that the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware or other state courts of the State of Delaware) is the exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a claim of breach of fiduciary duty, any action asserting a claim against us arising pursuant to the Delaware General Corporation Law ("DGCL"), our second restated certificate of incorporation or our second amended and restated bylaws, any action to interpret, apply or enforce or determine the validity of our second restated certificate of incorporation or second amended and restated bylaws, any action as to which the DGCL confers jurisdiction to the Court of Chancery of the State of Delaware, or any action asserting a claim against us that is governed by the internal affairs doctrine; provided that, the exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction; and provided further that, if and only if the Court of Chancery of the State of Delaware dismisses any such action for lack of subject matter jurisdiction, such action may be brought in another state or federal court sitting in the State of Delaware. Our second restated certificate of incorporation also provides that the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause or causes of action against any defendant arising under the Securities Act, subject to and contingent upon a final adjudication in the State of Delaware of the enforceability of such exclusive forum provision. Such provision is intended to benefit and may be enforced by us, our officers and directors, employees and agents, including underwriters and any other professional or entity who has prepared or certified any part of this prospectus. Nothing in our second restated certificate of incorporation precludes stockholders that assert claims under the Exchange Act from bringing such claims in state or federal court, subject to applicable law.

We believe these provisions may benefit us by providing increased consistency in the application of Delaware law and federal securities laws by chancellors and judges, as applicable, particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims or make such lawsuits more costly for stockholders, although our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder. Furthermore, the enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive-forum provisions, and there can be no assurance that such provisions will be enforced by a court in those other jurisdictions. If a court were to find the choice of forum provision contained in our second restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business, financial condition, results of operations, liquidity and stock price.

New investors in our common stock will incur immediate dilution as a result of this offering.

If you purchase common stock in this offering, you will pay more for your shares than the amounts paid by existing stockholders for their shares. As a result, you will incur immediate dilution of $ per share, representing the difference between the assumed initial public offering price of $ per share, the midpoint of the price range as set forth on the cover page of this prospectus, and our as further adjusted net tangible book value (deficit) per share after giving effect to this offering and the application of the net proceeds from this offering. Additionally, pursuant to our second amended and restated bylaws, our Board of Directors will have the authority, without action or vote of our stockholders, to issue all or any part of our authorized but unissued shares of common stock, including shares issuable upon the exercise of options, or shares of our authorized but unissued preferred

stock. Issuances of common stock or voting preferred stock would reduce your influence over matters on which our stockholders vote and, in the case of issuances of preferred stock, would likely result in your interest in us being subject to the prior rights of holders of that preferred stock. See "*Dilution*" for more information.

We may allocate the net proceeds from this offering in ways that you and other stockholders may not approve.

We currently intend to use the net proceeds from this offering to prepay certain indebtedness and for general corporate purposes. See the section titled "*Use of Proceeds*" for more information.

To the extent the net proceeds from this offering are used for general corporate purposes, our management will have broad discretion in the application of the net proceeds from this offering. Because of the number and variability of factors that will determine our use of the net proceeds from this offering, their ultimate use may vary substantially from their currently intended use. Our management might not apply our net proceeds in ways that ultimately increase the value of your investment, and the failure by our management to apply these funds effectively could harm our business. Pending their use, we may invest the net proceeds from this offering in short- and intermediate-term, interest-bearing obligations, investment-grade instruments, certificates of deposit or direct or guaranteed obligations of the U.S. government. These investments may not yield a favorable return to our stockholders. If we do not invest or apply the net proceeds from this offering in ways that enhance stockholder value, we may fail to achieve expected results, which could cause our stock price to decline.

Delaware law and provisions in our second restated certificate of incorporation and second amended and restated bylaws could make a merger, tender offer or proxy contest more difficult, limit attempts by our stockholders to replace or remove our current management and depress the market price of our common stock.

In addition to Bain Capital's beneficial ownership of a substantial percentage of our common stock, provisions in our second restated certificate of incorporation and second amended and restated bylaws, each of which will become effective immediately prior to the consummation of this offering, and Delaware law could make it harder for a third party to acquire us, even if doing so might be beneficial to our stockholders, and could also make it difficult for stockholders to elect directors that are not nominated by the current members of our Board of Directors or take other corporate actions, including effecting changes in our management. These provisions include a classified board of directors and the ability of our Board of Directors to issue preferred stock without stockholder approval that could be used to dilute a potential hostile acquiror. Our second restated certificate of incorporation will also impose some restrictions on mergers and other business combinations between us and any holder of 15% or more of our outstanding common stock other than Bain Capital. As a result, you may lose your ability to sell your stock for a price in excess of the prevailing market price due to these protective measures, and efforts by stockholders to change the direction or management of the company may be unsuccessful.

These anti-takeover defenses could discourage, delay or prevent a transaction involving a change in control. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and cause us to take corporate actions other than those you desire. See "*Description of Capital Stock— Anti-Takeover Effects of Our Certificate of Incorporation and Our Bylaws and Certain Provisions of Delaware Law*."

Cautionary Note Regarding Forward-Looking Statements

This prospectus contains forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies and other future conditions. Forward-looking statements can generally be identified by words such as "anticipate," "believe," "envision," "estimate," "expect," "intend," "may," "plan," "predict," "project," "target," "potential," "will," "would," "could," "should," "continue," "contemplate" and other similar expressions, although not all forward-looking statements contain these identifying words. Forward-looking statements include, but are not limited to, statements concerning: plans to open new stores, expand into new regions and increase market share; our ability to drive increased marketing efficiencies and lower customer acquisition costs as we grow; anticipated top-line growth and margin expansion; the capacity of our existing model to support future growth; our ability to manage supplier relationships; our digital expansion; and plans to increase brand awareness and increase comparable sales.

The preceding list is not intended to be an exhaustive list of all of our forward-looking statements. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements are subject to a number of risks, uncertainties, factors and assumptions described in "*Risk Factors*" and elsewhere in this prospectus, including those relating to, among other things:

- our reliance on foreign manufacturing, suppliers and imports for our products;
- the significant competition within our industry;
- our ability to successfully anticipate or respond to changes in consumer preferences;
- global economic conditions and the effect of economic pressures and other business factors on discretionary consumer spending;
- managing the challenges associated with our planned new store growth;
- failures by our third-party suppliers or the unavailability of suitable suppliers at reasonable prices;
- failures of our vendors to meet our quality standards or applicable regulatory frameworks;
- disruption in our distribution capabilities, supply chain;
- our ability to protect our intellectual property rights;
- compliance with applicable governmental regulations;
- our ability to protect the privacy and security of information related to our customers, us, our employees or others;
- disruption in our information systems; and
- our ability to effectively manage our eCommerce platform and digital marketing efforts.

The forward-looking statements in this prospectus represent our views as of the date of this prospectus. We undertake no obligation to publicly update any forward-looking statements whether as a result of new information, future developments or otherwise, except as required by law.

Use of Proceeds

We estimate that the net proceeds to us from our issuance and sale of shares of common stock in this offering will be approximately $ million, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any proceeds from the sale of shares of common stock by the selling stockholder named in this prospectus. The selling stockholder will receive approximately $ million of proceeds from this offering, after deducting estimated underwriting discounts and commissions, if the underwriters exercise their option to purchase additional shares in full. These estimates assume an initial public offering price of $ per share, the midpoint of the price range as set forth on the cover page of this prospectus.

We intend to use the net proceeds from this offering to prepay all of the approximately $ of indebtedness under the Term Loan Facility. To the extent any proceeds from this offering remain after such prepayment, we intend to use such remaining proceeds for general corporate purposes.

As of October 31, 2025, we had $350.0 million of indebtedness outstanding under the Term Loan Facility. The Term Loan Facility matures on October 31, 2032 and, at October 31, 2025, bears an interest rate of 8.22%. See "*Description of Certain Indebtedness*." We used the net proceeds from the Term Loan Facility, together with cash on hand, to pay an aggregate cash dividend of approximately $423.3 million to holders of our common stock as of October 31, 2025, together with a compensatory make-whole payment in an aggregate amount of $2.6 million to the holders of certain of our outstanding options. We are required under the terms of the Term Loan Credit Agreement to prepay the Term Loan with net proceeds from an initial public offering of the Company's common stock.

Our expected use of net proceeds from this offering represents our current intentions based upon our present plans and business condition. As of the date of this prospectus, we cannot predict with complete certainty all of the particular uses for the net proceeds to be received upon the completion of this offering or the actual amounts that we will spend on the uses set forth above.

A $1.00 increase (decrease) in the assumed public offering price of $ per share, the midpoint of the price range as set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming the number of shares we offer, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. An increase (decrease) in the number of shares offered by us by 1,000,000 shares would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming the initial public offering price per share as set forth on the cover page of this prospectus remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Dividend Policy

Following completion of the offering, our Board of Directors does not currently intend to pay dividends on our common stock. However, we expect to reevaluate our dividend policy on a regular basis following the offering and may, subject to compliance with the covenants contained in our credit facilities and other considerations, determine to pay dividends in the future. The declaration, amount and payment of any future dividends on shares of our common stock will be at the sole discretion of our Board of Directors, which may take into account general and economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions, the implications of the payment of dividends by us to our stockholders or by our subsidiaries to us, and any other factors that our Board of Directors may deem relevant. Further, as a holding company, our ability to pay dividends depends on our receipt of cash dividends from our operating subsidiaries. Our ability to pay dividends will therefore be restricted as a result of restrictions on their ability to pay dividends to us under the ABL Credit Agreement, the Term Loan Credit Agreement and under any other current and future indebtedness that we or they may incur. See "*Risk Factors—Risks Related to Ownership of our Common Stock and this Offering*" and "*Description of Certain Indebtedness*" included elsewhere in this prospectus for further detail on the restrictions on our ability to pay dividends.

On October 31, 2025, we declared a cash dividend of an aggregate amount of approximately $423.3 million on the outstanding shares of our common stock in connection with the Recapitalization.

Capitalization

The following table sets forth our cash and cash equivalents and our capitalization as of September 28, 2025:

- on an actual basis;
- on an as adjusted basis to give effect to (i) the Recapitalization and (ii) the effectiveness of our second amended certificate of incorporation and our second amended and restated bylaws, upon the closing of this offering; and
- on an as further adjusted basis to give further effect to (1) the adjustments described above, (2) the issuance of shares of common stock by us in this offering and the receipt of approximately $ million in net proceeds to us from the sale of such shares, assuming an initial public offering price of $ per share, the midpoint of the price range as set forth on the cover page of this prospectus and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us and (3) the application of the net proceeds from this offering as set forth under "*Use of Proceeds*."

The as adjusted and as further adjusted information set forth in the table below is illustrative only and will change based on the actual initial public offering price and other terms of this offering determined at pricing. You should read this table in conjunction with the information contained in "*Use of Proceeds*," "*Summary Historical Consolidated Financial Data*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," as well as our audited consolidated financial statements and the related notes included elsewhere in this prospectus.

	As of September 28, 2025		
(in thousands except share and per share data)	**Actual**	**As Adjusted**	**As Further Adjusted**
Cash and cash equivalents	$ 123,379	$ 36,463	$
Long-term debt, including current portion:			
Revolving Credit Facility	—	—	
Term Loan Facility	—	338,983	
Total debt	—	338,983	
Finance leases	57,218	57,218	
Stockholders' Equity:			
Preferred stock, $0.01 par value; no shares authorized, issued or outstanding, actual; shares authorized, no shares issued or outstanding, as adjusted and as further adjusted	—	—	—
Common stock, $0.0001 par value; shares authorized, shares issued and outstanding, actual; shares authorized, shares issued and outstanding, as adjusted; shares authorized, shares issued and outstanding, as further adjusted	18	18	
Additional paid-in capital	232,412	188,894	
Treasury shares, at cost, shares, actual, as adjusted and as further adjusted	(67,011)	(67,011)	
Retained earnings	382,381	—	
Total stockholders' equity	547,800	121,901	
Total capitalization	$ 605,018	$ 518,102	$

The number of shares of common stock to be outstanding after this offering is based on shares of common stock outstanding as of , and excludes shares of common stock reserved for future issuance under our equity incentive plans.

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the midpoint of the price range as set forth on the cover page of this prospectus, would increase (decrease) the as further adjusted amount of each of cash and cash equivalents, total stockholders' equity and total capitalization by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. An increase (decrease) in the number of shares offered by us by 1,000,000 shares would increase (decrease) the as further adjusted amount of each of cash and cash equivalents and total stockholders' equity by approximately $ million, assuming the initial public offering price per share as set forth on the cover page of this prospectus remains the same, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Dilution

If you invest in our common stock in this offering, your interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock in this offering and the as further adjusted net tangible book value (deficit) per share of our common stock after this offering. Dilution results from the fact that the initial public offering price per share of our common stock is expected to be substantially higher than the as further adjusted net tangible book value (deficit) per share of our common stock attributable to the existing stockholders for the shares of our common stock outstanding prior to this offering.

As of September 28, 2025, we had a net tangible book value (deficit) of $187.0 million, or $1.08 per share, based on 172,704,678 shares of common stock outstanding as of September 28, 2025. We calculate net tangible book value (deficit) per share by taking the amount of our total tangible assets (total assets less goodwill and intangible assets), reduced by the amount of our total liabilities, and then dividing that amount by the total number of shares of our common stock outstanding.

As of September 28, 2025, we had as adjusted net tangible book value (deficit) of $(238.9) million, or $(1.38) per share. As adjusted net tangible book value (deficit) is equal to the amount of our total tangible assets (total assets less goodwill and intangible assets), reduced by the amount of our total liabilities, after giving effect to the Recapitalization, assuming the Recapitalization had taken place on September 28, 2025. As adjusted net tangible book value (deficit) per share is determined by dividing our as adjusted net tangible book value (deficit) by the total number of shares of our common stock outstanding.

After giving further effect to (i) our issuance and sale of shares of our common stock in this offering assuming an initial public offering price of $ per share, the midpoint of the offering range as set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, and (ii) the application of the net proceeds from this offering as set forth under "*Use of Proceeds,*" our as further adjusted net tangible book value as of September 28, 2025 would have been approximately $ million, or $ per share of common stock. This amount represents an immediate increase in net tangible book value of $ per share of our common stock to the existing stockholders and immediate dilution of $ per share of our common stock to investors purchasing shares of our common stock in this offering. The following table illustrates this dilution on a per share basis:

Assumed initial public offering price per share		$
Historical net tangible book value (deficit) per share as of September 28, 2025	$ 1.08	
Decrease per share attributable to the as adjusted adjustments described above	(2.46)	
As adjusted net tangible book value (deficit) per share as of September 28, 2025	(1.38)	
Increase in as adjusted net tangible book value (deficit) per share attributable to new investors purchasing common stock in this offering		
As further adjusted net tangible book value per share, after giving effect to this offering		
Dilution per share to new investors purchasing common stock in this offering		$

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) the as further adjusted net tangible book value per share of our common stock after giving effect to this offering by approximately $ million, or by $ per share of our common stock, assuming no change to the number of shares of our common stock offered by us as set forth on the front cover page of this prospectus and after deducting the estimated underwriting discounts and expenses payable by us. An increase (decrease) in the number of shares offered by us by 1,000,000 shares would increase (decrease) our as further adjusted net tangible book value by approximately $ million, or $ per share assuming the initial public offering price per share as set forth on the cover page of this prospectus remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The following table summarizes, as of September 28, 2025, on the as further adjusted basis described above, the total number of shares of our common stock purchased from us, the total consideration paid to us, and the average

price per share of our common stock paid by purchasers of such shares and by new investors purchasing shares of our common stock in this offering.

	Shares Purchased		Total Consideration		
	Number	Percentage	Amount	Percentage	Average Price Per Share
Existing stockholders		%		%	$
New investors					$
Total		100 %		100 %	

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) the total consideration paid by new investors by $ million and increase (decrease) the percent of total consideration paid by new investors by %, assuming no change to the number of shares of our common stock offered by us as set forth on the front cover page of this prospectus and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The number of shares of common stock to be outstanding after this offering is based on shares of common stock outstanding as of , and excludes shares of common stock reserved for future issuance under our equity incentive plans.

The foregoing does not reflect any potential purchases made by participants in the directed share program who are associated with us.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with, and is qualified in its entirety by reference to, our consolidated financial statements and the related notes appearing at the end of this prospectus. Some of the information included in this discussion and analysis or set forth elsewhere in this prospectus, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should review the "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" sections of this prospectus for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

Bob's Discount Furniture is a rapidly growing, nationally proven omnichannel retailer of value home furnishings with 206 showrooms as of September 28, 2025 across 26 U.S. states. We offer quality, stylish products at everyday low prices, which we estimate are on average approximately 10% below our value-oriented furniture competitors' lowest promoted prices, which we estimate is equivalent to approximately 20-25% below their listed prices. Our value proposition is made possible by our curated merchandising strategy, with SKU counts approximately one-third narrower than value-oriented furniture competitors, longstanding sourcing relationships and efficient supply chains.

Our showrooms provide a convenient and fun shopping experience, supported by our trained, tech-enabled guest experience specialists. Our omnichannel capabilities allow customers to shop in-store, online, over the phone and via our mobile app. We leverage efficient fulfillment services to ensure most purchases can be delivered in as few as three days.

We have a proven, profitable and portable store model that has produced consistent financial returns across vintages, geographic regions and population densities. Nearly all of our stores were profitable on a four-wall basis in fiscal year 2024 and our new stores have achieved AUVs of $9 million and cash-on-cash returns exceeding 80% by their fifth year of operation, with returns exceeding 60% by year two and a payback period of approximately two years. We believe our business model and new store unit economics, plus the expansive and fragmented $182 billion home furnishings industry (excluding barbecues as of 2024), provides us with an opportunity to expand our store base in both existing and new geographies to over 500 stores by 2035. Our ability to open profitable new stores depends on multiple factors, including our ability to identify suitable markets and sites, negotiate leases with acceptable terms, support new locations with qualified managers and achieve brand awareness in new markets. For further information see "*Risk Factors – Risks Related to Our Business.*"

During the nine-month fiscal period ended September 28, 2025, our key long-term strategic accomplishments included:

- opening 17 new stores;
- delivering comparable sales growth of 10.5% (or adjusted comparable sales growth of 9.7%) predominately through strong conversion in our retail channel and traffic was positive across all channels, with particular strength in eCommerce; and
- reducing selling, general and administrative ("SG&A") expenses as a percentage of revenue to 38.6% in the nine months ended September 28, 2025 from 41.8% in the nine months ended September 29, 2024 due to broad-based expense leverage on higher sales performance.

The COVID-19 pandemic served as a tailwind to the home furnishings industry in 2020 and 2021 and caused a surge in demand as the "stay-at-home" lifestyle led to consumers spending more time at home. This resulted in a market-wide pull forward, which subsequently led to a slowdown in the industry in the following years that was further exacerbated by increased interest rates and inflation. Bob's has emerged stronger following this cycle and continues to show resilience and outperformance compared to the home furnishings industry. Though macro factors caused YoY declines in our comparable sales during fiscal years 2023 and 2024, we have continued to outperform

relative to the home furnishings industry. For example, in fiscal year 2024 Bob's revenue growth surpassed the home furnishings industry (excluding barbecues) by over 700bps on a YoY basis, and we plan to continue to build on that momentum through fiscal year 2025. We believe that our continued focus on capturing market share and providing exceptional value to customers through our broad assortment and everyday low price strategy, and making selected strategic growth investments while remaining disciplined to maintain profitability through cost control, have been instrumental in helping us show resilience and emerge stronger throughout this challenging housing market. However, the potential significance and duration of these macroeconomic difficulties is uncertain, and further pressures on the housing market could have an adverse impact on our business.

In early 2025, the U.S. Government began imposing significant new or increased tariffs on goods imported into the U.S. from numerous countries from which the Company sources merchandise. While some trade deals have been reached, trade negotiations are ongoing, and overall, the global trade environment remains fluid and highly uncertain. In addition, in October 2025, the U.S. Government imposed a 25% tariff on imports of certain upholstered wooden furniture imports, which is set to rise to 30% on January 1, 2027. We will continue to evaluate the impact of tariffs on our company and make appropriate sourcing and pricing decisions to minimize the impact of these tariffs on our financial condition and results of operations.

How We Assess the Performance of Our Business

We consider a variety of performance and financial measures in assessing the performance of our business. In addition to our results determined in accordance with U.S. GAAP, we regularly review KPIs and certain non-GAAP financial measures, including Adjusted net income and Adjusted earnings before interest, tax expense, depreciation and amortization ("Adjusted EBITDA"), to evaluate our business, measure our performance, identify trends in our business, prepare projections and make strategic decisions. We believe that these non-GAAP financial measures and KPIs are useful to our investors as they present an informative supplemental view of our results from period to period by removing the effect of non-recurring items. The non-GAAP financial measures and KPIs presented herein are specific to us and may not be comparable to similar measures disclosed by other companies because of differing methods used by other companies in calculating them. The key measures we use to determine how our business is performing are: net revenues, gross profit and gross margin, SG&A, operating income, net income, comparable sales growth, adjusted comparable sales growth, number of new stores, number of stores, Adjusted net income and Adjusted EBITDA.

Net Revenues

We recognize revenue when merchandise is transferred or services are provided to the customer. This primarily occurs when inventory is delivered and accepted by the customer and also occurs when inventory is purchased and picked up at a retail store or distribution center. The revenue from delivery and the sale of our third-party product protection plan, Goof Proof (as defined below), net of costs, is recognized at the time of the delivery of the related merchandise to the customer. Net revenues are presented net of returns and sales tax.

Gross Profit and Gross Margin

Gross profit is equal to our net revenues less our cost of sales. Cost of sales consists of actual product cost, the cost of transportation between our warehouses, suppliers, depots and retail stores and to deliver to customers' homes, warranty costs, the cost of warehousing, inventory reserves and write-downs, and inventory shrinkage. Gross margin is gross profit as a percentage of our net revenues. Our gross margin is impacted by product mix, as some products generally provide higher gross margins, and by our merchandise costs and retail prices. Gross margin is also impacted by freight costs, the costs of distributing and transporting product to our stores, and occupancy costs related to distribution operations.

Selling, General and Administrative Expenses

SG&A expenses include the costs of selling our products and other general and administrative costs. Selling expenses consist primarily of compensation and benefits of our employees performing various sales functions, the occupancy costs of our retail stores and transaction losses. Compensation includes both variable costs, including commissions related to net revenue, and salaries and benefits. We expect certain of these expenses to continue to

increase as we open new stores, develop new product categories and otherwise pursue our current business initiatives. General and administrative expenses included in SG&A expenses comprise primarily advertising expense, excluding pre-opening related costs, compensation and benefit costs for administrative employees, stock-based compensation, bank charges, and other administrative costs.

We expect that our SG&A expenses will increase in future periods due to additional legal, finance, insurance and other expenses that we expect to incur as a result of being a public company.

Pre-opening expenses

Pre-opening expenses include costs associated with opening new stores and new distribution centers for the duration of setup and preparation for opening. These costs primarily consist of rent and related occupancy expenses, marketing, payroll, and initial legal, permit, recruiting, and supplies expenses.

Operating Income

Operating income is gross profit less SG&A expenses, pre-opening expenses, loss on disposal of fixed assets, impairment of long-lived assets and restructuring charges. Operating income excludes interest income or expense, and income tax expense. We use operating income as an indicator of the productivity of our business and our ability to manage expenses.

Net Income

Net income is operating income less other expense, net, and income tax expense.

Key Performance Indicators and Non-GAAP Financial Measures

Comparable Sales Growth

Comparable sales growth measures performance during the current reporting period against the performance of the comparable store sales and eCommerce sales in the corresponding period of the previous fiscal year. Comparable store sales consist of net revenues from our stores beginning on the first day of the 14th full fiscal month following the store's opening, which is when we believe comparability is achieved. eCommerce sales consist of net revenues from online purchases during the current reporting period.

Opening new stores is a critical component of our growth strategy. Accordingly, comparable sales growth is only one measure we use to assess the success of our growth strategy. Definitions and calculations of comparable sales differ among companies in the retail industry; therefore, comparable sales growth disclosed by us may not be comparable to the metrics disclosed by other companies.

Various factors affect comparable sales growth, including:

- national and regional economic trends;
- housing affordability;
- the retail sales environment and other retail trends;
- the impact of competition;
- changes in our merchandise mix;
- the ability to identify and respond effectively to regional consumer preferences;
- spending habits of our customers, including levels of discretionary income;
- pricing;
- the growth of our channel mix in eCommerce;

- the ability to source and distribute products efficiently; and
- the use and timing of advertising and holiday events.

Adjusted Comparable Sales Growth

Adjusted comparable sales reflects comparable sales growth as adjusted to eliminate the impact of a $10.2 million anomalous timing shift in comparable sales for the third quarter of fiscal year 2024 as a result of a system outage impacting the final two delivery days of the third quarter of fiscal year 2024. See "*Risk Factors—Risks Related to Data Privacy and Information Technology—We rely extensively on computer systems to process transactions, summarize results and manage our business. Disruptions in both our primary and back-up systems could adversely affect our business and operating results*."

Number of Stores and Number of New Stores

The number of stores reflects the number of stores as of a particular date. The number of new stores reflects the number of stores opened during a particular reporting period. New stores require an initial capital investment from us for store build-outs, fixtures and equipment that we amortize over time, as well as cash required for inventory and pre-opening expenses. We expect new store growth to be the primary driver of our net revenue growth over the long-term. We lease all of our store locations. Our typical initial lease terms are approximately 10 to 15 years with options to renew for two successive five-year periods.

Adjusted Net Income and Adjusted EBITDA

Adjusted net income is defined as net income less items that are not indicative of the operating performance of the business, including, but not limited to, restructuring charges, insurance recoveries, gains on hedge accounting de-designation of interest rate cap, gains on sale of Connecticut income tax credits, gains and losses on disposal of fixed assets, impairment of long-lived assets, senior executive termination benefits, management fee and other expenses and income not indicative of ongoing business operations and performance.

We define EBITDA as net income before interest expense, interest income, income tax expense, and depreciation and amortization expenses. Adjusted EBITDA represents EBITDA as further adjusted for items that are not indicative of the operating performance of the business, including but not limited to, stock-based compensation expense, restructuring charges, insurance recoveries, gains on hedge accounting de-designation of interest rate cap, gains on sale of Connecticut income tax credits, gains and losses on disposal of fixed assets, impairment of long lived assets, senior executive termination benefits, management fee and other expenses or income not indicative of ongoing business operations and performance.

Adjusted net income and Adjusted EBITDA are key metrics used by management and our Board of Directors to assess our financial performance. We use these non-GAAP measures to evaluate the effectiveness of our business strategies, to make budgeting decisions, to evaluate our performance in connection with compensation decisions and to compare our performance against that of peer companies using similar measures. These non-GAAP measures are frequently used by analysts, investors, and other interested parties to evaluate companies in our industry. Management believes it is useful for investors and analysts to be able to evaluate these non-GAAP measures to help them evaluate our operating results by facilitating an enhanced understanding of our operating performance and enabling them to make more meaningful period-to-period comparisons. We believe that excluding items from net income and Adjusted EBITDA that may not be indicative of, or are unrelated to, our core operating results, and that may vary in frequency or magnitude, enhances the comparability of our results and is useful for analyzing trends in our business.

Adjusted net income and Adjusted EBITDA are non-GAAP financial measures and should not be considered as alternatives to net income as a measure of financial performance or any other performance measure derived in accordance with GAAP, and they should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Adjusted net income and Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this

presentation. There can be no assurance that we will not modify the presentation of Adjusted net income and Adjusted EBITDA following this offering, and any such modification may be material. Our presentation of Adjusted net income and Adjusted EBITDA should not be construed to imply that our future results will be unaffected by any such adjustments. In addition, other companies, including companies in our industry, may not calculate Adjusted net income and Adjusted EBITDA at all or may calculate Adjusted net income and Adjusted EBITDA differently and accordingly, are not necessarily comparable to similarly entitled measures of other companies, which reduces the usefulness of Adjusted net income and Adjusted EBITDA as tools for comparison.

Adjusted net income and Adjusted EBITDA have their limitations as analytical tools, and you should not consider them in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are that Adjusted net income and Adjusted EBITDA:

- do not reflect every expenditure, future requirements for capital expenditures or contractual commitments;
- do not reflect changes in our working capital needs;
- do not reflect income tax expense, and because the payment of taxes is part of our operations, tax expense is a necessary element of our costs and ability to operate;
- do not reflect non-cash equity compensation, which will remain a key element of our overall equity-based compensation package; and
- do not reflect the impact of earnings or charges resulting from matters we consider not to be indicative of our ongoing operations.

Although depreciation and amortization are eliminated in the calculation of Adjusted EBITDA, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA do not reflect any costs of such replacements.

Management compensates for these limitations by primarily relying on our GAAP results, while using Adjusted net income and Adjusted EBITDA as supplements to the corresponding GAAP financial measures.

Results of Operations

Comparison of the nine-month fiscal periods ended September 28, 2025 and September 29, 2024

The following tables summarize key components of our results of operations for the periods indicated:

	Nine-Month Fiscal Period Ended					
	September 28, 2025		September 29, 2024		Increase (Decrease)	
(in thousands)	Amount	% of Net Revenues	Amount	% of Net Revenues	Amount	%[1]
Net revenues	$ 1,719,212	100.0 %	$ 1,428,382	100.0 %	$ 290,830	20.4 %
Cost of sales	934,401	54.4 %	752,981	52.7 %	181,420	24.1 %
Gross profit	784,811	45.6 %	675,401	47.3 %	109,410	16.2 %
Selling, general, and administrative	662,968	38.6 %	596,365	41.8 %	66,603	11.2 %
Pre-opening expenses	15,157	0.9 %	13,562	0.9 %	1,595	11.8 %
(Gain) loss on disposal of fixed assets	(134)	— %	10	— %	(144)	NM
Restructuring charges	292	— %	—	— %	292	100.0 %
Insurance recoveries	(4,497)	(0.3)%	—	— %	(4,497)	100.0 %
Total operating expenses	673,786	39.2 %	609,937	42.7 %	63,849	10.5 %
Operating income	111,025	6.5 %	65,464	4.6 %	45,561	69.6 %
Interest expense	3,201	0.2 %	9,644	0.7 %	(6,443)	(66.8)%

Interest income	(1,502)	(0.1)%	(2,039)	(0.1)%	(537)	26.3 %
Other income, net	(653)	— %	(3,332)	(0.2)%	(2,679)	80.4 %
Total other expense, net	1,046	0.1 %	4,273	0.3 %	(3,227)	(75.5)%
Income before taxes	109,979	6.4 %	61,191	4.3 %	48,788	79.7 %
Income tax expense	29,282	1.7 %	11,879	0.8 %	17,403	146.5 %
Net income	$ 80,697	4.7 %	$ 49,312	3.5 %	31,385	63.6 %

(1) NM refers to a value that is not meaningful.

Key Performance Indicators and Non-GAAP Financial Measures[1][2]

	Nine-Month Fiscal Period Ended					
	September 28, 2025		September 29, 2024		Increase (Decrease)	
(in thousands, except percentages and number of stores)	Amount	% of Net Revenues	Amount	% of Net Revenues	Amount	%
Adjusted net income[1]	$ 79,014	4.6 %	$ 49,924	3.5 %	$ 29,090	58.3 %
Adjusted EBITDA[1]	$ 164,297	9.6 %	$ 121,063	8.5 %	$ 43,234	35.7 %
Comparable sales growth	10.5%		(7.6)%			
Adjusted comparable sales growth[3]	9.7%		(6.9)%			
Number of new stores opened	17		15			
Number of stores at period end	206		185			

(1) Adjusted net income and adjusted EBITDA are non-GAAP financial measures. Refer to *"—Reconciliation of Non-GAAP Financial Measures"* for reconciliation to the most comparable GAAP financial measures.

(2) Our KPIs are discussed and defined in the section titled *"—Key Performance Indicators and Non-GAAP Financial Measures."*

(3) Adjusted comparable sales growth for the nine-month fiscal periods ended September 28, 2025 and September 29, 2024, are presented on an adjusted basis to eliminate the impact of a $10.2 million anomalous timing shift in comparable sales for the third quarter of fiscal year 2024 as a result of a system outage impacting the final two delivery days of the third quarter of fiscal year 2024. See "*Risk Factors—Risks Related to Data Privacy and Information Technology—We rely extensively on computer systems to process transactions, summarize results and manage our business. Disruptions in both our primary and back-up systems could adversely affect our business and operating results.*"

Net Revenues

Net revenues increased $290.8 million or 20.4% in the nine months ended September 28, 2025 compared to the corresponding prior year period. Our retail channel increased $222.1 million, or 18.0%, and our eCommerce channel increased $68.7 million, or 35.5% for the nine months ended September 28, 2025 compared to the corresponding prior year period. The increase in total net revenues was primarily due to non-comparable sales of $149.6 million and comparable sales growth discussed below.

Comparable sales growth was 10.5% in the nine months ended September 28, 2025 compared to a decline of 7.6% in the prior year period, which are inclusive of an estimated $10.2 million anomalous timing shift of deliveries between the third and fourth quarters of fiscal year 2024 related to an information technology system outage impacting the final two delivery days of the third quarter of fiscal year 2024. Adjusting for this timing shift, our adjusted comparable sales growth was 9.7%, compared to a decline of 6.9% in the nine months ended September 29, 2024. The improvement in comparable sales growth and adjusted comparable sales growth was predominately driven by strong conversion in our retail channel. Traffic was positive across all channels, with particular strength in eCommerce. The increased eCommerce traffic led to a higher eCommerce mix of 15.3% of total net revenues in the nine months ended September 28, 2025 compared to 13.6% in the corresponding prior year period.

Gross Profit and Gross Margin

Gross profit increased $109.4 million or 16.2% in the nine months ended September 28, 2025 compared to the corresponding prior year period, primarily driven by the impact of higher net revenues partially offset by higher freight costs. Our results in the prior year benefited from unusually favorable short-term freight rates. We believe that the contracted rates we have been paying in fiscal year 2025 are more indicative of a normalized freight

environment. The impact of tariffs on goods imported into the U.S were fully offset by vendor contribution and pricing.

Gross margin decreased to 45.6% from 47.3% in the nine months ended September 28, 2025 compared to the corresponding prior year period, primarily due to higher freight costs as discussed above as well as customer preference for the "Good" product category mix relative to historical levels.

Selling, General and Administrative Expenses

SG&A increased $66.6 million or 11.2% in the nine months ended September 28, 2025 compared to the corresponding prior year period, primarily due to increases in payroll-related expenses of $37.2 million related to new store growth and commissions on net revenue growth. SG&A also increased due to higher occupancy costs of approximately $14.6 million and growth in marketing spend of $5.4 million, mostly as a result of an increase in the number of retail stores, higher bank fees of $3.1 million due to net revenue growth and an increase in depreciation expense of $2.3 million.

SG&A as a percentage of revenue decreased to 38.6% in the nine months ended September 28, 2025 compared to 41.8% in the corresponding prior year period due to broad-based expense leverage on higher sales performance.

Pre-Opening Expenses

Pre-opening expenses increased $1.6 million in the nine months ended September 28, 2025 compared to the corresponding prior year period driven by the timing of new store openings and a new regional distribution center anticipated to commence operations in early 2026.

(Gain) Loss on Disposal of Fixed Assets

The change in the (gain) loss on disposal of fixed assets was not significant in the nine months ended September 28, 2025 compared to the corresponding prior year period.

Restructuring Charges

In the first quarter of fiscal year 2025, the Company identified efficiencies to optimize overhead costs resulting in workforce reductions at the corporate headquarters. Restructuring costs of $0.3 million were recognized in the nine month fiscal period ended September 28, 2025 for these workforce reductions. All actions initiated in the first quarter of fiscal year 2025 have been completed and the Company does not expect any costs attributable to these actions in subsequent periods. All payments associated with these actions were made prior to September 28, 2025. No significant restructuring actions were initiated during the nine-month fiscal period ended September 29, 2024.

Insurance Recoveries

In the nine-month fiscal period ended September 28, 2025, the Company received $4.5 million in insurance recoveries for lost profits associated with the above-described information technology system outage and the related interruption of our business that occurred at the end of September 2024. See "*Risk Factors—Risks Related to Data Privacy and Information Technology—We rely extensively on computer systems to process transactions, summarize results and manage our business. Disruptions in both our primary and back-up systems could adversely affect our business and operating results*." There were no insurance recoveries in the nine-month fiscal period ended September 29, 2024.

Interest Expense

Interest expense in the nine-month fiscal period ended September 28, 2025 decreased $6.4 million compared to the corresponding prior year period driven by no outstanding borrowings in fiscal year 2025 following the voluntary prepayment of long term debt in fiscal year 2024.

Interest Income

Interest income in the nine-month fiscal period ended September 28, 2025 decreased $0.5 million compared to the corresponding prior year period, primarily related to lower income earned on our money market funds.

Other Income, Net

Other income in the nine-month fiscal period ended September 28, 2025 decreased $2.7 million compared to the corresponding prior year period, primarily due to lower income earned on our interest rate cap which matured in the third quarter of fiscal year 2025.

Income Tax Expense

Income tax expense was $29.3 million for the nine-month fiscal period ended September 28, 2025, compared to $11.9 million for the corresponding prior year period. The effective tax rate for the nine-month fiscal period ended September 28, 2025 of 26.6% increased from 19.4% in the corresponding prior year period. The increase in income tax expense was primarily due to higher income before taxes and a lower excess tax benefit from stock-based compensation in the fiscal period ended September 28, 2025, driven by lower stock option exercises compared to the prior year period. The volume of stock option exercises in the current period is at a more normalized level. The increase in the effective tax rate was primarily due to an increase in state tax expense, driven by higher income before taxes and a lower excess tax benefit from stock-based compensation in the current year.

Comparison of Fiscal Years 2024 and 2023

The following tables summarize key components of our results of operations for the periods indicated:

	Fiscal Year Ended					
	December 29, 2024		December 31, 2023		Increase (Decrease)	
(in thousands, except percentages)	Amount	% of Net Revenues	Amount	% of Net Revenues	Amount	%[1]
Net revenues	$ 2,028,143	100.0 %	$ 2,008,082	100.0 %	$ 20,061	1.0 %
Cost of sales	1,079,703	53.2 %	1,073,355	53.5 %	6,348	0.6 %
Gross profit	948,440	46.8 %	934,727	46.5 %	13,713	1.5 %
Selling, general, and administrative expenses	813,302	40.1 %	806,938	40.2 %	6,364	0.8 %
Pre-opening expenses	15,326	0.8 %	4,662	0.2 %	10,664	228.7 %
Loss on disposal of fixed assets	17	— %	2,226	0.1 %	(2,209)	(99.2)%
Impairment of long-lived assets	2,061	0.1 %	1,322	0.1 %	739	55.9 %
Restructuring charges	—	— %	1,760	0.1 %	(1,760)	NM
Total operating expenses	830,706	41.0 %	816,908	40.7 %	13,798	1.7 %
Operating income	117,734	5.8 %	117,819	5.9 %	(85)	(0.1)%
Interest expense	10,538	0.5 %	19,872	1.0 %	(9,334)	(47.0)%
Interest income	(2,450)	(0.1)%	(1,006)	(0.1)%	1,444	143.5 %
Other income, net	(3,778)	(0.2)%	(3,665)	(0.2)%	113	3.1 %
Total other expense, net	4,310	0.2 %	15,201	0.8 %	(10,891)	(71.6)%
Income before taxes	113,424	5.6 %	102,618	5.1 %	10,806	10.5 %
Income tax expense	25,491	1.3 %	24,519	1.2 %	972	4.0 %
Net income	$ 87,933	4.3 %	$ 78,099	3.9 %	9,834	12.6 %

(1) NM refers to a value that is not meaningful.

Key Performance Indicators and Non-GAAP Financial Measures[1][2]

	Fiscal Year Ended					
	December 29, 2024		December 31, 2023		Increase (Decrease)	
(in thousands, except percentages and number of stores)	Amount	% of Net Revenues	Amount	% of Net Revenues	Amount	%
Adjusted net income[1]	$ 90,754	4.5 %	$ 83,239	4.1 %	$ 7,515	9.0 %
Adjusted EBITDA[1]	193,994	9.6 %	195,037	9.7 %	(1,043)	(0.5)%
Comparable sales growth	(3.4)%		(7.4)%			
Number of new stores opened	19		7			
Number of stores at period end	189		171			

(1) Adjusted net income and Adjusted EBITDA are non-GAAP financial measures. Refer to "*—Reconciliation of Non-GAAP Financial Measures*" for reconciliations to the most comparable GAAP financial measures.

(2) Our KPIs are discussed and defined in the section titled *"—Key Performance Indicators and Non-GAAP Financial Measures*."

Net Revenues

Net revenues in fiscal year 2024 increased $20.1 million or 1.0% compared to fiscal year 2023. Our retail channel increased $4.9 million, or 0.3%, compared to fiscal year 2023 and our eCommerce channel increased $15.2 million, or 5.6%, compared to fiscal year 2023. The growth in our eCommerce channel was attributed to the full year impact of our website refresh in 2023, which increased our eCommerce mix to 14.1% of total sales in fiscal year 2024 from 13.5% of total sales in fiscal year 2023. The increase in total net revenues was primarily due to revenue from 19 new stores opened in fiscal year 2024 that contributed $72.6 million to net revenues. Net revenues also increased due to stronger customer conversion, and was partially offset by lower comparable store sales.

Comparable sales declined 3.4% in fiscal year 2024 compared to a decline of 7.4% in fiscal year 2023. Comparable sales declines were driven by overall challenges in the macroeconomic environment, including inflation, high interest rates, and a shift in consumer spending towards services. These factors contributed to a decline in industry-wide furniture demand, which adversely impacted our average order size and traffic, partially offset by higher conversion.

Gross Profit and Gross Margin

Gross profit in fiscal year 2024 increased $13.7 million or 1.5% compared to fiscal year 2023 driven by higher net revenues and targeted changes in product pricing across regional zones which increased product margin dollars. Gross margin increased to 46.8% compared to 46.5% in fiscal year 2023, driven by a reduction in average unit cost through vendor negotiations and improvements in our inventory management. Gross margin improvement was partially offset by higher average shipped cost per item, particularly during the second half of the year, related to ocean container availability and increased freight costs.

Selling, General and Administrative Expenses

SG&A expenses in fiscal year 2024 increased $6.4 million or 0.8% compared to fiscal year 2023 primarily due to higher occupancy costs of approximately $10.5 million as a result of an increase in the number of retail stores. SG&A also increased due to growth in marketing spend of $2.5 million primarily due to new stores and increases in payroll-related expenses of $2.8 million related to new store growth and annual merit increases. Partially offsetting these increases were reductions in third party labor expenses of $2.9 million and professional fees of $5.6 million. SG&A expenses as a percentage of net revenues was 40.1%, which was flat compared to fiscal year 2023.

Pre-Opening Expenses

Pre-opening expenses in fiscal year 2024 increased $10.7 million compared to fiscal year 2023 primarily due to the timing and number of new store openings with 19 new stores opened in fiscal year 2024 as compared to seven new stores in fiscal year 2023. Pre-opening expenses also increased due to an increase in new store occupancy expense driven primarily by the larger square footage of new stores that were opened in fiscal year 2024 as

compared to the square footage of new stores opened in fiscal year 2023, and an increase in new store marketing expense.

Loss on Disposal of Fixed Assets

The loss on disposal of fixed assets in fiscal year 2024 decreased $2.2 million compared to fiscal year 2023 due primarily to the disposal of capitalized software during fiscal year 2023 in connection with strategic investments in our customer-facing software solutions.

Impairment of Long-Lived Assets

The impairment of long-lived assets in fiscal year 2024 increased $0.7 million compared to fiscal year 2023 primarily as a result of an increase in write-offs of operating ROU assets of $0.5 million. The impairment loss in fiscal year 2024 related to the write-off of operating lease ROU assets of $1.3 million and property and equipment of $0.7 million for one store. The impairment loss in fiscal year 2023 related to the write-off of $0.8 million on operating lease ROU assets and $0.5 million on property and equipment for a separate store.

Restructuring Charges

The restructuring charges in fiscal year 2023 primarily related to workforce reductions at our corporate headquarters in the first quarter of fiscal year 2023. All actions initiated were completed by the end of fiscal year 2023, and the Company does not expect any further costs attributable to these actions. There were no restructuring charges in fiscal year 2024.

Interest Expense

Interest expense in fiscal year 2024 decreased $9.3 million compared to fiscal year 2023 primarily due to lower outstanding borrowings following the voluntary prepayments of our first lien note dated February 12, 2014 (“First Lien Note”) in fiscal years 2023 and 2024. At the end of fiscal year 2024, we had no long-term debt outstanding.

Interest Income

Interest income in fiscal year 2024 increased $1.4 million compared to fiscal year 2023 primarily related to income earned on higher balances in our money market funds.

Other Income, Net

Other income, net in fiscal year 2024 remained relatively flat when compared to fiscal year 2023.

Income Tax Expense

Income tax expense was $25.5 million in fiscal year 2024 compared to $24.5 million in fiscal year 2023. The effective tax rate was 22.5% in fiscal year 2024 and 23.9% in fiscal year 2023. The increase in income tax expense was primarily due to higher income before taxes, partially offset by a decrease in state tax expense. The decrease in the effective tax rate is primarily driven by the decrease in state income tax expense.

Comparison of Fiscal Year 2023 and Fiscal Year 2022

The following tables summarize key components of our results of operations for the periods indicated:

	Fiscal Year Ended					
	December 31, 2023		January 1, 2023		Increase (Decrease)	
(in thousands except percentages)	**Amount**	**% of Net Revenues**	**Amount**	**% of Net Revenues**	**Amount**	**%[1]**
Net revenues	$ 2,008,082	100.0 %	$ 2,105,508	100.0 %	$ (97,426)	(4.6)%
Cost of sales	1,073,355	53.5 %	1,252,072	59.5 %	(178,717)	(14.3)%
Gross profit	934,727	46.5 %	853,436	40.5 %	81,291	9.5 %
Selling, general, and administrative expenses	806,938	40.2 %	793,887	37.7 %	13,051	1.6 %
Pre-opening expenses	4,662	0.2 %	9,565	0.5 %	(4,903)	(51.3)%
Loss on disposal of fixed assets	2,226	0.1 %	28	— %	2,198	NM
Impairment of long-lived assets	1,322	0.1 %	—	— %	1,322	NM
Restructuring charges	1,760	0.1 %	—	— %	1,760	NM
Total operating expenses	816,908	40.7 %	803,480	38.2 %	13,428	1.7 %
Operating income	117,819	5.9 %	49,956	2.4 %	67,863	135.8 %
Interest expense	19,872	1.0 %	24,343	1.2 %	(4,471)	(18.4)%
Interest income	(1,006)	(0.1)%	(638)	— %	368	57.7 %
Other income, net	(3,665)	(0.2)%	(8,488)	(0.4)%	(4,823)	(56.8)%
Total other expense, net	15,201	0.8 %	15,217	0.7 %	(16)	(0.1)%
Income before taxes	102,618	5.1 %	34,739	1.6 %	67,879	195.4 %
Income tax expense	24,519	1.2 %	7,091	0.3 %	17,428	245.8 %
Net income	$ 78,099	3.9 %	$ 27,648	1.3 %	50,451	182.5 %

(1) NM refers to a value that is not meaningful.

Key Performance Indicators and Non-GAAP Financial Measures[1][2]

	Fiscal Year Ended					
	December 31, 2023		January 1, 2023		Increase (Decrease)	
(in thousands, except percentages and number of stores)	**Amount**	**% of Net Revenues**	**Amount**	**% of Net Revenues**	**Amount**	**%**
Adjusted net income	$ 83,239	4.1 %	$ 23,803	1.1 %	$ 59,436	249.7 %
Adjusted EBITDA	195,037	9.7 %	117,752	5.6 %	77,284	65.6 %
Comparable sales growth	(7.4)%		0.4%			
Number of stores opened	7		14			
Number of stores at period end	171		164			

(1) Adjusted net income and Adjusted EBITDA are non-GAAP financial measures. Refer to "*—Reconciliation of Non-GAAP Financial Measures*" for reconciliations to the most comparable GAAP financial measures.

(2) Our KPIs are discussed and defined in the section titled *"—Key Performance Indicators and Non-GAAP Financial Measures."*

Net Revenues

Net revenues in fiscal year 2023 decreased $97.4 million or 4.6% compared to fiscal year 2022. Our retail channel decreased $91.4 million, or 5.0%, compared to fiscal year 2022 and our eCommerce channel decreased $6.0 million, or 2.2%, compared to fiscal year 2022. The decrease in total net revenues was primarily due to macroeconomic trends negatively impacting industry demand in fiscal year 2023, in addition to the non-recurrence of abnormal backlog in fiscal year 2022. Deliveries benefitted in fiscal year 2022 as we improved our in-stock inventory position. Net revenues were partially offset by revenue from new stores opened in fiscal year 2023 of

$25.7 million. Our eCommerce channel net revenues as a percentage of total net revenues increased to 13.5% in fiscal year 2023 from 13.2% in fiscal year 2022.

Comparable sales declined 7.4% in fiscal year 2023 compared to an increase of 0.4% in fiscal year 2022. Comparable sales declines were driven by macroeconomic trends impacting industry demand, including the impacts of inflation and other challenges in the macroeconomic environment on discretionary consumer spending, which resulted in a decline in traffic to our stores. Comparable sales were also impacted by the non-recurrence of abnormal product backlog in fiscal year 2022, partially offset by higher customer conversion in our stores.

Gross Profit and Gross Margin

Gross profit in fiscal year 2023 increased $81.3 million or 9.5% compared to fiscal year 2022. driven by an improvement in our gross margin partially offset by lower net revenues. Gross margin increased to 46.5% compared to 40.5% in fiscal year 2022 primarily due to lower freight costs and a partial year impact of an increase in our average unit retails due to enhanced and localized strategic pricing capabilities that we implemented in fiscal year 2023.

Selling, General and Administrative Expenses

SG&A in fiscal year 2023 increased $13.1 million or 1.6% compared to fiscal year 2022 primarily due to growth in advertising spend of $19.7 million related to second half initiatives to fuel sales growth, an increase in bank fees of $12.7 million related to higher interest rates, and higher store occupancy costs of $7.7 million related to new store growth. Partially offsetting these increases were reductions in store headcount and payroll costs of $28.6 million related to lower commission-driven sales, and payroll savings generated by a one-time organizational restructuring at our corporate headquarters. SG&A expenses as a percentage of net revenues increased to 40.2% compared to 37.7% in fiscal year 2022 driven primarily by an overall increase in SG&A in addition to lower net revenues.

Pre-Opening Expenses

Pre-opening expenses in fiscal year 2023 decreased $4.9 million compared to fiscal year 2022 primarily due to the timing and number of new store openings with seven new stores opened in fiscal year 2023 as compared to 14 new stores in fiscal year 2022. Also contributing to lower pre-opening expenses is the smaller square footage of new stores that were opened in fiscal year 2023 as compared to our normal store footprint.

Loss on Disposal of Fixed Assets

The loss on disposal of fixed assets in fiscal year 2023 increased $2.2 million compared to fiscal year 2022 and due primarily to the disposal of capitalized software in connection with strategic investments in our customer-facing software solutions, compared to minimal activity in fiscal year 2022.

Impairment of Long-Lived Assets

The impairment of long-lived assets in fiscal year 2023 increased $1.3 million compared to fiscal year 2022. The impairment of long-lived assets in fiscal year 2023 related to the write-off of a single store's operating lease ROU assets of $0.8 million and property and equipment of $0.5 million. There was no impairment of long-lived assets in fiscal year 2022.

Restructuring Charges

The restructuring charges in fiscal year 2023 primarily related to workforce reductions at our corporate headquarters in the first quarter of fiscal year 2023. All actions initiated were completed by the end of fiscal year 2023. There were no restructuring charges in fiscal year 2022.

Interest Expense

Interest expense in fiscal year 2023 decreased $4.5 million compared to fiscal year 2022 primarily due to lower outstanding borrowings following the voluntary prepayments of our First Lien Note in fiscal year 2023.

Interest Income

Interest income in fiscal year 2023 increased $0.4 million compared to fiscal year 2022 primarily related to income earned on our money market funds.

Other Income

Other income in fiscal year 2023 decreased $4.8 million compared to fiscal year 2022 primarily due to $2.7 million in lower income on the sale of income tax credits for the State of Connecticut and $1.4 million in lower income earned on our interest rate cap.

Income Tax Expense

Income tax expense was $24.5 million in fiscal year 2023 compared to $7.1 million in fiscal year 2022. The effective tax rate was 23.9% in fiscal year 2023 and 20.4% in fiscal year 2022. The increase in income tax expense and the effective tax rate was primarily due to higher income before taxes and the absence of a benefit in fiscal year 2022 due to the reversal of a valuation allowance, partially offset by an increase in the excess tax benefit related to stock-based compensation.

Unaudited Quarterly Results of Operations Data

The following table sets forth our unaudited quarterly condensed consolidated statements of operations data for each of the seven quarters ended September 28, 2025, as well as certain KPIs and non-GAAP financial measures for the same period. In the opinion of management, the unaudited condensed consolidated statements of operations data set forth below reflect all adjustments that are necessary for the fair statement of such data. Our historical results are not necessarily indicative of the results that may be expected in the future, and the results for any quarter are not necessarily indicative of results to be expected for a full year or any other period. The following quarterly financial data should be read in conjunction with our financial statements and the related notes included elsewhere in this prospectus, as well as "*—Key Performance Indicators and Non-GAAP Financial Measures*" and "*—Reconciliation of Non-GAAP Financial Measures*."

	Three-Month Fiscal Period Ended						
(in thousands except percentages)	**September 28, 2025**	**June 29, 2025**	**March 30, 2025**	**December 29, 2024**	**September 29, 2024**	**June 30, 2024**	**March 31, 2024**
Consolidated Statement of Operations Data							
Net revenues	$ 616,919	$ 569,529	$ 532,764	$ 599,761	$ 490,296	$ 474,210	$ 463,876
YoY sales growth	25.8 %	20.1 %	14.9 %	16.4 %	(1.5)%	(4.0)%	(7.4)%
Gross profit	$ 283,827	$ 264,341	$ 236,643	$ 273,039	$ 230,022	$ 224,710	$ 220,669
Gross profit as a percentage of net revenues	46.0 %	46.4 %	44.4 %	45.5 %	46.9 %	47.4 %	47.6 %
Net income	$ 32,342	$ 35,210	$ 13,145	$ 38,621	$ 12,740	$ 18,974	$ 17,598
Net income as a percentage of net revenues	5.2 %	6.2 %	2.5 %	6.4 %	2.6 %	4.0 %	3.8 %
Key Performance Indicators and Non-GAAP Financial Measures[(1)(2)]							
Adjusted net income	$ 32,728	$ 32,207	$ 14,079	$ 40,830	$ 12,851	$ 18,580	$ 18,493
Adjusted net income as a percentage of net revenues	5.3 %	5.7 %	2.6 %	6.8 %	2.6 %	3.9 %	4.0 %
Adjusted EBITDA	$ 64,208	$ 62,834	$ 37,255	$ 72,931	$ 38,400	$ 43,885	$ 38,778

Adjusted EBITDA as a percentage of net revenues	10.4 %	11.0 %	7.0 %	12.2 %	7.8 %	9.3 %	8.4 %
Comparable sales growth	14.6 %	10.5 %	6.2 %	8.7 %	(6.2)%	(7.1)%	(9.5)%
Adjusted comparable sales growth[3]	12.3 %	10.5 %	6.2 %	6.8 %	(4.2)%	(7.1)%	(9.5)%
Number of new stores opened	8	5	4	4	8	7	—
Number of stores at period end	206	198	193	189	185	177	170

(1) Adjusted net income and Adjusted EBITDA are non-GAAP financial measures. Refer to "*—Reconciliation of Non-GAAP Financial Measures*" for reconciliations to the most comparable GAAP financial measures.

(2) Our KPIs are discussed and defined in the section titled *"—Key Performance Indicators and Non-GAAP Financial Measures."*

(3) Adjusted comparable sales growth for the three-month fiscal periods ended September 28, 2025, December 29, 2024 and September 29, 2024, are presented on an adjusted basis to eliminate the impact of a $10.2 million anomalous timing shift in comparable sales for the third quarter of fiscal year 2024 as a result of a system outage impacting the final two delivery days of the third quarter of fiscal year 2024. See "*Risk Factors—Risks Related to Data Privacy and Information Technology—We rely extensively on computer systems to process transactions, summarize results and manage our business. Disruptions in both our primary and back-up systems could adversely affect our business and operating results.*"

Reconciliation of Non-GAAP Financial Measures

The following tables show a reconciliation of non-GAAP financial measures used in this filing to the most directly comparable GAAP financial measures. For information about why we consider Adjusted net income and Adjusted EBITDA useful and a discussion of material risks and limitations of these measures, please see "*—Key Performance Indicators and Non-GAAP Financial Measures*" and "*—Reconciliation of Non-GAAP Financial Measures*."

	Nine-Month Fiscal Period Ended	
(in thousands except percentages)	**September 28, 2025**	**September 29, 2024**
Net revenues	$ 1,719,212	$ 1,428,382
Adjusted net income		
Net income	$ 80,697	$ 49,312
Restructuring charges	292	—
Insurance recoveries	(4,497)	—
Gain on hedge accounting de-designation of interest rate cap	—	(3,067)
(Gain) loss on disposal of fixed assets	(134)	10
Management fee[1]	1,531	1,506
Other expenses[2]	554	2,342
Tax effect of adjustments	571	(179)
Adjusted net income	$ 79,014	$ 49,924
Adjusted net income as % of net revenues	4.6 %	3.5 %
Adjusted EBITDA		
Net income	$ 80,697	$ 49,312
Interest expense	3,201	9,644
Interest income	(1,502)	(2,039)
Income tax expense	29,282	11,879
Depreciation and amortization	52,084	48,682
Stock-based compensation expense	2,789	2,794
Restructuring charges	292	—

Insurance recoveries	(4,497)	—
Gain on hedge accounting de-designation of interest rate cap	—	(3,067)
(Gain) loss on disposal of fixed assets	(134)	10
Management fee[1]	1,531	1,506
Other expenses[2]	554	2,342
Adjusted EBITDA	$ 164,297	$ 121,063
Adjusted EBITDA as % of net revenues	9.6 %	8.5 %

(1) Represents management fees paid in accordance with our Advisory Agreement with our controlling stockholder, which will terminate in connection with the consummation of our proposed initial public offering ("IPO"). See "*Certain Relationships and Related Party Transactions—Advisory Agreement*."

(2) Other expenses represents costs that are not indicative of ongoing business operations and performance, including, but not limited to, third-party professional fees related to the planned IPO readiness, litigation matters outside the ordinary course of business and senior executive termination benefits.

(in thousands except percentages)	Fiscal Year Ended December 29, 2024	December 31, 2023	January 1, 2023
Net revenues	$ 2,028,143	$ 2,008,082	$ 2,105,508
Adjusted net income			
Net income	$ 87,933	$ 78,099	$ 27,648
Restructuring charges	—	1,760	—
Gain on hedge accounting de-designation of interest rate cap	(3,067)	(4,250)	(4,244)
Gain on sale of Connecticut income tax credits	—	(219)	(2,909)
Loss on disposal of fixed assets	17	2,226	28
Impairment of long-lived assets	2,061	1,322	—
Senior executive termination benefits[1]	—	2,789	—
Management fee[2]	2,013	2,307	2,155
Other expenses[3]	2,616	819	140
Tax effect of adjustments	(819)	(1,614)	985
Adjusted net income	$ 90,754	$ 83,239	$ 23,803
Adjusted net income as % of net revenues	4.5 %	4.1 %	1.1 %
Adjusted EBITDA			
Net income	$ 87,933	$ 78,099	$ 27,648
Interest expense	10,538	19,872	24,343
Interest income	(2,450)	(1,006)	(638)
Income tax expense	25,491	24,519	7,091
Depreciation and amortization	65,194	62,876	60,707
Stock-based compensation expense	3,648	3,923	3,431
Restructuring charges	—	1,760	—
Gain on hedge accounting de-designation of interest rate cap	(3,067)	(4,250)	(4,244)
Gain on sale of Connecticut income tax credits	—	(219)	(2,909)
Loss on disposal of fixed assets	17	2,226	28
Impairment of long-lived assets	2,061	1,322	—
Senior executive termination benefits[1]	—	2,789	—
Management fee[2]	2,013	2,307	2,155
Other expenses[3]	2,616	819	140
Adjusted EBITDA	$ 193,994	$ 195,037	$ 117,752
Adjusted EBITDA as % of net revenues	9.6 %	9.7 %	5.6 %

(1) Senior executive termination benefits represent salary and benefits continuation.

(2) Represents management fees paid in accordance with our Advisory Agreement with our controlling stockholder, which will terminate in connection with the consummation of this offering. See "*Certain Relationships and Related Party Transactions—Advisory Agreement*."

(3) Other expenses represent costs and investments that are not indicative of our ongoing business operations and performance. For fiscal year 2024, these expenses consisted primarily of third-party professional fees related to initial public offering readiness. For fiscal years 2023 and 2022, these expenses consisted primarily of litigation matters outside the ordinary course of business.

(in thousands except percentages)	Three-Month Fiscal Period Ended						
	September 28, 2025	June 29, 2025	March 30, 2025	December 29, 2024	September 29, 2024	June 30, 2024	March 31, 2024
Net revenues	$ 616,919	$ 569,529	$ 532,764	$ 599,761	$ 490,296	$ 474,210	$ 463,876
Adjusted net income							
Net income	$ 32,342	$ 35,210	$ 13,145	$ 38,621	$ 12,740	$ 18,974	$ 17,598
Restructuring charges	—	—	292	—	—	—	—
Insurance recoveries	—	(4,497)	—	—	—	—	—
Gain on hedge accounting de-designation of interest rate cap	—	—	—	—	(1,377)	(1,690)	—
(Gain) loss on disposal of fixed assets	2	(157)	21	7	2	8	—
Impairment of long-lived assets	—	—	—	2,061	—	—	—
Management fee[1]	515	500	516	507	506	500	500
Other expenses[2]	—	51	503	274	1,013	682	647
Tax effect of adjustments	(131)	1,100	(398)	(640)	(33)	106	(252)
Adjusted net income	$ 32,728	$ 32,207	$ 14,079	$ 40,830	$ 12,851	$ 18,580	$ 18,493
Adjusted net income as % of net revenues	5.3 %	5.7 %	2.6 %	6.8 %	2.6 %	3.9 %	4.0 %
Adjusted EBITDA							
Net income	$ 32,342	$ 35,210	$ 13,145	$ 38,621	$ 12,740	$ 18,974	$ 17,598
Interest expense	1,077	1,221	903	894	2,783	3,752	3,109
Interest income	(839)	(263)	(400)	(411)	(310)	(1,083)	(646)
Income tax expense	12,125	12,531	4,626	13,612	5,512	5,560	807
Depreciation and amortization	18,019	17,307	16,758	16,512	16,589	16,200	15,893
Stock-based compensation expense	967	931	891	854	942	982	870
Restructuring charges	—	—	292	—	—	—	—
Insurance recoveries	—	(4,497)	—	—	—	—	—
Gain on hedge accounting de-designation of interest rate cap	—	—	—	—	(1,377)	(1,690)	—
(Gain) loss on disposal of fixed assets	2	(157)	21	7	2	8	—
Impairment of long-lived assets	—	—	—	2,061	—	—	—
Management fee[1]	515	500	516	507	506	500	500
Other expenses[2]	—	51	503	274	1,013	682	647
Adjusted EBITDA	$ 64,208	$ 62,834	$ 37,255	$ 72,931	$ 38,400	$ 43,885	$ 38,778
Adjusted EBITDA as % of net revenues	10.4 %	11.0 %	7.0 %	12.2 %	7.8 %	9.3 %	8.4 %

(1) Represents management fees paid in accordance with our Advisory Agreement with our controlling stockholder, which will terminate in connection with the consummation of our proposed IPO. See "*Certain Relationships and Related Party Transactions—Advisory Agreement*."

(2) Other expenses represent costs and investments that are not indicative of our ongoing business operations and performance. These expenses consisted primarily of third-party professional fees related to the planned IPO readiness, litigation matters outside of the ordinary course of business and senior executive termination benefits.

Liquidity and Capital Resources

Overview

Our primary sources of liquidity are net cash flows provided by operating activities and available borrowings under our $125.0 million Revolving Credit Facility and our $350.0 million Term Loan B (the "Term Loan"). Our

primary cash needs have historically been for merchandise inventories, payroll, advertising, rent, interest payments, and capital expenditures associated with opening new stores and updating existing stores, as well as the development of our infrastructure and information technology. The recent increase in cash used for merchandise inventories was the result of strategic inventory purchases and is in line with higher sales. We expect further investments in inventory to be commensurate with higher sales from new stores and comparable sales growth. We expect that our cash on hand, cash generated from operations and the availability of borrowings under our Revolving Credit Facility and our $350.0 million Term Loan will be sufficient to meet our liquidity requirements for at least the next twelve months. We seek out and evaluate opportunities for effectively managing and deploying capital in ways that improve working capital and support and enhance our business initiatives and strategies. At September 28, 2025, we had total liquidity of $247.8 million, comprised of cash and cash equivalents of $123.4 million and available borrowing capacity of $124.4 million.

Material Cash Commitments

We consider our material contractual obligations when assessing liquidity.

Debt and Related Interest Payments

At September 28, 2025, we had no amounts outstanding under our Revolving Credit Facility, which matures in July 2029; therefore, no amounts are estimated to be paid on our Revolving Credit Facility within one year. With no debt outstanding under the Revolving Credit Facility, interest payments on our financing arrangements for the fiscal year ending December 28, 2025 will be dependent on our cash flow needs and any short-term borrowing under our Revolving Credit Facility in fiscal year 2025. The interest rate and subsequent payments related to the Revolving Credit Facility are dependent on the secured overnight financing rate.

On October 31, 2025, we entered into a $350 million Term Loan having a maturity date of October 31, 2032 and bearing interest of 4.00% plus the Secured Overnight Financing Rate (“SOFR”), with a SOFR floor of 0%. Contracted payments are 1% of the Term Loan annually, with 0.25% paid quarterly beginning in June 2026. The Company is required to prepay the Term Loan with net proceeds from an initial public offering of the Company’s common stock. Proceeds from this Term Loan were used to pay the dividend discussed below.

We may be impacted by increases in interest rates on debt outstanding; to mitigate this risk, we evaluate interest rate cap agreements to manage our exposure to interest rate movements.

Dividend

On October 31, 2025, the Company’s Board of Directors declared a dividend of $2.45 per share on all outstanding shares of common stock (or an aggregate of approximately $423.3 million), which was paid on or before November 14, 2025, to stockholders of record on October 31, 2025, together with a compensatory make-whole payment in an aggregate amount of $2.6 million to the holders of certain of our outstanding options.

Leasing

Future rental payments for operating and financing leases total $1.0 billion and $65.4 million, respectively, as of September 28, 2025.

Capital Expenditures

Historically, we have invested significant capital in opening new stores and we anticipate additional capital expenditures as we open more stores. Our capital expenditures are related to construction activities to design and build landlord-owned leased assets, net of tenant allowances received. Certain lease arrangements require the landlord to fund a portion of the construction related costs through payments directly to us. New stores may require different levels of capital investment on our part in the future. Total capital expenditures, net of tenant allowances, were $41.1 million for the nine months ended September 28, 2025, of which the largest portion relates to new and remodeled stores. Total capital expenditures, net of tenant allowances, were $64.0 million in fiscal year 2024, of which the largest portion relates to new and remodeled stores.

Restricted Cash

The Company maintains certain cash balances that are restricted as to withdrawal or use. Restricted cash is comprised primarily of cash used as collateral with the Company's insurance carrier related to a portion of our workers' compensation and automobile insurance obligations. At September 28, 2025, we had $9.4 million in restricted cash.

Cash Flow Analysis

The following table provides a summary of our cash provided by operating, investing and financing activities:

	Nine-Month Fiscal Period Ended		Fiscal Year Ended		
(in thousands)	September 28, 2025	September 29, 2024	December 29, 2024	December 31, 2023	January 1, 2023
Net cash provided by operating activities	$ 118,748	$ 92,025	$ 161,154	$ 197,172	$ 51,993
Net cash used in investing activities	(57,989)	(60,145)	(78,224)	(22,773)	(49,733)
Net cash used in financing activities	(8,570)	(102,161)	(105,469)	(94,527)	(89,749)
Net (decrease) increase in cash and cash equivalents	$ 52,189	$ (70,281)	$ (22,539)	$ 79,872	$ (87,489)

Operating Activities

Net cash provided by operating activities in the nine months ended September 28, 2025 was $118.7 million, primarily resulting from our net income of $80.7 million and non-cash charges of $119.3 million, both partially offset by changes in operating assets and liabilities resulting in a net use of cash of $81.3 million. Net cash used by changes in our operating assets and liabilities consisted primarily of a $37.3 million increase in inventories, a $36.7 million increase in operating leases, a $5.6 million increase in prepaid and other current assets, a $4.1 million increase in accounts receivable, and a $7.5 million decrease in accounts payable, all partially offset by a $12.5 million increase in customer deposits.

Net cash provided by operating activities in the nine months ended September 29, 2024 was $92.0 million, primarily resulting from our net income of $49.3 million and non-cash charges of $112.1 million, both partially offset by changes in operating assets and liabilities resulting in a net use of cash of $69.4 million. Net cash used by changes in our operating assets and liabilities consisted primarily of a $58.2 million increase in inventories, a $38.5 million increase in operating leases, and a $16.4 million increase in prepaid and other current assets, all partly offset by a $36.8 million increase in accounts payable, and a $6.4 million increase in customer deposits.

Net cash provided by operating activities in fiscal year 2024 was $161.2 million, primarily resulting from our net income of $87.9 million and non-cash charges of $145.0 million, both partially offset by changes in operating assets and liabilities resulting in a net use of cash of $71.8 million. Net cash used by changes in our operating assets and liabilities consisted primarily of a $76.4 million increase in inventories, a $57.7 million increase in operating leases, a $10.1 million increase in prepaid and other current assets and a $5.3 million increase in accounts receivable, all partially offset by a $72.9 million increase in accounts payable, and a $4.2 million increase in customer deposits.

Net cash provided by operating activities in fiscal year 2023 was $197.2 million, primarily resulting from our net income of $78.1 million and non-cash charges of $138.1 million, both partially offset by changes in operating assets and liabilities, resulting in a net use of cash of $19.0 million. Net cash used by changes in our operating assets and liabilities consisted primarily of a $61.5 million increase in operating leases, a $12.6 million increase in accounts payable, a $5.8 million increase in other assets, and a $4.0 million increase in prepaids and other current assets, all partially offset by a $44.0 million decrease in inventories and a $4.1 million decrease in customer deposits.

Net cash provided by operating activities in fiscal year 2022 was $52.0 million, primarily resulting from our net income of $27.6 million and non-cash charges of $130.1 million, both partially offset by changes in operating assets and liabilities, resulting in a net use of cash of $105.7 million. Net cash used by changes in our operating assets and liabilities consisted primarily of a $51.5 million increase in operating leases, a $34.5 million increase in inventories, a $33.2 million increase in accounts payable, a $8.8 million increase in accounts receivable, and a $2.8 million increase in other assets, all partially offset by a $56.9 million decrease in customer deposits, a $13.0 million decrease in accrued expenses, and a $2.5 million decrease in prepaids and other current assets.

Investing Activities

Net cash used in investing activities in the nine months ended September 28, 2025 was $58.0 million, which consisted primarily of purchases of property and equipment, net of tenant allowances, associated with the 17 new store openings in the nine months ended September 28, 2025 together with investments in business information systems.

Net cash used in investing activities in the nine months ended September 29, 2024 was $60.1 million, which consisted primarily of purchases of property and equipment, net of tenant allowances, associated with the 15 new store openings in the nine months ended September 29, 2024 together with investments in business information systems.

Net cash used in investing activities in fiscal year 2024 was $78.2 million, which consisted of purchases of property and equipment primarily associated with the 19 new store openings in fiscal year 2024.

Net cash used in investing activities in fiscal year 2023 was $22.8 million, which consisted of $29.8 million in purchases of property and equipment primarily associated with the seven new store openings in fiscal year 2023, partially offset by $7.0 million in proceeds from the reduction in our interest rate cap.

Net cash used in investing activities in fiscal year 2022 was $49.7 million, which consisted of $51.4 million in purchases of property and equipment primarily associated with the 14 new store openings in fiscal year 2022, partially offset by $1.7 million in proceeds from the reduction in our interest rate cap.

Financing Activities

Net cash used in financing activities in the nine months ended September 28, 2025 was $8.6 million, consisting of $8.3 million in principal payments on financing lease obligations, $1.1 million in payments for the acquisition of treasury stock, both of which were partially offset by $1.2 million in net proceeds related to the exercise of employee stock options.

Net cash used in financing activities in the nine months ended September 29, 2024 was $102.2 million, consisting of $82.9 million of voluntary prepayments on our First Lien Note, $6.5 million in principal payments on financing lease obligations, $7.1 million in payments related to the exercise of employee stock options, and $5.6 million in payments for the acquisition of treasury stock.

Net cash used in financing activities in fiscal year 2024 was $105.5 million, consisting of $82.9 million of payments on our First Lien Note, $30.0 million in payments on our Line of Credit, $9.0 million in principal payments on financing lease obligations, $7.6 million in payments related to the exercise of employee stock options, and $6.0 million in payments for the acquisition of treasury stock, partially offset by $30.0 million in proceeds from our Line of Credit.

Net cash used in financing activities in fiscal year 2023 was $94.5 million, consisting of $77.0 million in payments on our Line of Credit, $66.5 million of payments on our First Lien Note, $8.3 million in principal payments on financing lease obligations, $5.8 million in payments related to the exercise of employee stock options and $4.0 million in payments for the acquisition of treasury stock, partially offset by $67.0 million in proceeds from our Line of Credit.

Net cash used in financing activities in fiscal year 2022 was $89.7 million, consisting primarily of $97.3 million of payments on our First Lien Note, $10.0 million in payments on our Line of Credit, $7.5 million in payments of

debt issuance costs, and $7.2 million in principal payments on financing lease obligations, partially offset by $20.0 million in proceeds from our Line of Credit and $13.3 million in proceeds from the issuance of common stock.

Off-Balance Sheet Arrangements

As of September 28, 2025 and December 29, 2024, we had no significant off-balance sheet arrangements other than short-term purchase obligations, and $10.0 million and $1.2 million of outstanding standby letters of credit, respectively.

Recent Accounting Standards

Refer to *Note 2, Summary of Significant Accounting Policies* of the notes to the audited consolidated financial statements and interim condensed consolidated financial statements included elsewhere in this prospectus for information on the recently issued accounting standards.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions about future events that affect amounts reported in our consolidated financial statements and related notes as well as the related disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Management evaluates its accounting policies, estimates, and judgments on an ongoing basis. Management bases its estimates and judgments on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ under different assumptions and conditions, and such differences could be material to the consolidated financial statements.

Management evaluated the development and selection of its critical accounting policies and estimates and believes that the following accounting policies are critical as they involve a higher degree of judgment or complexity and are the most significant to reporting our results of operations and financial position. The following critical accounting policies reflect the significant estimates and judgments used in the preparation of our consolidated financial statements. With respect to critical accounting policies, even a relatively minor variance between actual and expected experience can potentially have a materially favorable or unfavorable impact on subsequent results of operations. All of our significant accounting policies are discussed in *Note 2, Summary of Significant Accounting Policies* to our audited consolidated financial statements included elsewhere in this prospectus.

Long-Lived Assets

Lease Accounting

Our long-lived assets primarily consist of property and equipment and operating ROU assets. At September 28, 2025, December 29, 2024 and December 31, 2023, our property and equipment was $311.5 million, $280.4 million and $247.5 million, respectively, and our operating ROU assets were $630.1 million, $533.7 million and $490.4 million, respectively. Property and equipment is recorded at cost, less accumulated depreciation, and amortization. ROU assets are recognized at the lease commencement date based on the present value of the remaining future minimum lease payments during the lease term, taking into consideration lease payments made before lease commencement and lease incentives and are recorded net of impairment. Our ROU asset calculations contain uncertainties as they require management to make assumptions and apply judgment, including lease terms and incremental borrowing rates (“IBRs”).

At lease commencement, we evaluate whether we are reasonably certain to exercise available options based on consideration of a variety of economic factors and the circumstances related to the leased asset. Factors considered include, but are not limited to, (i) the contractual terms, including renewal periods compared to estimated market rates, (ii) the uniqueness or importance of the asset or its location, (iii) the potential costs of obtaining an alternative asset, (iv) the potential costs of relocating or ceasing use of the asset, including the consideration of leasehold improvements and other invested capital, and (v) any potential tax consequences. The determination of the

reasonably certain lease term affects the inclusion of rental payments utilized in the incremental borrowing rate calculations and the results of the lease classification test.

Additionally, as the implicit rate is not readily determinable in most of our leases, we determine the discount rate for each lease based upon our IBR in order to calculate the present value of the lease liability at the commencement date. The IBR is computed as the rate of interest that we would have to pay to borrow on a collateralized basis over a similar term an amount equal to the total lease payments in a similar economic environment. We estimate the IBR for each lease by considering the Company's credit profile, reference to yield rates on debt issuances by companies of a similar credit rating, and the weighted-average lease term.

Store Impairment

We evaluate the recoverability of the carrying value of long-lived assets, including our stores, whenever events or circumstances indicate the carrying amount may not be recoverable. We evaluate the performance of individual stores for indicators of impairment, and underperforming stores are selected for further evaluation of the recoverability of the carrying amounts. The evaluation of long-lived assets is performed at the lowest level of identifiable cash flows, which is at the individual retail store level.

Conditions that may indicate impairment include, but are not limited to, a significant adverse change in customer demand or business climate that could affect the value of an asset, a product recall or an adverse action or assessment by a regulator. Further, management considers other factors when evaluating stores for impairment, including the individual store's execution of its operating plan and other local market conditions. If the sum of the estimated undiscounted future cash flows related to the asset are less than the carrying value, we recognize a loss equal to the difference between the carrying value and the fair value, usually determined by the estimated discounted cash flow analysis of the asset.

Since there is typically no active market for our long-lived tangible assets, we estimate fair values based on the expected future cash flows. We estimate future cash flows based on store-level historical results, current trends, and operating and cash flow projections. Our estimates are subject to uncertainty and may be affected by a number of factors outside our control, including general economic conditions and the competitive environment. While we believe our estimates and judgments about future cash flows are reasonable, future impairment charges may be required if the expected cash flow estimates, as projected, do not occur or if events change requiring us to revise our estimates.

Quantitative and Qualitative Disclosures about Market Risk

Foreign Currency Exchange Risk

We purchase the majority of our inventory from vendors outside of the United States in transactions that are primarily denominated in U.S. dollars and, as such, any foreign currency impact related to these international purchase transactions was not significant to us for the nine-month fiscal periods ended September 28, 2025 and September 29, 2024 and fiscal years 2024, 2023 and 2022. However, since we pay for the majority of our international purchases in U.S. dollars, a decline in the U.S. dollar relative to other foreign currencies would subject us to risks associated with increased purchasing costs from our vendors. We cannot predict with certainty the effect these increased costs may have on our financial statements or results of operations. We currently do not use derivative instruments to manage this risk.

Interest Rate Risk

We are primarily exposed to interest rate risk with respect to borrowing under our credit facility. At September 28, 2025, we had no long-term debt outstanding. Our interest rate risk exposure over the next twelve months would be dependent on the amount borrowed under the Revolving Credit Facility. To lessen our exposure to interest rate risk, we had previously entered into interest rate cap agreements which hedged all variable-rate borrowings and have since expired, but could be considered as part of future interest rate risk mitigation.

Impact of Inflation

Periods of higher or increasing inflation may reduce the level of discretionary consumer spending and inhibit customers' use of credit, which can adversely affect our comparable sales. In addition, inflation generally affects us by increasing our cost of labor, material, transportation, and our general costs. For example, in fiscal year 2022 and fiscal year 2024 and again in the nine-month fiscal period ended September 28, 2025 and September 29, 2024, we experienced increases in ocean freight rates which impacted our profitability. In fiscal year 2022, we were able to recover these cost increases through price increases. We also attempt to mitigate the impacts of inflation by negotiating vendor arrangements with more favorable pricing and other terms. However, we cannot reasonably estimate our ability to successfully recover any impact of inflation through price increases or negotiations with vendors in the future. We currently do not use derivative instruments to manage this risk.

Business

THE BOB'S WAY

"The Bob's Way" embodies our brand and culture. It's our unwavering commitment to honesty, integrity, transparency and fun in every aspect of our business – an ethos that has remained unchanged for more than 30 years and continues to be our North Star as we help our customers turn the places they live into the homes they love.

Our Ambition

To become America's leading omnichannel retailer of quality, stylish furniture at everyday low prices

Our Belief

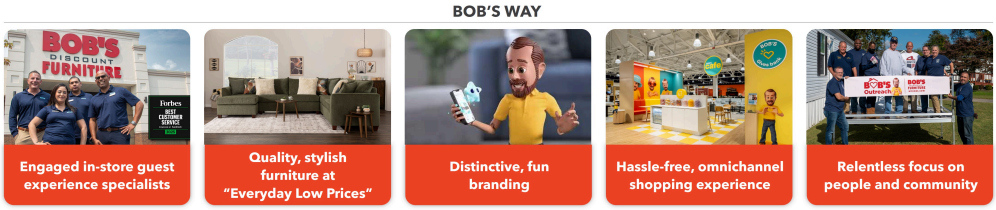
We can help everyone turn the place they live into the home they love

Our Promise

We deliver value without compromise

Our Company

Bob's Discount Furniture is a rapidly growing, nationally proven omnichannel retailer of value home furnishings with 206 showrooms as of September 28, 2025 across 26 U.S. states. Since our founding in 1991, we have built our ethos as a trusted and reliable brand offering superior value and service, without compromising on quality or style. Our business model is anchored in delivering furniture at "Everyday Low Prices," which we estimate results in our prices being on average approximately 10% below our value-oriented furniture competitors' lowest promoted prices, which we estimate is equivalent to approximately 20-25% below their listed prices. At the heart of Bob's success is not just the value of our furniture, but the team members who bring our promise to life every day. From showroom to living room, it's our people who make Bob's feel like home.



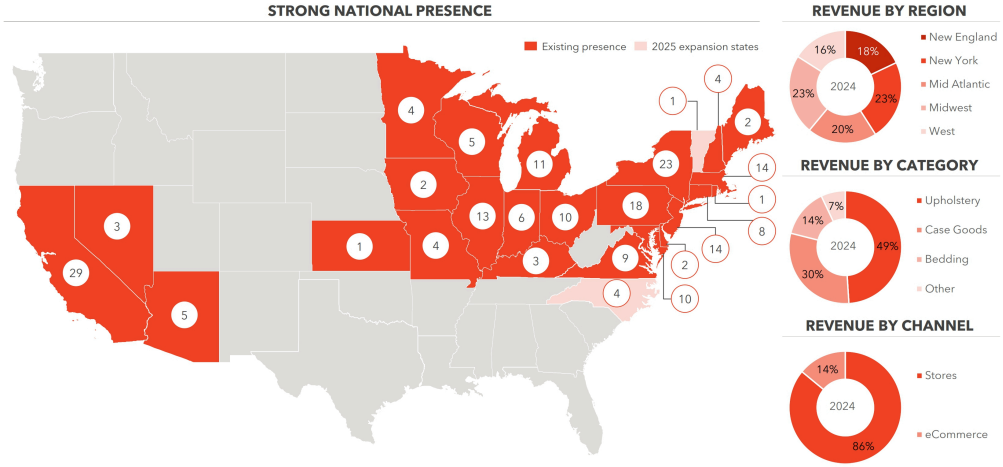
Our value proposition is made possible by our curated merchandising strategy, longstanding sourcing relationships and efficient supply chain. Our merchants target an assortment of products that is narrow and deep, which allows us to drive innovation and cost efficiency. Based on internal estimates, we believe our SKU counts are approximately one-third narrower than our value-oriented furniture competitors. Products are also tailored based on proven market trends and customer demand. Our "Good, Better, Best" assortment strategy ensures we offer customers value at every price point, driving an average order value of approximately $1,400 per transaction, excluding sales at our outlets. Our go-to-market strategy emphasizes a convenient and fun shopping experience, integrated with our online platform and supported by our trained, tech-enabled guest experience specialists. We target our showrooms to average approximately 32,000 square feet and have generated consistently strong store-level financial returns across vintages, geographic regions and population densities.

Our efficient fulfillment process ensures most purchases have the ability to be delivered in as few as three days, rather than weeks, providing customers with a swift and reliable shopping journey. Speed and consistency of customer deliveries are enabled by our vertically integrated logistics network, anchored by five strategically located distribution centers and additional third-party regional depots. Disciplined inventory management ensures product availability matches customer demand and delivery preference, with approximately 86% of orders during the nine-

month fiscal period ended September 28, 2025 in-stock and ready to be delivered in as few as three days from the time of purchase. Our expeditious delivery timeline and overall convenience are key elements of our value proposition and we believe greatly enhance our overall customer experience.

Over the past decade, we have made substantial investments in our omnichannel capabilities, enabling a seamless shopping experience across digital and physical platforms. Customers can shop online, in-store, over the phone and via our mobile app, with unified shopping cart functionality and consistent service quality. Approximately 73% of our in-store customers reported engaging with us across multiple channels in fiscal year 2025, reflecting the strength of our integrated platform. To deliver this seamless customer experience, we leverage a highly integrated operating system that draws on the same inventory, pricing and logistics network whether our customers buy in-store or online. We believe our momentum, combined with our scale, enjoyable showroom and omnichannel journey, favorably positions us to grow profitably and continue to increase market share.

We believe there remains significant opportunity to expand our store base in both existing markets and new geographies. Our growth strategy is fueled by significant and proven whitespace potential, a disciplined market entry playbook and attractive unit economics, with new stores historically generating rapid payback periods and 80+% cash-on-cash returns. Our growth is guided by a disciplined playbook that informs what markets to enter and how to enter them. We focus our expansion on areas with strong furniture demand, particularly where there are existing furniture stores, to optimize capture of qualified customers in the market. Our brand and business model has resonated across market sizes and with a diverse range of customers. As our brand awareness grows in new and existing markets, our demand increases, which in turn allows us to invest even more heavily in customer awareness and thus continually drive stronger store performance. With a proven name, a loyal customer base and a business model designed to generate high returns on capital, we believe that we are well-positioned to expand our store base to more than 500 stores in our existing format by 2035, as described in more detail below.



Map reflects data as of September 28, 2025; Revenue data for fiscal year 2024

Our belief that everyone deserves a home they love is reflected in how we operate daily and the appreciation we have for our people and communities. From our in-store guest experience specialists who create a no-pressure, no-gimmicks shopping experience, to our distribution and logistics teams who enable fast, reliable fulfillment, Bob's is built on the dedication of more than 5,800 team members nationwide, as of September 28, 2025. By investing in training, promoting collaboration and rewarding accountability, we foster a culture that creates long-term loyalty to Bob's, exemplified by an attractive average tenure of approximately seven years for our store managers. Our unique marketing, in-store experience and community engagement all focus on a friendly and relatable work environment that we believe makes working at Bob's less intimidating and more enjoyable.

Bob's has a foundational commitment to supporting our communities. Our complimentary in-store cafés are home to our "Café Collections for a Cause" initiative where Bob's will match every customer dollar donated to a featured charity, up to $75,000. In addition, as part of every new store opening, we donate to a local nonprofit organization and school during the store's ribbon cutting ceremony. Investing in our communities is deeply integrated into who we are.

Recent Financial Performance

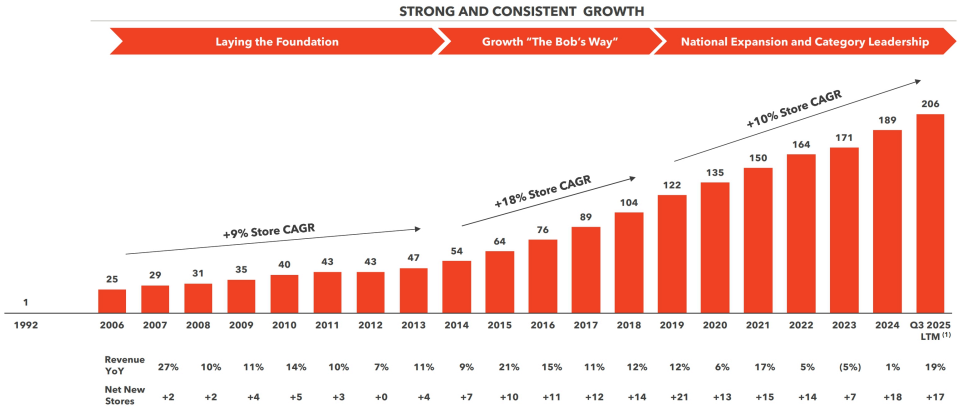
Our strong financial performance reflects the strength of our brand strategy and is highlighted by having:

- Increased store base by 11.4% to 206 units as of September 28, 2025 from 185 units as of September 29, 2024
- Increased net revenue by 20.4% to $1,719 million in the nine months ended September 28, 2025 from $1,428 million in the nine months ended September 29, 2024
- Improved net income by 63.6% to $81 million in the nine months ended September 28, 2025 from $49 million in the nine months ended September 29, 2024
- Increased Adjusted EBITDA by 35.7% to $164 million in the nine months ended September 28, 2025 from $121 million in the nine months ended September 29, 2024
- Increased comparable sales growth to 10.5% (or adjusted comparable sales growth of 9.7% in the nine months ended September 28, 2025 from a decline of 7.6% (or a decline in adjusted comparable sales growth of 6.9% in the nine months ended September 29, 2024

See "*Summary Consolidated Financial and Other Data,*" "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators and Non-GAAP Financial Measures*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Reconciliation of Non-GAAP Financial Measures*" for additional information regarding our financial performance and non-GAAP financial measures, together with a reconciliation of non-GAAP financial measures to their most directly comparable GAAP measures.

Our focus on value positions us well within the expansive and fragmented $182 billion U.S. home furnishings industry (excluding barbecues) in 2024, as defined by Euromonitor, allowing us to capture significant share by appealing to customers seeking quality, style and affordability. Bob's has grown faster than the home furnishings industry (excluding barbecues) in each of the last 14 fiscal years, with the exception of fiscal year 2023, based on Euromonitor data. Since fiscal year 2010, Bob's has grown at a CAGR of approximately 9%, which is over 680bps faster than the home furnishings industry (excluding barbecues), which grew at a CAGR of approximately 3% during the same period, based on Euromonitor data. This sustained outperformance underscores our ability to effectively navigate market and macroeconomic dynamics, capitalize on customer demand, and take share.

The home furnishings industry is sensitive to interest rates and housing activity. In 2020 and 2021, the COVID-19 pandemic served as a tailwind to the home furnishings industry, which drove a surge in demand as consumers adapted to a "stay-at-home" lifestyle. This resulted in market-wide pull forward, which led to a subsequent slowdown in the industry in the following years that was further exacerbated by increased interest rates and inflation. Bob's has emerged stronger following this cycle and continues to show resilience and outperformance compared to the home furnishings industry. For example, in fiscal year 2024 Bob's revenue growth surpassed the home furnishings industry (excluding barbecues) by over 700bps on a YoY basis, and we plan to continue to build on that momentum through fiscal year 2025. As interest rates and inflation normalize, housing turnover and new residential construction are expected to accelerate, creating a favorable demand backdrop. Bob's has proven its ability to outperform industry benchmarks even through recent headwinds, underscoring the durability of our model and positioning us to capture incremental upside as conditions improve.



(1) Q3 2025 LTM calculated for the 12-month period ended September 28, 2025

"OH MY BOB!" - KEY DRIVERS OF OUR SUSTAINED SUCCESS

We believe the following strengths differentiate us from our competitors:

A Proven, Scaled Brand Delivering Value Without Compromise

Bob's is rapidly becoming *Where America Shops for Furniture*™ by consistently delivering unparalleled customer experiences at every stage of the furniture purchasing journey. Customers know they can count on Bob's for quality, stylish furniture at everyday low prices. Consistently delivering on that promise has made Bob's a trusted name in homes across the country. Our store experience customer satisfaction rating is 90%+, based on our internal customer survey data, which reflects the loyalty we've built over nearly thirty-five years.

The Bob's brand comes to life in every part of our business. From breakthrough and memorable marketing campaigns like *Oh My Bob!*, *Dare to Compare* and an industry first reality series *Till Décor Do Us Part*, to the complimentary snacks in our in-store café, every aspect of the shopping experience is designed to be differentiated and customer-centric. We believe our fun and authentic brand image, compelling value and best-in-class, low-pressure service resonate with our customers and define Bob's as a unique and comfortable destination for furniture shopping.

Our dedicated team members deliver un-rivaled service "The Bob's Way". Our people-first approach builds customer trust and fuels our growth. Between our customer-centric service, tech-enabled omnichannel experience, and our trusted brand, we believe that we continue to resonate with customers on a national scale.

Highly Differentiated Merchandising, Sourcing and Logistics Infrastructure

Bob's has established a sophisticated and highly differentiated product, pricing, sourcing and supply chain strategy that drives our go-to-market strategy.

Product

Our merchandising philosophy is to consistently deliver stylish, high-quality furniture at unbeatable value, with everyday low prices customers can trust. We have developed a curated product offering by gaining a deep understanding of customer needs and preferences which enables us to be a follower of new and emerging trends. Our streamlined assortment appeals to a broad range of customers by featuring timeless classics, innovative designs

and tech-enabled alternatives that adapt to evolving customer tastes. Our product architecture of "Good, Better, Best" provides a clear framework for delivering maximum value to a diverse customer base. The "Good" value tier provides a reliable foundation of essential and durable products, while our "Better" tier introduces additional functional capabilities, upgraded materials and styles. Our "Best" product tier integrates premium materials, craftsmanship and quality with elevated designer inspired style. We have a focused merchandising strategy built around a narrow and deep SKU model that we estimate is approximately one-third narrower than our value-oriented furniture competitors. This model allows us to concentrate purchasing volume on high-velocity items, negotiate aggressive pricing and reduce our inventory risk.

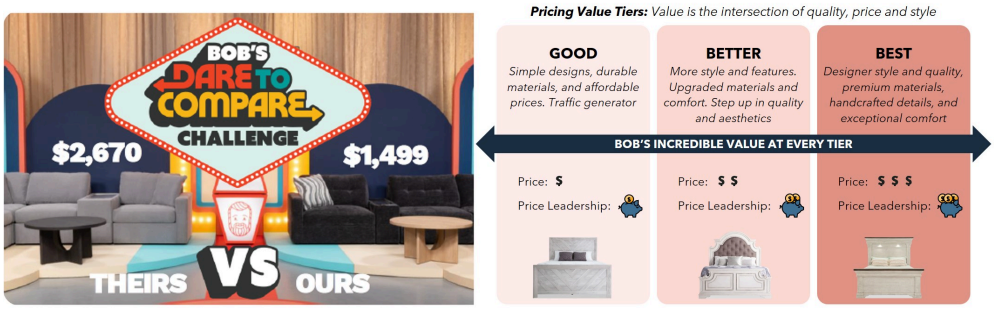


For illustrative purposes; prices and assortment are illustrative as of September 28, 2025

Pricing

Bob's offers a differentiated customer proposition rooted in delivering value without compromise. Our sophisticated pricing strategies underpin our everyday low price model, enabling us to offer prices which we estimate are on average approximately 10% below our value-oriented furniture competitors' lowest promoted prices, which we estimate is equivalent to approximately 20-25% below their listed prices. We do not rely on promotions or sales gimmicks. Instead, we offer transparency and trust – elements that resonate with today's value-conscious consumer. As customers ascend our "Good, Better, Best" product architecture, we believe that our relative value increases, enhanced by everyday low price bundle and save offerings particularly in bedroom categories to increase

units per transaction. Incremental enhancements in quality, features, functionality and style are strategically priced to deliver superior customer value across the full spectrum of price points.



Sourcing

Our value leadership is driven by buying power, a streamlined assortment of products, and strategic vendor relationships extending in some cases nearly 15 years. Our everyday low price model ensures consistent, year-round order volume for suppliers, enabling them to maintain steady production and improve their efficiency. We believe that the combination of scale and consistency positions us as the first partner of choice for our suppliers. We leverage this advantage, along with long-standing strategic relationships, to drive cost optimization, innovation, and speed-to-market. Our flexible sourcing strategy enabled us to move all key production out of China by the end of fiscal year 2024, mitigating known tariff risk, while preserving the ability to pivot as circumstances evolve. Today, our primary sourcing markets are Vietnam and the United States, representing approximately 63% and 27% of our product cost volume, respectively as of October 24, 2025, with smaller sourcing markets in Thailand, Malaysia and Cambodia. This unique blend of scale, consistency, strategy, and relationship management allows us to remain nimble and responsive to changes in the macro landscape.

Supply Chain

We believe swift and reliable delivery service complements our customer shopping experience. We are not satisfied until every customer sees their furniture at home exactly as they experienced it in our showroom. Recognizing customer sensitivity to product availability, we target and have maintained an in-stock rate of approximately 86% during the nine-month fiscal period ended September 28, 2025, which allows guest experience specialists to offer prompt and reliable delivery in as few as three days. Our BOBtastic delivery options offer a range of services tailored to meet our customers' needs, from white glove delivery to quick pickup.

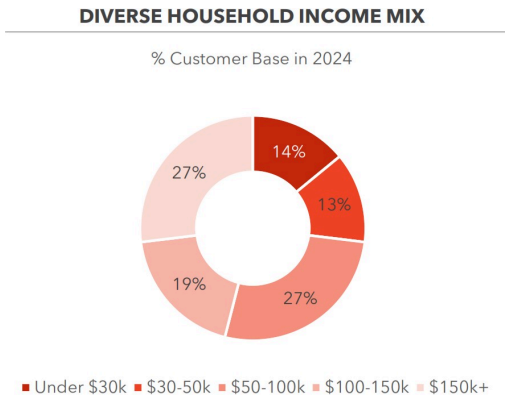
We manage the distribution and delivery of our products through our five distribution centers and 46 third-party delivery depots as of September 28, 2025, located strategically in markets throughout the United States. With more than half of our sales order volume serviced by more than one distribution center during the nine-month fiscal period ended September 28, 2025, we have the flexibility to adapt as demand shifts and protect service levels as we continue to scale. These systems allow our customers to have most products delivered to them in as few as three days, rather than weeks, as well as schedule delivery around their availability and preference; during fiscal year 2024, 55% of orders were delivered to customers in seven days or less and 76% of our orders were delivered in two weeks or less. Reflecting our focus on service, our Delivery Net Promoter Score (NPS) has increased from 76 as of September 30, 2022 to 91 as of September 28, 2025, an improvement achieved while continuing to utilize third-party delivery partners. Our consistent store and delivery customer satisfaction ratings reflect the seamless customer experience from showroom to living room.

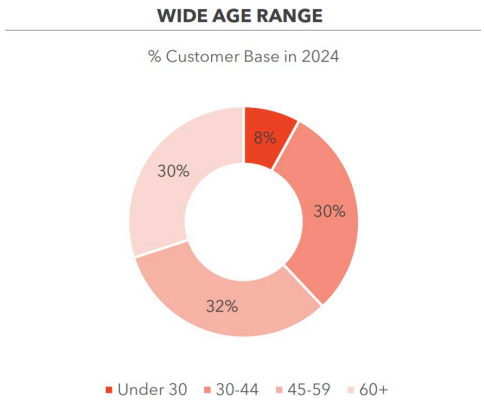
Broad Customer Appeal

We have scaled successfully across markets around the country, including urban, suburban and secondary trade areas, and appeal to a diverse customer base. Our offerings cater to both budget-conscious families as well as higher-

income households seeking furniture at a great value. This approach allows us to serve our customers across all purchasing occasions, including important life milestones.

In fiscal year 2024, approximately 46% of our customers had household incomes over $100,000 and approximately 27% earned above $150,000, and new customers earning over $150,000 increased almost 25% year-over-year as of September 28, 2025. Our appeal spans generations, with customers aged 30-44 representing approximately 30% of our total fiscal year 2024 customer base, 45-59 at approximately 32%, and 60+ at approximately 30%. Our active customer base has grown to 2.9 million, as of December 28, 2025, underscoring the increasing resonance of our brand and depth of our customer relationships. This wide appeal reflects the strength of our value proposition and supports our geographic and digital expansion.





Omnichannel Platform Driving End-to-End Customer Engagement

At Bob's, we are committed to delivering a seamless shopping journey across all touchpoints (showrooms, phone, online, webchat), ensuring our customers can access our quality furniture wherever and however they prefer. Our strategy is built on a channel-neutral philosophy, operating as one highly integrated backend system across inventory management, pricing, fulfillment, merchandising and supply chain logistics. Our technology structure is similarly integrated across our platform enabling us to utilize advanced data analytics and technology to connect with customers across our various channels during the course of a highly considered purchase cycle. As a result of these investments, our digital ecosystem now includes over 10 million customer profiles and has attracted over 41 million website visitors as of December 28, 2025, further strengthening our ability to engage and understand our customers.

Differentiated In-Store Experience

We greet each of our guests with the phrase "Welcome to Bob's, would you like to look around?" We believe this is the beginning of a welcoming, hassle-free shopping experience with no gimmicks, reflecting our core promise of value without compromise. Our stores are designed to be engaging and helpful, with layouts that group comparable products and feature visual displays to enable discovery. Bob's low-pressure sales environment encourages customers to browse freely and comfortably, creating a relaxed and fulfilling shopping experience, particularly when compared to a more traditional furniture buying experience led by high-pressure sales associates. We believe that our showrooms serve as a powerful catalyst for accelerating brand awareness and deepening customer engagement and loyalty.

Our guest experience specialists are knowledgeable, friendly and equipped with personal tablets, leading to efficient service and driving conversion. The tablets enable real-time product recommendations, stock visibility and allow our team members to offer a broad range of Bob's comprehensive selection, including various styles, colorways and add-ons. Every store includes a café with fun, complimentary amenities that enhance the retail

adventure and reinforce our brand's approachable and customer-first ethos. While a majority of our customers reported engaging with us across multiple channels in fiscal year 2025, approximately 85% of our revenue was converted in-store, showcasing the effectiveness of our showroom strategy.

Online Platform

Our eCommerce channel represented approximately 14% of total net revenue in fiscal year 2024. Our website, mybobs.com, complements our stores by offering customers convenient access to our full product lineup and generates incremental traffic to our physical locations. Enhanced by AI-driven search tools, product recommendation algorithms, virtual visualization capabilities and an AI chatbot, our online presence allows customers to research, explore and purchase with confidence. Our OmniCart technology creates a seamless experience across channels, enabling customers to build and transfer shopping carts between online and in-store touchpoints. This system provides customers with flexibility to begin their journey digitally while transacting in person, or vice versa, designed to ensure a consistent, frictionless experience across platforms. Together, our store and eCommerce platforms form a cohesive, tech-enabled ecosystem.

Attractive Unit Economics with Proven Portability Across Markets

Our ability to successfully enter, and prosper in, a wide variety of markets is a testament to the strength of our business model and strategic execution. As of September 28, 2025, we operated 206 showrooms across 26 states, delivering strong unit economics in both legacy markets and the regions into which we have more recently expanded. Mature regions such as New England and New York, first established in 1992 and 1997, have demonstrated AUVs of approximately $14 million. Our top five New England and New York stores have generated AUVs of approximately $20 million and approximately $22 million, respectively, for the 12 months ended September 28, 2025. Our newer stores continue to show strong progress, with recent cohorts either already exceeding or near our current AUV target in less than two years.



LTM AUV calculated for the 12-month period ended September 28, 2025; Average age of stores calculated as of September 28, 2025; Excludes outlet sales, closed stores and stores opened after September 28, 2024

Our development strategy involves an ongoing assessment of whitespace growth potential and extensive analysis of factors such as real estate availability, competitive market dynamics, zone pricing and ROI targets. Our robust, cross-functional development process ensures that each new market entry and store opening is thoughtfully planned and highly customized to best serve local customer needs. By maintaining a disciplined approach to expansion and leveraging our proven market entry strategies, we believe that we are well-positioned to continue our successful growth trajectory across new and existing markets. As we continue to expand, we remain committed to delivering the best-in-class experience that our customers have come to expect from Bob's.

Experienced and Dedicated Team Enabling The Bob's Way

The heart of our organization is our people, who form the foundation of our success. Our management team has cultivated a motivated, people-first culture of approximately 5,800 employees, as of September 28, 2025, committed to delivering outstanding customer experiences The Bob's Way. Our company culture is an integral part of our strategy, and we have had great success developing inspiring leaders, rewarding top performers and maintaining best-in-class employee satisfaction amongst our retail peers. Our commitment to our team is best exemplified by an attractive average tenure of approximately seven years for our store managers, with 81% of open store manager roles

filled in fiscal year 2024 by internal promotions. Our focus on leadership development ensures opportunities for our next generation of managers as well as cohesion and continuity of Bob's values. This enduring loyalty has enabled us to build lasting relationships with customers and foster an environment that empowers team members to excel.

We believe that our company culture is a key competitive advantage and a strong contributor to our success, and we have prioritized maintaining our culture as we scale. Bob's measures employee engagement as a key driver of employee loyalty, belief in Bob's mission, and employee job satisfaction. Employee engagement has steadily increased since we first began measuring it in fiscal year 2022.

Bob's is guided by a highly skilled and driven executive leadership team, whose acumen and industry knowledge have been essential in shaping our brand, advancing our company's progress, and ensuring our adaptability to market dynamics. Empowered by a legacy of collaborative innovation and relentless pursuit of excellence, our company's noteworthy achievements have garnered widespread recognition. Important accolades include:

- July 2025: Recognized on Newsweek List of America's Best Retailers 2025
- April 2025: Named one of America's Most Trustworthy Companies
- January 2025: Recognized by Forbes for Best Customer Service for 2nd consecutive year
- December 2023: Awarded Furniture Industry Leadership by Furniture Today

OUR GROWTH STRATEGIES

We believe we have a clear opportunity to drive sustainable growth and profitability by executing on the following strategies:

Grow Store Base Across New and Existing Markets

We believe that our compelling value proposition and the success of our stores across a broad range of geographic regions, population densities and demographic groups creates a significant opportunity to profitably increase our store base. Bob's unit expansion story is underpinned by a strategic, data-driven playbook. With a 12 to 18 month opening cycle, we have institutionalized a development process that balances speed with disciplined ROI evaluation and has powered our expansion across 26 states. Each store opening is supported by rigorous site selection, merchandising alignment and operational planning, creating a repeatable development process that has delivered consistent returns. We believe there is a clear and actionable path to more than 500 stores in our existing format nationwide by 2035, representing 2.5 times our current store base.

Our new store expansion model is guided by a disciplined opportunity assessment that prioritizes market-level profitability, supply-chain-enabled contiguous expansion, brand awareness, competitive positioning, pricing advantages and regional relationships. We target AUVs of approximately $9 million and cash-on-cash returns exceeding 80% within five years for our new store formats, with returns exceeding 60% by year two and a payback period of approximately two years. We leverage broad data analytics, on-the-ground insights and hindsight learnings from our nearly 35-year history to inform future strategic decisions and ensure success. We expect to balance expansion in new markets with high-density growth in existing markets, creating a durable and diversified path to increasing our national scale.

Grow Stores In Existing Markets

Our long-standing legacy markets in the Northeast, including New York, demonstrate the strength of our brand and the benefits of scale. In our existing markets, Bob's growing store density has continued to unlock meaningful cost and operational advantages driven by efficiencies in marketing and brand recognition and streamlined supply chains. Our in-fill strategy is highly contiguous, densifying existing and adjacent markets to enhance existing store-level economics and provide a runway for sustainable growth.

As an example of our growth in existing markets, we have grown Philadelphia from four units in fiscal year 2014 to 14 units as of September 28, 2025. Over the same period, we have expanded our aided brand awareness in the Philadelphia market significantly to upwards of 78% and our profitability metrics have more than doubled.

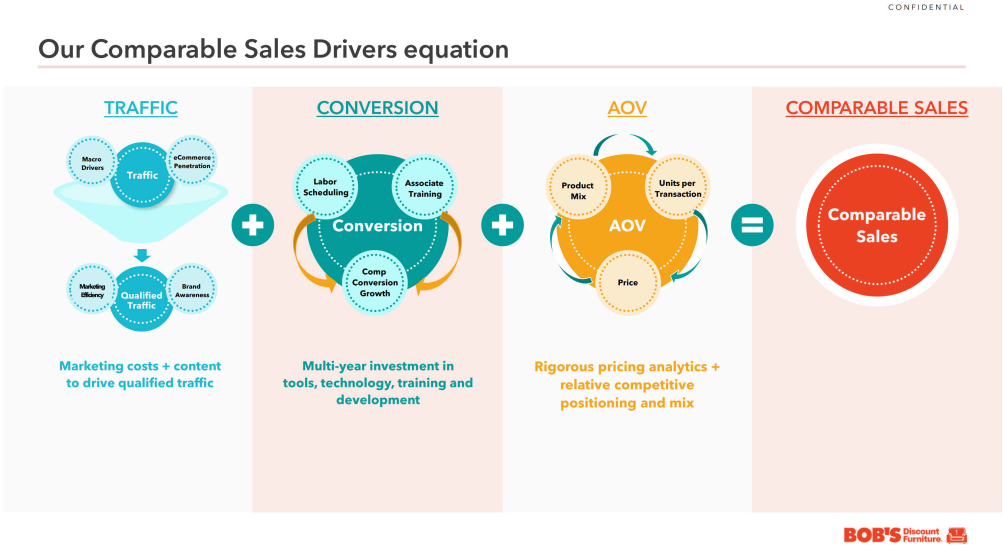
Grow Stores In New Markets

We have achieved success and demonstrated portability across geographic regions. Our momentum gives us confidence that we can continue expanding beyond newly opened and existing markets. For example, we successfully expanded into the Midwest region in fiscal year 2016 and the West Coast in fiscal year 2018, and more recently the Southeast region through our North Carolina openings in fiscal year 2025. We believe that our regional expansion demonstrates the broad resonance of our model and value proposition. In each new market, brand awareness has scaled quickly, reinforcing our confidence in our ability to replicate our success and drive efficiencies in advertising, supply chain and fixed costs. Each new store opening is followed by extensive testing and hindsight analysis, allowing us to refine our expansion and marketing playbooks and learn from every experience.

As an example of our new market expansion success, we entered Los Angeles in fiscal year 2018 with six units and an aided brand awareness of 24%, based on a third-party data collection provider. We currently have 17 units in Los Angeles and have more than doubled our aided brand awareness and revenue. Our profitability metrics in Los Angeles have expanded to our mature store average. As we continue to infill stores in Los Angeles, we expect to continue to gain market share and drive further cost efficiencies.

Drive Comparable Sales

We have a broad array of foundational and newly created initiatives that we believe will continue to increase our comparable sales by strengthening brand awareness, increasing conversion, optimizing our regionalized product assortment, and further deepening our relationship with our customers by leveraging technology.



Strengthen Brand Awareness

Our aided brand awareness in our top 10 designated market areas averaged approximately 71% in fiscal year 2024 whereas our national aided brand awareness was approximately 45%. We believe this speaks to the large opportunity in continuing to reach customers with our unique value proposition. Bob's aided brand awareness has more than doubled since fiscal year 2018, supported by enhanced marketing capabilities and a differentiated value

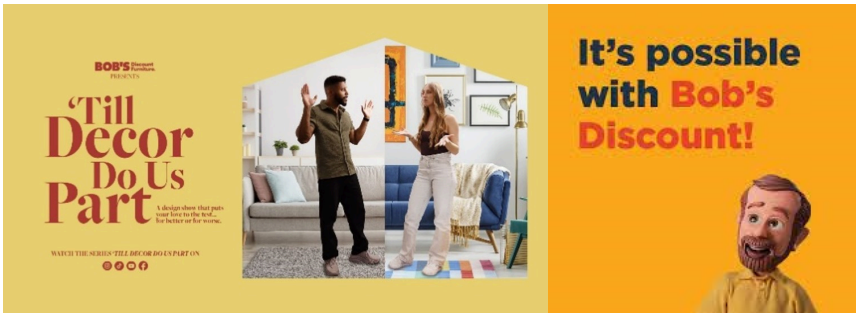
proposition that resonates with a diverse customer base. According to our internal metrics, our brand scores have improved materially across key metrics since fiscal year 2018: +112% in consideration, +178% in reputation, and +77% in brand buzz.

We use a variety of marketing channels and tactics to reach our customers. Bob's is well-known for our fun, whimsical advertising that features "Little Bob", intended to create a memorable and lighthearted presence, moving away from the serious, high-end image of traditional furniture stores. Our "out-of-the-box" approach to unique campaigns infuses a playful element of surprise and humor, helping us to more authentically connect with our target audience. Our distinctive brand personality comes alive through high-impact television and digital campaigns, such as:

- Viral social media and advertising initiatives that generated 2.9 billion impressions in the second quarter of fiscal year 2025
- Our classic Oh My Bob! campaign in fiscal year 2024 highlighting the value appeal of our products in the memorable and fun Bob's tone generated over 70 million views during the Spring 2025 campaign
- Our industry-first social reality series in fiscal year 2025, Till Décor Do Us Part, resulting in highly positive sentiment that generated 79 million views, 132 million impressions and 15% higher click through rate since launch in July 2025 to September 5, 2025
- Strategic collaborations with local influencers and brands, including a Bob's branded NASCAR vehicle as we entered North Carolina, which significantly enhanced market aided brand awareness by 64% since the beginning of fiscal year 2024 to July 1, 2025 and garnered 250 million media impressions during the period beginning May 12, 2025 to August 31, 2025



Little Bob is the brand's fun-loving and memorable "spokes-puppet." He appears in much of our advertising to elevate attribution and recall. Originally conceived as founder Bob Kaufman's avatar, Little Bob has evolved over the years to embody many of the fun and wholesome attributes of the brand.



Our marketing initiatives help boost brand awareness and drive customer traffic to our showrooms and website, which we believe in turn serves as a powerful catalyst for deepening customer engagement and loyalty.

Increase Conversion

We are constantly refining and optimizing our operations to increase conversion. We leverage real-time data and past learnings to turn tactics into a cohesive, consistent and sustainable plan across our national retail experience, talent management, and technical capabilities. We track a number of operational KPIs that highly correlate with revenue growth, including close rate by associate, OmniCart attachment rate, schedule effectiveness

and training milestones. Our in-store technology platform, which was rolled out in 2024, enables retail leadership teams and store-level managers to track our operational KPIs through real-time dashboards, which enable nimble reallocation of resources and assessment of under and overperformance.

We empower regional leaders and invest in guest experience specialists. We have a robust talent pipeline that is further enhanced by continuous employee learning and development programs, fair compensation and incentives, and great store management teams. Our store associate training leverages conversion KPIs and individual performance rankings to enhance insights, coach more effectively and elevate overall team performance. Guest experience specialists offer personalized clienteling, so that each customer feels valued and understood. Our hiring and training excellence has assisted us in consistently increasing store conversion year after year.

Our showrooms are designed to deepen customer engagement through easy-to-navigate store layouts, seasonal floor resets, and café amenities, making furniture shopping enjoyable and hassle-free, which we believe in turn increases conversion. Our in-store technology enables guest experience specialists to leverage real-time stock, delivery and financing information, supported by digital shopping carts that flow seamlessly from the showroom to online, and vice versa. As we build out our technological capabilities further, we expect to generate greater process efficiencies and increase sales conversion.

Optimize Regional Assortment

Bob's value proposition and product architecture allows us to provide a product for the vast majority of customers. We believe that our product architecture is a unique competitive advantage and we have an opportunity to further expand that strength through sophisticated clustered assortment capabilities.

Our approach to product assortment utilizes data-driven insights from real-time sales to help us better manage inventory. Our assortment "newness" is a key growth lever. By integrating new products, representing approximately 15% to 30% of our showroom product offering each year, we seek to continue to drive repeat purchase demand and brand relevance. While a majority of our products are consistent across all stores, in the first quarter of fiscal year 2024, we began to test targeted and limited localized product assortments tailored to the specific preferences and tastes of certain markets. We are pleased with initial customer responses, which builds our confidence in a broader identification and rollout of clustered opportunities. For example, we cater to our Manhattan customers by focusing on small space living furniture and exclude large sectional pieces that are not ideal for city apartments. Aligning closely with local customer preferences allows us to increase AOV and more efficiently leverage supply chain efficiencies, driving margin accretion.

Deepen Customer Relationships Through Technology

Bob's is designed to meet customers wherever they choose to engage. Our upgraded website, refreshed in fiscal year 2023, enables fast and easy shopping with intuitive post-order self-service. Digital investments have enabled real-time cart continuity (OmniCart), AI-driven search, and virtual product visualization. Our BobSquad virtual sales team and BobBot post-order chatbot support high engagement and seamless handoff across eCommerce channels.

Bob's leverages customer data in a variety of ways to ensure strategic, cross-functional decisions and to drive interest, conversion, and loyalty. Through our enriched customer database, we conduct in-depth analyses on our customer composition and behavior to draw valuable insights. These insights support decisions and assist in project prioritization, such as identifying marketing opportunities, capitalizing on merchandising trends and informing real estate analysis and planning. In addition, we leverage our customer data as part of our audience strategy and customer relationship management functions. For example, we develop lookalike modeling for paid media targeting and leverage our existing customer base to drive retention through email, SMS and direct mail marketing which we believe drives meaningful traffic and conversion.

Leverage Scale to Expand Margins and Drive Efficiency

We are making focused investments to efficiently drive top-line growth and margin expansion. As we continue to scale we realize benefits from increasing brand awareness and unit density in both existing and new geographies.

Our margin expansion opportunities include expanding product cost margins, increasing marketing efficiencies, achieving supply chain optimization and leveraging fixed costs.

Optimize Zone Pricing

Our everyday low price promise is supported by a sophisticated pricing strategy. Our zone pricing capabilities, which began in the fourth quarter of fiscal year 2023, are designed to help us align with local demand and purchasing power, while also enabling us to consistently offer products priced below our competitors. We track national, regional and local competitors on pricing across product categories to maintain our leading value proposition. By further strategically adjusting price points based on regional economic conditions and customer behavior, we seek to optimize our profitability while maintaining our commitment to delivering value without compromise and maintaining our product margins.

Strategic Sourcing

We continue to deliver strong and expanding product cost margins, underpinned by our operational discipline and deep vendor relationships. As we continue to scale and expand our sourcing relationships with vendors, we anticipate balancing reinvestment with merchandise margin improvements, reflective of better terms, volume-based efficiencies, and increased vendor demand for our business. As of September 28, 2025, we have pivoted our supply chain completely out of China to avoid prior tariff impacts on our margins. We remain nimble and plan to proactively address incremental tariff impacts to further support continued margin expansion.

Marketing Efficiencies

Our rising retail density across existing and new markets is amplifying our brand visibility. As we pivot more towards national advertising, we continue to unlock meaningful leverage from our marketing budget. Additionally, our AI-powered targeting has enabled more precise audience engagement and has driven an approximately 50%+ improvement in return on advertising spend since fiscal year 2019. Bob's has proven that we take meaningful market share when we enter a new market given our unique value proposition which resonates with customers. As our overall brand awareness continues to scale, we believe we will continue to drive increased marketing efficiencies and lower our overall customer acquisition costs.

Supply Chain

As we continue to scale, we expect to be able to drive efficiencies across every aspect of our supply chain, including ensuring container availability, increased purchasing power with our freight vendors to reduce ocean shipping costs, reducing trucking and depots costs per order and in order to make furniture delivery to our customers more efficient. We plan to continue diversifying our supply chain network as we expand, allowing for improved utilization of our existing distribution centers and reducing overall costs.

Fixed Costs

Our existing infrastructure across field management and corporate overhead supports growth without linear cost escalation. Our corporate staff is structured to maintain effective oversight at its current level, and we believe that our model has the capacity to support future growth while simultaneously leveraging benefits from expanding scale. We anticipate gaining additional operational benefits as we continue to densify and grow our overall national penetration.

These elements provide a foundation for continued success and ongoing operating efficiencies as we scale. We will continue to make strategic investments in our infrastructure to improve operational efficiency and prepare for the next stage of our growth.

Our Industry and Market Opportunity

We operate within the large, growing and highly fragmented $182 billion U.S. home furnishings industry (excluding barbecues) in 2024, as defined by Euromonitor.

Benefiting from Secular Trends

The COVID-19 pandemic served as a tailwind to the home furnishings industry in 2020 and 2021 and caused a surge in demand as the "stay-at-home" lifestyle led to consumers dedicating more time at home. This resulted in a market-wide pull forward, which subsequently led to a slowdown in the industry. As the industry returned to normalization in the following years, Bob's has emerged stronger and continues to show resilience and outperformance.

We believe that our Company is well-positioned to leverage favorable long-term trends in the housing and home furnishings industries. Housing market fundamentals support a near-term recovery, with housing turnover at or near historic lows, creating pent-up demand. Additionally, the persistent gap between housing costs, rent inflation, and wage growth is creating a more value-conscious consumer that aligns with our positioning. While online engagement is rising, many customers continue to value in-store home furnishing experiences as part of the purchasing journey. We believe that the recovery in the housing market will further boost demand for home furnishings, presenting a compelling opportunity for incremental growth in our business.

Highly Fragmented Market, Characterized by Many Independent Regional Operators

The U.S. home furnishings industry is characterized by a high degree of fragmentation, predominantly composed of smaller, independent regional operators. We believe this fragmentation presents a strategic opportunity for us to grow market share by leveraging our scale, resources and omnichannel capabilities.

According to our estimates, our annual revenue currently accounts for 1% of the approximately $182 billion U.S. home furnishings industry (excluding barbecues) in 2024, as defined by Euromonitor. This presents a compelling opportunity to capture market share in a traditionally fragmented landscape, while sustaining our strong revenue growth trajectory.

Our Merchandising Strategy

Our ability to deliver a curated assortment of stylish, high-quality furniture at everyday low prices is a key differentiator in the marketplace. This advantage is driven by our focus on product assortment, competitive pricing dynamics and strategic sourcing. Our merchandising approach is designed to simplify the shopping experience for consumers, while consistently delivering exceptional value across categories.

Product Assortment

Our highly curated products are typically designed and created specifically for us. We focus on functionality and popular trends that appeal to a broad range of preferences and are used throughout the home. We offer a wide range of product categories, including upholstered living room furniture, bedroom, dining room, mattresses and home décor. Many of our products include extra features such as integrated technology, built-in storage, memory foam and reclining options, and we partner with our vendors on a shared vision for creating quality products at a great value. We do not sell third-party brands, allowing us to maintain strict control over quality and cost, and we partner with our vendors on a shared goal of bringing thoughtfully designed products to market. We integrate approximately 15% to 30% new products into our assortment each year which drives repeat purchase demand and brand activation opportunities.

We maintain a market-responsive approach to product development, carefully studying the marketplace and tracking movements in consumer behavior to identify key trends that guide our decision making. Our ability to pinpoint trending products stems from a well-established network of industry connections and overseas factory relationships. These long-standing relationships, built on mutual trust and aligned incentives, provide us with competitive intelligence that helps inform our product selection and timing decisions.

Our product architecture is data-driven and increasingly tailored to each geography's unique tastes and needs, ensuring that our offerings are better suited to the diverse preferences of the customers we serve. This localization strategy is in early stages and a significant opportunity to further personalize our customer approach.

Our disciplined inventory management approach ensures we don't carry significant inventory risk. In fiscal year 2024, 97% of products sold through our stores (excluding outlets) were at full price and 3% were sold on clearance. Clearance inventory includes pieces we plan to discontinue from our assortment. We maintain controlled exit strategies for products through a measured clearance process. As a fast follower of furniture trends, our clearance items represent a small portion of our total inventory mix given our focus on proven designs.

Upholstered Products – 49% of fiscal year 2024 merchandise revenue

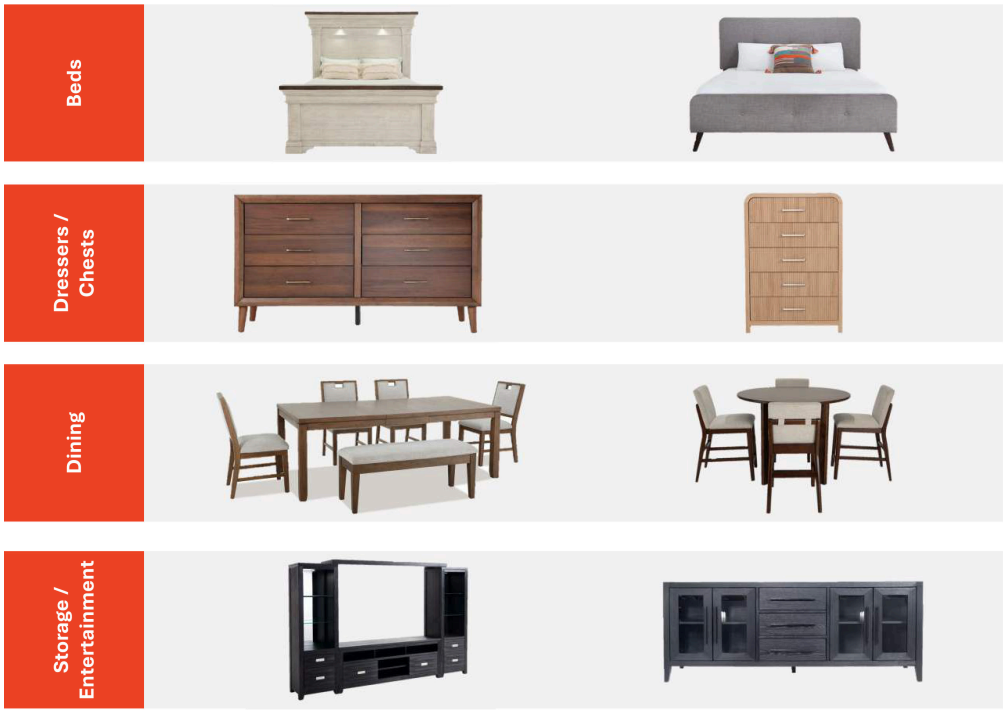
We offer a wide array of upholstered products, primarily within the living room category, including both stationary and motion reclining furniture -- our highest demand upholstered categories in fiscal year 2024. Our assortment ranges from budget-friendly performance fabrics to top-grain leather and represent a stable and core growth driver for our business. We differentiate our products by combining style with function, through a development process we call "Bobifying," which often includes enhancing items with additional features while still maintaining attractive, competitive price points. These enhancements reflect our commitment to evolving with consumer preferences and include features like pop-up sleepers, drop-down tables, heat and massage functions, charging ports, integrated audio speakers, and thoughtfully designed hidden storage compartments. As customer needs and lifestyles change, we adapt our offerings accordingly, ensuring these modern conveniences complement rather than overshadow our foundation of quality and design that customers have come to value and trust.



Case Goods – 30% of fiscal year 2024 merchandise revenue

The core of our case goods collections includes bedroom sets, dining room sets, occasional and accent furniture, entertainment centers and storage pieces that complete the room. These products are central to our assortment and provide customers with stylish, functional options at compelling prices. Case goods play a pivotal role in boosting units per transaction by inspiring customers to purchase complete room solutions and expand their shopping baskets. We consistently evaluate industry trends and consumer demand, enhancing designs with added functionality, such as storage drawers, lift top chests, accent lighting and charging technology, to increase functionality. Our approach

balances the introduction of new styles with trending designs, ensuring customers can “buy the look” across entire rooms.



Bedding – 14% of fiscal year 2024 merchandise revenue

Bedding primarily consists of mattresses and power bases, which serve as cornerstones of our value proposition and natural cross-sell opportunities throughout the store. Our guest experience specialists are trained to seamlessly integrate mattresses and power bases into bedroom purchases, and drive attachment with related categories such as adjustable bed bases and bedding accessories. This category benefits from domestic sourcing, enabling quick availability and efficient packaging for delivery. We have recently expanded our assortment with the introduction of luxury mattresses, elevating our offerings into the “Best” category. This strategic move helps us capture higher-end market segments while continuing to deliver exceptional value.



Other – 7% of fiscal year 2024 merchandise revenue

Beyond our core furniture categories, Bob's offers a diverse assortment of home accents and complementary products that help customers complete their living spaces. This curated selection includes:

- *Rugs:* Area rugs in different sizes, textures and patterns
- *Lighting:* Table lamps, floor lamps and accent lighting
- *Home Décor:* Wall art, decorative mirrors and accessories
- *Accent Furniture:* Entryway tables, ottomans, benches and small storage solutions
- *Seasonal & Lifestyle Items:* Outdoor furniture and other lifestyle-oriented products

We are constantly evaluating new product categories into which we may expand. Offering these products allows Bob's to extend its value promise into the finishing touches of the home, giving customers one-stop shopping for both full-size furniture items and smaller decorative pieces.

Bob's Goof Proof

Our guest experience specialists are trained to recommend all furniture sales are supplemented with Bob's Goof Proof, our extended furniture protection plan ("Goof Proof"). The cost of coverage varies by order value and includes five years of repair or replacement for stains and most accidental damage that occurs from a single incident. These protection plans are serviced by a third-party provider. In fiscal year 2024, approximately 57% of our products were complemented with Goof Proof.

Pricing Strategy

We employ an everyday low price strategy, providing consistent, competitive pricing year-round without reliance on promotions or sales. Through disciplined cost negotiations, incredible buying power and strong supplier relationships, we deliver direct savings to our customers. This approach enables customers to shop with confidence, knowing they receive the best price at any time, and streamlines the sales process for our team. We focus on helping customers find the right products rather than navigating complex promotional structures or relying on high-pressure sales tactics. Our pricing is transparent, with no hidden fees or inflated costs, ensuring a straightforward and honest customer experience.

We use data-driven processes to optimize pricing across categories:

- *Good, Better, Best architecture:* We pursue a "Good, Better, Best" architecture in every major product category, with the goal of providing options for various budgets while delivering value at each level. For

fiscal year 2024, 42% of our product assortment was “Good,” 35% “Better,” and 22% “Best,” with a long-term goal of one-third of assortment in the “Best” tier

  - *Good:* Provides a reliable, quality foundation of essential and durable products
  - *Better:* Introduces additional functional capabilities, upgraded materials and styles and improved quality
  - *Best:* Integrates premium materials, handcrafted details and design equivalent style and quality

- *Zone pricing:* We recently adopted zone pricing capabilities to tailor pricing at the zone level to reflect local market dynamics, supported by ongoing competitive data collection to ensure price leadership.
- *Emotional price points built around destination products:* We maintain and protect critical consumer price thresholds (e.g., $999) to reinforce value and trust across all product categories. We also position our destination products that Bob’s is known for, such as sofas and bedroom sets to strengthen our value perception. We leverage our home completers categories, such as lamps and tables, and special touches such as rugs, pillows and other decorative accents to build our basket size and enhance margins.
- *Price bundling:* In an effort to increase units per transaction, we offer “Bundle and Save” opportunities on selected compatible items, with transparent price designation on each product. Notable product pairings include a mattress with a bed frame, a dining room table with chairs or benches, or an adult bedroom set with dresser, mirror and a nightstand.
- *Dynamic adjustments:* While we possess the operational capability to change pricing overnight, we remain strategic and carefully gauge market conditions prior to taking pricing actions.
- *Competitive insights:* We proactively gather and analyze competitive data by scraping national, regional and local competitor prices to ensure that our pricing accounts for real-time market changes.

Bob’s Way to Pay

Bob’s provides a range of third-party financing solutions to meet diverse customer needs, including 6–12 month interest-free options and extended 30–60 month plans with select interest rates. These offerings support higher average order values by giving customers the ability to obtain pre-approval and build their cart within set limits. For customers not qualifying for primary financing, we offer second-tier options, lease-to-own programs, and “buy now, pay later” flexible solutions.

In fiscal year 2024, approximately 45% of revenue utilized financing. We do not assume credit risk on financing transactions but do pay associated lender fees, which are typically offset by increased average order values. This comprehensive approach ensures customers can purchase confidently and conveniently, consistent with The Bob’s Way.

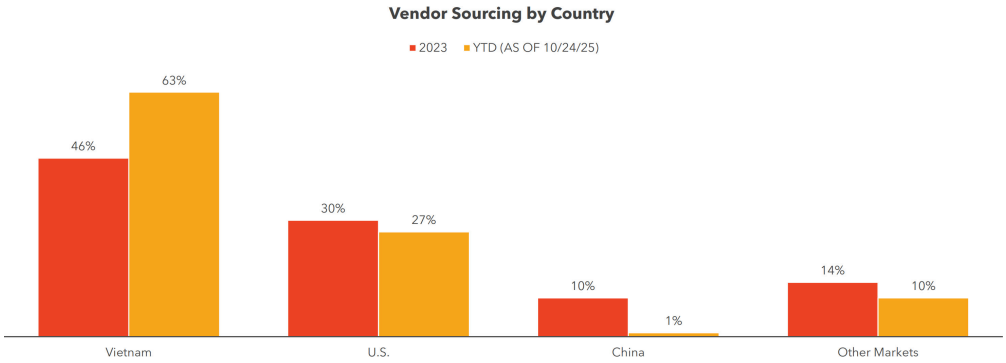
Delivery

The majority of our products are delivered directly to our customers through our third-party delivery partners, and we charge customers a fee for this service. This fee is designed to offset the costs associated with line haul and last mile delivery, ensuring cost efficient and reliable transportation of merchandise to our customers.

Global Vendor Sourcing

Our sourcing value is driven by our buying power, streamlined assortment, and strategic vendor relationships. Our everyday low price model ensures consistent, year-round order volume for suppliers, enabling them to maintain steady production and maximize efficiency. We believe our combination of scale and consistency positions us as our suppliers’ #1 customer and partner of choice. We leverage this advantage, along with long-standing strategic relationships, to drive cost optimization, innovation, and speed-to-market. Our flexible sourcing strategy enabled us to move all key production out of China by the end of fiscal year 2024, mitigating known tariff risk, while

preserving the ability to pivot as circumstances evolve. Today, our primary sourcing markets are Vietnam and the United States, and we continue to explore additional emerging markets.



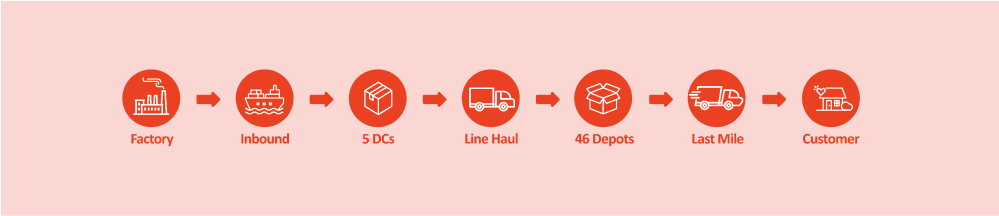
Note: Certain figures may not sum due to rounding

This unique blend of scale, consistency, strategy, and relationship management ensures we remain nimble and responsive as the macro landscape continues to change. Looking ahead, we continue to develop our sourcing capabilities to secure capacity for growth, fuel innovation, and keep costs tightly controlled while mitigating risk. We are focused on building data-driven best practices to optimize our supply chain performance- continually improving quality and speed. A curated, diversified supplier pipeline gives us exclusive product access and pricing leverage — sustaining scale and everyday value for our customers.

Our Supply Chain

Distribution and Logistics Infrastructure

Our well-invested and hard-to-replicate distribution network and logistics infrastructure creates a unique advantage for us. We are committed to maintaining a 85%+ in-stock rate, with 55% of orders delivered to customers in 7 days or less and 76% of our orders are delivered in two weeks or less. Our delivery process is seamless, and we train and measure our delivery partners on "The Bob's Way" to ensure an exceptional customer experience.



Number of distribution centers and third-party regional depots as to September 28, 2025

Our Ocean Freight Process

Our ocean freight process focuses on efficiently transporting products from factories to Bob's distribution centers, and typically takes approximately two months from product completion in factory to distribution center check-in. We coordinate the movement of goods from our vendors, ensuring products are securely loaded onto vessels and shipped across the ocean. Upon arrival at the ports, our team oversees the seamless transfer of shipments into our distribution centers. As the 4th largest importer on the East Coast as of September 2024 based on shipping volume according to ImportGenius, we leverage our scale and expertise to streamline these operations, ensuring timely and reliable delivery for our business needs.

Our Distribution Centers

We operate five strategically located distribution centers, each representing a significant investment and a major operational undertaking. Our scalable national supply chain ensures service excellence, moving products from our distribution centers to 46 third-party regional depots and then directly to customers. The placement of our distribution centers provides us with a competitive advantage, allowing us to serve key markets quickly and reliably.

Dedicated teams manage every aspect of our distribution centers, including loss prevention, human resources and quality control, ensuring efficient operations and optimal performance. To handle excess capacity and maintain smooth product flow, we utilize storage trailers and external trailer lots. Our approach balances the trade-off between capital expenditures within our distribution centers and operational expenses, enabling us to maximize efficiency while controlling costs.

While we build more permanent Midwest and Southeast distribution centers, which we expect to open in the coming years, we have expanded the capacity and utilization of our existing five distribution centers to service stores in more distant markets, including the newly opened Southeast market. This approach enables us to optimize network efficiency and reduce distribution costs for stores located closer to these new facilities.

The Last Mile

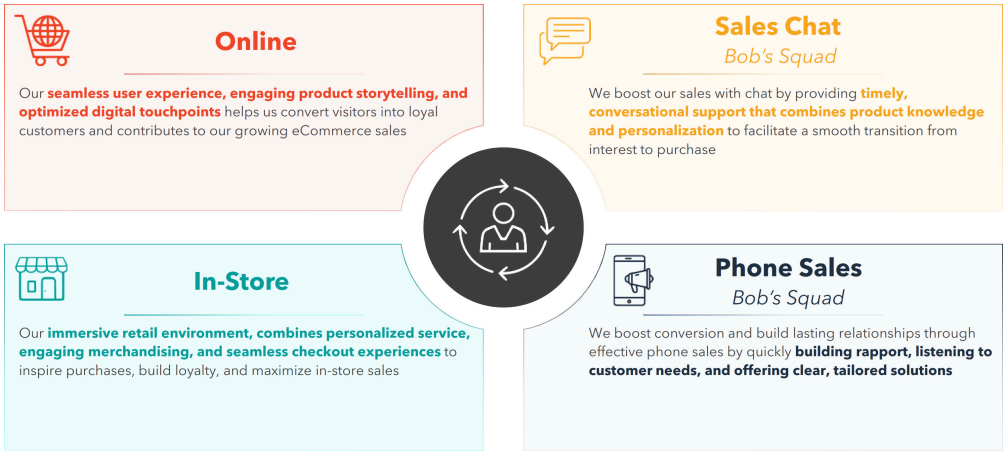
An exceptional customer delivery experience is critical to The Bob's Way. Our strategic last-mile delivery approach transforms customer satisfaction into a competitive advantage by partnering with trusted delivery specialists who share our commitment to excellence. This partnership model allows us to deliver exceptional service quality while maintaining operational flexibility, consistently achieving outstanding customer scores. Delivery is central to our value proposition, with over 90% of sales fulfilled via direct-to-home delivery. We offer premium white-glove service, including setup and packaging removal, and recently added the option for furniture removal, responding to a critical customer need.

Our third-party delivery partners are trained on our guidelines and expectations, with weekly reviews that help maintain high standards. Incentives are performance-based and maintained with rigorous quality standards. Through this customer first approach, Bob's has turned what was once a potential pain point into a powerful customer interaction and creates overall brand loyalty and customer retention.

Omnichannel Operations

At Bob's, the customer journey transcends transactions. Our stores and eCommerce platform form a cohesive, customer-centric ecosystem integrating all sales and communication channels. Showrooms offer a convenient and fun shopping experience, while our website and digital channels serve as a virtual extension of our showrooms. Our omnichannel model streamlines the shopping process, reducing friction and enhancing engagement, increasing

conversion and driving higher average order value. Omnichannel engagement drives higher spend per item, increased items per order and greater repeat purchase rates.



Stores

Showrooms

As of September 28, 2025, we operated 206 showrooms across 26 states, with an average size of approximately 33,000 square feet. Our showrooms are intentionally designed to inspire customers and reduce the complexity often associated with furniture shopping. Furniture is a "considered purchase" due to its big-ticket nature and long-term intended use, and we believe customers prefer product interaction before making an investment.

Key features of our showrooms that support the customer experience include:

- *Knowledgeable guest experience specialists:* Our talented specialists are trained to assist customers in a non-pressured manner, equipped with customized "Bob Boost" tablets to provide product specifications, schedule delivery, verify availability and finalize transactions on the spot
- *Engaging visual layouts:* Our showrooms offer a theater-like experience, guiding customers through curated room vignettes that reflect real home settings and present complete solutions. This immersive environment facilitates cross-selling of add-ons and accessories, showcasing how complementary pieces create cohesive designs. Vignettes are seasonally updated to feature new products and best sellers, with clear price ladders underscoring the value of each option.
- *Data-driven labor scheduling:* We utilize analytics on store traffic and coverage per guest experience specialist to create optimal labor scheduling, ensuring that our showrooms are staffed efficiently to meet customer demand and maximize selling opportunities
- *Low-pressure sales environment:* Beyond product displays, our locations include family-friendly touches which encourage longer visits and reinforce the approachable personality of our brand. We believe these immersive environments not only create confidence in the purchasing process but also drive higher conversion rates

- *In-store café:* Our cafés offer complimentary coffee, snacks and ice cream, creating a welcoming environment that's perfect for families. These amenities encourage longer visits and reinforce the approachable personality of our brand



Outlets

Our outlets primarily facilitate the liquidation of damaged, excess and discontinued merchandise, as well as the sale of lower average unit retail, made-for-outlet products, allowing core showrooms to maintain a curated assortment. Outlets are strategically located at the rear of our main stores and offer customers discounted options that uphold Bob's quality and style standards while also reinforcing our full-price store environment.

As of September 28, 2025, we operate 27 stores with outlets representing approximately 13% of our total store base. This model efficiently leverages existing inventory, minimizes operational complexity, and broadens customer access to the Bob's brand.

Empowered Teams and Efficient Service

In our showrooms, we empower store associates to focus on customer service rather than high-pressure sales. Guest experience specialists are commission-based, including a bonus structure that we believe optimizes higher sales and average order values. Our team is supported by a retail operating system unique to Bob's that includes digital tablets for completing purchases without leaving the sales floor, as well as programs such as "Host on Duty" which dedicates a manager to floor success during every shift. Our training and development program reaffirms consistent sales strategies, with a focus on KPIs that correlate with sales such as cart conversion, Goof Proof attachment and mattress penetration. Our overall organizational design is rooted in a culture that reinforces store-level celebrations and annual reward programs.

eCommerce

Online

Our website, www.mybobs.com, was redesigned in late fiscal year 2023. Our online platform serves as a seamless extension of the showroom, offering customers access to our complete assortment, including online-

exclusive products and expanded customization options. Digital touchpoints increasingly influence transactions, supporting households both within and beyond our physical footprint and accelerating store growth. The platform instills customer confidence through detailed product information, room inspiration, 3D visualization, rich customer reviews and AI-driven recommendations tailored to style, budget, and household needs, which streamlines the purchase process and drives higher conversion and basket sizes. Fulfillment transparency is integral, with inventory status and delivery calendars embedded in the online shopping experience.

Sales Chat

Beyond our physical and online platforms, we enhance the Bob's experience through live chat and phone sales, integral components of our omnichannel strategy. These channels blend online convenience with personalized expertise, ensuring comprehensive customer support.

Sales Chat is referred to as Bob's Squad, and represents a highly-trained product driven team to answer questions on product functionalities, make product recommendations and complete a transaction. Customers benefit from prompt, accurate assistance and can engage with a live person through web chat, by phone or in stores. Phone sales remain a vital channel, with teams adept at building rapport and delivering tailored solutions.

Post-Order Support

Once an order is placed, whether it's in-store, digitally or by telephone, customers receive proactive updates on delivery timing, installation options and service appointments. Our systems allow real-time tracking and instant escalation when issues arise, ensuring transparent and stress-free post-order support. Associates across chat, phone and mobile platforms have access to complete customer histories, enabling them to resolve questions seamlessly without handoffs. This platform is transitioning to an advanced large language model, which automates routine inquiries and accelerates resolutions, reducing call volumes and allowing our teams to focus on complex needs.

Our Growing Footprint and Differentiated Store Format

Cross-Functional Site Selection Guides Our Development Process

We employ a rigorous, cross-functional approach to our overall whitespace expansion strategy, including our site selection and individual store development, targeting profitable expansion through detailed market analysis and strategic alignment. Our development plan prioritizes opportunities based on market potential, profitability, and ongoing assessments of growth in both new and existing markets, supported by cash-on-cash return and financial contribution analyses.

Our strategy leverages data-driven insights, local broker expertise, landlord relationships, and market intelligence to identify prime locations. Markets and sites are evaluated for alignment with supply chain efficiency, competitive pricing, brand awareness, and proximity to successful showrooms. We embrace competitive markets given our differentiated proposition.

Our Real Estate Committee, composed of cross-functional leaders, reviews and approves all potential sites through comprehensive market and financial analyses and incorporating learnings from existing stores to refine criteria and strategy. While we evaluate a variety of criteria for our new store locations, we focus specifically on targeting growing markets that exhibit high-traffic characteristics while evaluating existing competitor presence in each. We prudently evaluate demographic data and patterns, advantaged by our appeal to a diverse customer base. Leveraging experience and strategic partnerships, we secure competitive sites and drive expansion in-line with our

long-term growth objectives. As of September 28, 2025, we have entered into agreements for 100% of planned new showroom locations for fiscal year 2026 and approximately half of our planned locations for fiscal year 2027.



Our new showroom prototype averages 32,000 sq ft. with an average net cash investment of $1.7 million (net of tenant allowances). By Year 5, we expect these showrooms to reach $9 million in AUV and ultimately deliver cash-on-cash returns of 80%+, with returns exceeding 60% by year two and a payback period of approximately two years.

We maintain a disciplined approach to store enhancements, separating our efforts into refreshing, remodeling, and relocation.

- Refreshes – include paint and minor store scheme updates, and are performed to keep our storefronts consistent and inviting, reinforcing our showroom's identity.
- Remodels – our store remodel program enhances layouts, upholds brand consistency and strengthens our competitive position in some of our most productive locations. In fiscal year 2025, three stores received updated designs through full remodels.
- Relocations – strategic relocations of stores to more advantageous sites have consistently delivered significant lifts in comparable sales. Over the last five years, we have relocated 6 stores, which on average delivered a total revenue lift of 14% YoY in the pre vs. post periods.

Targeted Expansion in Existing and New Markets

We focus on strengthening our presence in existing markets and expanding into high-growth potential markets, demonstrating consistent showroom execution nationwide.

In established markets, we densify our footprint to enhance operational scale. While targeted infill can create short term pressure on AUV, this densification strategy unlocks meaningful market share gains, high cash-on-cash returns, increased profitability, and supports our long-term growth objectives. Investments in localized marketing, distribution and customer engagement maximize store performance and reinforce market leadership. We have seen an increase in national market share from this strategic approach as market share has grown from fiscal year 2022 to this year.

In new markets, we seek to build brand awareness and deploy experienced managers from our talent pool to establish strong operational foundations and seed our culture. These leaders leverage operational expertise and local insights to connect to the local community and ensure each site meets market potential. This disciplined approach balances risk and drives long-term ROI as we enter new territories.

Our market entry strategy follows a deliberate cluster-based expansion model, exemplified by our planned opening of six locations in North Carolina during the first year of market entry. This concentrated approach allows us to achieve meaningful market penetration while maximizing operational synergies and brand recognition within each new designated market area. When entering new markets, we implement broad marketing campaigns to build awareness and attract customers. The ongoing efficiency improvements in our established markets provide a strong foundation, enabling us to further optimize marketing investments as our new regions expand and begin driving overall profitability.

Our People and Our Culture

At Bob's, our team of more than 5,800 people (as of September 28, 2025) is at the center of everything we do. The Bob's Way guides how we interact with customers, how we treat one another and how we operate our business. By creating a culture built on honesty, integrity, transparency and fun, we empower our teams to deliver the exceptional experience our customers deserve.

Honesty

Honesty is the cornerstone of Bob's. We ask our people to own outcomes, celebrate wins and acknowledge mistakes. This standard creates an environment where accountability is embraced. By embedding honesty into all that we do, we have built teams that are resilient, collaborative and aligned. What drives our performance are the same no-pressure, no-gimmicks principles that guide our interactions every day.

Integrity

At Bob's, integrity means a steadfast commitment to our mission of helping customers build a home they truly love. We hold ourselves to the highest ethical standards, ensuring every decision and relationship reflects our dedication to doing what's right for our customers, our team, and our communities. Our team members are empowered to act with care, always prioritizing long-term trust over short-term gain. By consistently aligning our actions with our values, we create meaningful experiences and lasting relationships, earning a reputation we're proud to uphold.

Transparency

We believe transparency is a form of respect for our customers and for one another. We have open communication between managers and our guest experience specialists. Our top guest experience specialists earn recognition as the *Best of Bob's* award celebrating and acknowledging their performance. Our team knows exactly where the Company is headed, what is expected of them and how their contributions matter. This culture of openness fosters trust and empowers our teams to deliver on our promise of value without compromise.

Fun

While our business is grounded in operational discipline, we also believe an enjoyable workplace attracts and retains the best talent. Our showrooms and distribution centers emphasize camaraderie, with recognition programs, team events and traditions that keep morale high. This emphasis on fun contributes to a welcoming environment, improves engagement and retention, and encourages our team to see long-term career potential with Bob's.

Training and Development

At Bob's, talent is our key competitive advantage. We view acquisition, training, and development as an ongoing cycle, ensuring specialists and leaders are equipped to grow with the business. We recruit with purpose, prioritizing candidates with strong character, a service mindset, and alignment with our culture. Customer orientation is valued over prior sales experience, fostering a consultative approach. Our recruiting teams actively seek individuals who embody Bob's values of honesty, integrity, transparency and fun.

Leadership potential is assessed continuously and integrated into development plans. 81% of our open store manager roles in fiscal year 2024 were promoted internally, with an attractive average tenure of approximately seven

years. Store manager retention improved from 82% to 86% YoY, reflecting our strong culture and clear career pathways for long-term success.

Training at Bob's addresses both current roles and future responsibilities. Guest experience specialists receive targeted instruction through classroom, e-learning, and hands-on training. Store managers complete advanced programs in financial management, process efficiency, and performance leadership, with emphasis on setting expectations, accountability, and recognition. Our culture supports an environment of continuous learning, where all team members have the opportunity to improve performance and develop their careers.

Updated policies and an accessible Employee Code of Conduct reinforce our cultural standards, complemented by role-specific "Expectations of Excellence." This disciplined approach to recruitment, training, and development builds a robust talent pipeline, improves retention, reduces turnover, and supports scalable growth while preserving our culture. Investing in our people ensures an engaged workforce equipped to achieve our growth objectives.

Growing Our Brand

As we expand nationally, we continue to reinforce our customer-first brand promise. Our model not only benefits consumers but also extends to suppliers and vendors through trusted, long-term relationships. We aspire to be recognized not as a traditional national chain, but as a trusted, community-centric retailer.

Awareness and Marketing

Bob's marketing strategy balances immediate performance with long-term brand strength through a full-funnel approach leveraging connected TV, social media, digital channels, and first-party data. We employ rigorous analytics focused on acquisition cost, conversion, and lifetime value, optimizing channel mix and messaging in real time via multi-touch attribution. Our advertising campaigns emphasize transparent pricing and differentiated value, avoiding promotional discounting to reinforce brand equity. Our creative strategy highlights our highly differentiated in-house capabilities and leverages our agility to rapidly produce, pivot, and scale content that supports dynamic product launches and evolving business strategies.

Advertising communicates the transparency, ease, and fun of shopping at Bob's. Using consistent "no gimmicks" messaging and our "Little Bob" brand ambassador we reinforce and build trust with our customers. Storytelling, often utilizing family-oriented narratives, highlights our product's role in everyday life, fostering broad resonance and brand credibility. Strategic partnerships with the NFL, NHL and MLB, in addition to our introduction of a Bob's-branded NASCAR vehicle, expand brand awareness and community integration. For new markets, we

also deploy targeted, localized campaigns that blend core messaging with market-specific insights, strengthening visibility and trust as we grow.



Tech-Enabled Engagement

We invest in technology to deliver seamless omnichannel experiences, integrating our physical and digital platforms for a unified brand presence. With approximately 14% of our business conducted digitally, we leverage AI and machine learning for personalized engagement, efficient content creation, and dynamic campaign optimization, ensuring consistent and cost-effective customer interactions.

Our robust customer database enables detailed analysis of customer demographics and behavior, informing targeted audience strategies and marketing initiatives. These insights drive strategic decisions across functions, supporting marketing opportunities, merchandising trends, and brand awareness efforts.

Community Impact and Giving Back

We view community impact as a core element of Bob's identity and long-term strategy. Our commitment extends beyond the customer transaction to include support for the communities in which we operate.

Our efforts include:

- Local engagement initiatives as we enter new markets, ensuring that Bob's builds authentic, lasting community connections.
- Charitable giving and sponsorships focused on families, education and causes aligned with our mission of providing comfort and value.
- Associate-driven programs that empower our employees to contribute meaningfully to local organizations and causes.
- Donations to a local nonprofit organization and school as part of every new store grand opening celebration

We believe that a strong community presence enhances long-term brand equity and differentiates Bob's from traditional national retailers, ensuring that growth is accompanied by measurable positive impact.



Our Technology

Technology underpins our strategy, enabling seamless omnichannel experiences and driving efficiency, scalability, and innovation. We balance third-party solutions with custom development for competitive advantage, ensuring consistency across channels and investing in digital platforms that deepen online engagement. Recent initiatives include advanced personalization and additional Buy Now, Pay Later options, with AI embedded across customer service, product recommendations, and ERP optimization.

AI deployment optimizes supply chain and freight operations, improving demand forecasting, inventory management, and route planning to reduce costs and accelerate delivery. These efforts enhance operational efficiency and product availability.

Data security is paramount, overseen by our Chief Information Security Officer and supported by robust safeguards such as phishing simulations, penetration testing, and continuous monitoring. At Bob's, technology is a key enabler of business outcomes, facilitating seamless customer experiences and informed decision-making. As we further integrate AI and unify data, we will continue to deliver a more personalized, efficient, and secure service.

Competition

We operate within the large, growing and highly fragmented $182 billion U.S. home furnishings industry (excluding barbecues) in 2024, as defined by Euromonitor. The U.S. home furnishings industry is characterized by a high degree of fragmentation, predominantly composed of smaller, independent regional operators. We believe this fragmentation presents a strategic opportunity for us to grow market share by leveraging our scale, resources and omnichannel capabilities.

Our focus on value positions us well within the expansive and fragmented $182 billion U.S. home furnishings industry (excluding barbecues) in 2024, as defined by Euromonitor, allowing us to capture significant share by appealing to customers seeking quality, style and affordability.

Our competition also includes furniture stores, big box retailers, department stores, specialty retailers and online furniture retailers and marketplaces. New or existing home furniture retailers could also enter our markets and increase the competition we face.

Intellectual Property

In an effort to establish and protect our brand and other intellectual property rights, we rely on a combination of copyright, trademark and trade secret laws, as well as confidentiality agreements, license agreements and similar contracts to establish and protect our proprietary rights. As of September 28, 2025, we had, or had exclusive licenses to use, over 40 U.S. trademark registrations and applications, including "BOB'S DISCOUNT FURNITURE," "Oh My Bob!" and "BOB-O-PEDIC." In order to maintain our U.S. trademark registrations, we must continue to use the marks in commerce on the goods and services identified in the registrations and must make required filings with the U.S. Patent and Trademark Office at intervals specified by applicable statutes and regulations. Failure to comply with these requirements may result in abandonment or cancellation of the registrations.

We also hold the rights to several domain names, including mybobs.com. We believe that our trademarks and other proprietary rights are important to our success and our competitive position, and, therefore, we devote resources to the protection of our trademarks and proprietary rights.

Other than licenses to commercially available software, we do not believe that any of our licenses to third-party intellectual property are material to our business taken as a whole.

Information Technology and Systems

Our technology and information systems are foundational to enabling business intelligence and operational excellence across our sales channels. We continue to invest in scalable, secure, and customer-centric technologies to enhance the customer experience, drive sales and create operating efficiencies. Our infrastructure leverages a hybrid model of cloud-based and co-located data centers, supporting an ecosystem of integrated, industry and standard applications.

Our systems provide the data analysis and automation necessary to support our marketing, merchandising, pricing, inventory, distribution, store operations and point-of-sale, eCommerce, finance, accounting and human resources operations and initiatives. We continue to innovate and optimize our technology systems as well as continue to make significant investments in our technology infrastructure to support agility, resilience, and growth. We believe our current systems allow us to quickly identify and respond to business trends while maintaining strong defenses against ever-evolving cybersecurity threats. See "*Risk Factors—Risks Related to Data Privacy and Information Technology*."

Properties

Our primary offices are located at 434 Tolland Turnpike, Manchester CT, where we occupy approximately 103,000 square feet of office space pursuant to a lease agreement that expires in October 2037.

As of September 28, 2025, we lease five distribution centers, located in California, Connecticut, Illinois, Maryland and New Jersey, with an average size of approximately 685,000 square feet. We also lease retail space for our stores, in 206 locations as of September 28, 2025 across 26 U.S. states.

Employees

As of September 28, 2025, we had approximately 1,102 salaried employees and 4,713 hourly, commissioned or mileage-based employees. As of that date, approximately 4,360 of our employees were based in our stores, 941 of our employees were based in our distribution centers and 514 of our employees were based in our corporate headquarters.

As of September 28, 2025, a total of 260 employees in 12 of our stores are represented by a union or subject to collective bargaining agreements. We have not experienced any work stoppages and we believe that we have good relationships with our employees.

Seasonality

While we believe that our wide assortment of products across our omnichannel platforms makes us less susceptible to seasonal shopping patterns than many retailers, our quarterly results nevertheless vary depending upon a variety of factors, including changes in our product offerings, the opening of new retail locations and shifts in the timing of various events quarter over quarter including holidays, among other things. As a result of these factors, our working capital requirements and demands on our product distribution and delivery network may fluctuate during the year. Unique factors in any given quarter may affect period-to-period comparisons between the quarters being compared, and the results for any quarter are not necessarily indicative of the results that we may achieve for a full fiscal year.

Regulation and Legislation

We are subject to numerous regulations, including labor and employment laws, customs, laws governing truth-in-advertising, consumer protection, privacy, safety, real estate, environmental and zoning and occupancy laws, and other laws and regulations that regulate retailers and govern the promotion and sale of merchandise and the operation of our stores, manufacturing and distribution facilities, in the United States as well as in jurisdictions from which we source products. We monitor changes in such laws believe that we are in material compliance with laws applicable to our business.

Data Privacy/Security

Numerous state and federal laws, rules, regulations, industry standards and other obligations relating to privacy, data protection, and data security govern the collection, dissemination, use, access to, confidentiality, and security of personal information, and we are subject to several such obligations. Failure to comply with these obligations, where applicable, can result in the imposition of significant civil and/or criminal penalties and private litigation. Privacy and security laws, regulations, industry standards and other obligations are evolving, may conflict with each other to make compliance efforts more challenging, and can result in investigations, proceedings, or actions that lead to significant penalties and restrictions on data processing and we may become subject to additional requirements and obligations as we expand our operations into new geographic markets. See "*Risk Factors—Risks Related to Data Privacy and Information Technology*."

Environmental

We believe federal and state environmental regulations have not had a material effect on operations, but more stringent and varied requirements of local government bodies with respect to zoning land use and environmental factors could delay construction and increase development costs for new stores.

Legal Proceedings

From time to time, we have and we may become involved in litigation, claims and other proceedings relating to the conduct of our business including but not limited to claims related to our employment practices, commercial disputes, claims of intellectual property infringement and claims related to personal injuries and product liability for the products that we sell and the stores we operate. Any claims could result in litigation against us and could result in regulatory proceedings being brought against us by various federal and state agencies that regulate our business. Defending such litigation is costly and can impose significant burden on management and employees. Further, we could receive unfavorable preliminary or interim rulings in the course of litigation, and there can be no assurance that favorable final outcomes will be obtained.

In the opinion of management, we are currently not a party to any legal proceedings, the outcome of which, if determined adversely to us, would individually or in the aggregate have a material adverse effect on our business, financial condition or results of operations.

Management

Executive Officers and Directors

Below is a list of the names, ages as of the date of this prospectus, positions and a brief account of the business experience of the individuals who serve as our executive officers and directors as of the date of this prospectus.

Name	Age	Title
William G. ("Bill") Barton	69	Chief Executive Officer, President and Director
Carl Lukach	45	Chief Financial Officer, Executive Vice President and Treasurer
Rob Bogan	57	Chief Technology Officer and Senior Vice President
Patricia Davies	68	Chief Human Resources Officer and Senior Vice President
Carol Glaser	59	Chief Merchandising Officer and Executive Vice President
Stephen Moeller	48	Chief Growth Officer and Executive Vice President
Ramesh Murthy	60	Chief Operating Officer and Executive Vice President
Stephen Nesle	58	Chief Marketing Officer and Senior Vice President
Ryan Schaffer	47	Chief Legal & Development Officer and Corporate Secretary
Edmond J. English	72	Executive Chairman
Mir Aamir	53	Director
Joshua Bekenstein	67	Director
Barbara Carbone	67	Director
Jennifer Davis	48	Director
Soyoung Kang	51	Director
John Kilgallon	62	Director
Trevor Lang	55	Director
Philip H. Loughlin	58	Director
Scott Williams	62	Director

(1) Member of the Audit Committee.
(2) Member of the People Committee.
(3) Member of the Nominating and Corporate Governance Committee.

Executive Officers

William G. ("Bill") Barton has served as our Chief Executive Officer, President and Director since October 2020. Prior to joining Bob's Discount Furniture, Mr. Barton served as the President and Chief Executive Officer of California Closets Company, Inc. ("California Closets"), a manufacturer of custom closets and storage for homes, from May 2009 to October 2020, where he worked with the leadership team to drive sustained growth, launching California Closets' eCommerce platform and establishing collaborations with major lifestyle brands. Prior to serving as President and Chief Executive Officer, Mr. Barton served as the Senior Vice President of Operations of California Closets from 2006 to May 2009. Mr. Barton was the co-founder, president and chief operating officer of Tier Technologies, Inc. (NASDAQ: TIER), a global information technology professional services firm, from 1990 to 2000. They provided strategic IT consulting and systems integration services to corporate and government clients throughout the US, UK and Australia. Mr. Barton holds a Bachelor of Science degree in Business Administration and Management from the University of Phoenix and an M.B.A. from Pepperdine Graziadio Business School. We believe Mr. Barton is qualified to serve on our Board of Directors because of his extensive industry and institutional knowledge, operational experience and his knowledge of our company through his role as our Chief Executive Officer.

Carl Lukach has served as our Chief Financial Officer, Executive Vice President and Treasurer since June 2023. Prior to joining Bob's Discount Furniture, Mr. Lukach served as Chief Financial Officer of Noodles & Company (NASDAQ: NDLS), a fast-casual restaurant chain, from November 2020 to June 2023, prior to which he served as

Vice President, Finance of Equinox from September 2016 to November 2020. From September 2014 to September 2016, Mr. Lukach served as Senior Director, Finance and Corporate Development at Abercrombie & Fitch (NYSE: ANF), prior to which he spent nearly a decade as an investment banker in the Retail & Consumer Group at Credit Suisse and Bear Stearns. Mr. Lukach holds a Bachelor's degree in Finance from Georgetown University.

Rob Bogan has served as our Chief Technology Officer and Senior Vice President since April 2025. Prior to joining Bob's Discount Furniture, Mr. Bogan served as the Chief Technology Officer of DXL Group (NASDAQ: DXLG), an omni channel clothing retailer, from November 2023 to April 2025. From August 2023 to November 2023, Mr. Bogan served as Chief Information Officer of Cato Corporation (NYSE: CATO), a specialty retailer, prior to which he served as Chief Technology Officer of Mitchell Gold + Bob Williams, a home furnishings manufacturer and retailer, from September 2021 to August 2023 and Senior Vice President, Technology and Chief Information Officer of California Closets from May 2018 to August 2021. Mr. Bogan studied computer science in Dublin, Ireland, and later advanced his education at the University of California, Berkeley, Haas School of Business, completing its intensive CIO Leadership program. His background combines technical training with executive development, reflecting a global career at the intersection of technology and business strategy.

Patricia Davies has served as our Chief Human Resources Officer and Senior Vice President since January 2021, and previously served as our Senior Vice President, Human Resources from March 2016 to December 2020. Prior to joining Bob's Discount Furniture, Ms. Davies was Corporate Officer and Vice President, Human Resources of Jabil Inc. (formerly Nypro Inc.), a healthcare manufacturer, from December 2011 to March 2016. Ms. Davies holds a Bachelor of Science degree in Biology and Chemistry from Indiana University of Pennsylvania and a Master of Science degree in Environmental Science from Temple University.

Carol Glaser has served as our Chief Merchandising Officer and Executive Vice President since July 2020, and previously served as our Executive Vice President, Merchandising from October 2018 to July 2020 and our Senior Vice President and General Merchandise Manager from March 2013 to October 2018. Ms. Glaser has held other notable merchandising leadership positions from March 2008 to March 2013 including Vice President and General Merchandise Manager, General Merchandise Manager and Divisional Merchandise Manager. Prior to joining Bob's Discount Furniture, Ms. Glaser was the Vice President of Merchandising for Levitz Furniture from April 2006 to December 2007. Ms. Glaser holds a Bachelor of Science degree in marketing from Long Island University.

Stephen Moeller has served as our Chief Growth Officer and Executive Vice President since October 2024. Prior to joining Bob's Discount Furniture, Mr. Moeller served in senior roles at Wayfair Inc. (NYSE: W) from May 2017 to October 2023, including General Manager: Exclusive Brands, Supplier Acquisition, Visual Media and User Generated and COO, Wayfair Professional. Mr. Moeller holds a Bachelor of Arts degree in Economics from Princeton University.

Ramesh Murthy has served as our Chief Operating Officer and Executive Vice President since March 2025 and Executive Vice President of Operations since November 2024. He previously served as our Chief Supply Chain Officer and Executive Vice President from March 2022 to November 2024. Prior to joining Bob's Discount Furniture, Mr. Murthy served in senior roles at Hasbro from June 2014 to March 2022, including Senior Vice President – Global Planning and Logistics and Senior Vice President – Global Planning. Mr. Murthy holds a Bachelor of Science degree in Biomedical Engineering and Electrical Engineering from Rensselaer Polytechnic Institute and a Master of Science degree in Biomedical Engineering from Boston University.

Stephen Nesle has served as our Chief Marketing Officer and Senior Vice President since March 2016. Prior to joining Bob's Discount Furniture, Mr. Nesle held executive creative leadership roles at Deutsch Inc., DDB Worldwide Communications Group LLC, McCann Worldgroup and Digitas, Inc. Mr. Nesle is an award-winning marketing and creative leader with more than thirty years of experience building brands and driving demand. Mr. Nesle is an executive member of the International Academy of Digital Arts and Sciences. Mr. Nesle holds a Bachelor of Fine Arts degree in creative writing from Emerson College.

Ryan Schaffer has served as our Chief Legal & Development Officer and Corporate Secretary since March 2025, and previously served as our Chief Legal Officer and Corporate Secretary from March 2022 to March 2025 and Senior Vice President, General Counsel and Corporate Secretary from June 2021 to March 2022. Prior to

joining Bob's Discount Furniture, Mr. Schaffer served as Vice President and Managing Counsel of Inspire brands from December 2020 to May 2021, prior to which he served in a number of senior roles at Dunkin' Brands from January 2012 to December 2020, including Vice President and Managing Counsel, Senior Director and Legal Counsel and Director, Legal Counsel and Assistant Corporate Secretary. Mr. Schaffer holds a Bachelor of Arts degree in Government from Harvard University and a J.D. from the University of Virginia School of Law.

Non-Employee Directors

Edmond J. English has served as the Executive Chairman of our Board of Directors since March 2016. Mr. English served as our Chief Executive Officer from November 2006 to March 2016. Prior to joining Bob's Discount Furniture, Mr. English served as Chief Executive Officer for The TJX Companies, Inc. (NYSE: TJX) from 2000 to 2005. In addition to serving on our Board of Directors, Mr. English also serves as a director of Burlington Stores, Inc. (NYSE: BURL) and Rue Gilt Groupe, Inc., a private off-price eCommerce portfolio company. Mr. English also serves on the Board of Trustees of various funds within the multi-affiliate structure of Natixis Global Asset Management, a global asset management firm. Mr. English holds a Bachelor of Science degree in Business Administration from Northeastern University. We believe that Mr. English is qualified to serve on our Board of Directors based on his extensive understanding of our business through his various leadership roles at our company and more than 40 years of experience in the retail industry, including broad experience in large retail chain management encompassing marketing, finance and accounting, operational expertise and supply chain management.

Mir Aamir has served on our Board of Directors since January 2021. Mr. Aamir has served as President and Chief Executive Officer of Fulfil Solutions, Inc., a venture backed robotics automation company, since November 2021. Prior to Fulfil Solutions, Inc., Mr. Aamir served in various senior executive roles at Quotient Technology Inc., a digital marketing platform company, from October 2013 to August 2019, including President and Chief Executive Officer, as well as Safeway, Inc., a national grocery retailer from May 2005 to September 2013. In addition to serving on our Board of Directors, Mr. Aamir also serves on the boards of directors of Fulfil Solutions, Inc. and Teach the World Foundation, a nonprofit organization dedicated to educating unschooled children using technology and game-based learning. He previously served on the board of directors of Cloudways, a high growth cloud application company, until its acquisition by Digital Ocean (NYSE: DOCN) in 2022, as well as on the Board of FTD, LLC, a global eCommerce retailer. Mr. Aamir holds a Bachelor of Business Administration degree from the Institute of Business Administration at the University of Karachi in Pakistan and an M.B.A. from the University of Chicago Booth School of Business. We believe that Mr. Aamir is qualified to serve on our Board of Directors based on his leadership in multiple businesses.

Joshua Bekenstein has served on our Board of Directors since February 2014. Mr. Bekenstein has been a Senior Advisor at Bain Capital Private Equity, LP, since January 2023. Previously, he was a Managing Director, having joined the firm at its inception in 1984. Prior to joining Bain Capital, Mr. Bekenstein spent several years at Bain & Company, where he was involved with companies in a variety of industries. In addition to serving on our Board of Directors, Mr. Bekenstein also serves as a director of Bright Horizons Family Solutions Inc. (NYSE: BFAM), BRP Inc. (NASDAQ: DOOO) and Dollarama Inc. (OTC: DLMAF). He previously served on the boards of directors of The Michaels Companies, Inc. (NASDAQ: MIK) until April 2021 and Canada Goose Holdings Inc. (NYSE: GOOS) until September 2023. Mr. Bekenstein holds a Bachelor of Arts degree in Economics from Yale University and an M.B.A. from the Harvard Business School. We believe Mr. Bekenstein is qualified to serve on our Board of Directors because of his leadership and investment experience in the retail industry.

Barbara Carbone has served on our Board of Directors since January 2023. Ms. Carbone served in several accounting and auditing-related roles at KPMG LLP, a multinational accounting and advisory firm, from 1981 through September 2019. Since August 2020, Ms. Carbone has served as the chair of the board of directors of TrueCar, Inc. (NASDAQ: TRUE), an automotive digital marketplace. Since November 2022, she has served as a member of the board of directors of Limoneira Company (NASDAQ: LMNR), a publicly-traded international agribusiness and real estate development company and, since May 2025, has served as a member of the board of directors of The Cooper Companies, Inc. (NASDAQ: COO), a global medical device company. From January 2021 through March 2025, Ms. Carbone served on the board of directors of DZS Inc. (NASDAQ: DZSI), a provider of mobile transport and broadband access equipment and software. From June 2021 through August 2022, Ms. Carbone served on the board of directors and chair of the audit committee of Blue Nile, Inc., the world's leading diamond

jeweler online for engagement and wedding rings. Ms. Carbone holds a Bachelor of Business Administration degree in Business and Accounting from California State University-Sacramento. We believe Ms. Carbone is qualified to serve on our Board of Directors based on her substantial financial and audit expertise, and experience as a director of public companies in various business sectors.

Jennifer Davis has served on our Board of Directors since November 2022. Ms. Davis has been a Partner at Bain Capital since August 2022, where she is in the Consumer vertical and a member of the North America Private Equity team. Prior to joining Bain Capital, Ms. Davis was a Partner in Consumer/Retail Investment Banking at Goldman Sachs, where she served as Head of Retail Investment Banking and Head of Consumer/Retail Client Coverage. Ms. Davis currently serves on the board of Canada Goose Holdings Inc. (NYSE: GOOS), the boards of privately held 1440 Foods and Concert Golf Partners, and the boards of directors of non-profits The Opportunity Network and Cornell University. Ms. Davis holds a Bachelor of Science in Applied Economics and Business Management from Cornell University and an M.B.A. from the Harvard Business School. We believe Ms. Davis is qualified to serve on our Board of Directors based on her strong finance, marketing and general business operations skills and valuable experience gained from current board service.

Soyoung Kang has served on our Board of Directors since January 2021. Ms. Kang is currently President at eos Products, a fast-growth consumer packaged goods company, since August 2025 and previously served as Chief Marketing and Innovation Officer from June 2018. Prior to joining eos Products, Ms. Kang served as Senior Vice President of Brand Merchandising at Bath & Body Works, Inc. (NYSE: BBWI) and other executive roles from 2008 to 2018. Before that, Ms. Kang led strategy and growth initiatives across global companies, including Victoria's Secret & Co. (NYSE: VSCO) and The Boston Consulting Group. Ms. Kang holds a B.S. from the Massachusetts Institute of Technology and an M.B.A. from The Wharton School of the University of Pennsylvania. We believe Ms. Kang is qualified to serve on our Board of Directors based on her experience in consumer products, retail and merchandising, and high growth companies.

John Kilgallon has served on our Board of Directors since February 2014. Mr. Kilgallon has been a Partner at Bain Capital since 2011, where he is a member of the North America Private Equity team, and leads the Capital Markets team. Prior to joining Bain Capital, Mr. Kilgallon held senior leadership positions in debt and equity capital markets, investment banking, and corporate finance at Citadel, Merrill Lynch, Goldman Sachs, and Bear Stearns. He began his finance career at GE Capital. Mr. Kilgallon holds a Bachelor of Science in Mechanical and Aerospace Engineering from Princeton University and an M.B.A. from the Amos Tuck School at Dartmouth College. We believe Mr. Kilgallon is qualified to serve on our Board of Directors based on his strong finance, marketing and general business operations skills and valuable experience gained from current board service.

Trevor Lang has served on our Board of Directors since November 2025. Mr. Lang served as the President of Floor & Decor (NYSE: FND) from August 2022 to March 2025. Previously, he served as the Chief Financial Officer and Executive Vice President of Professional Services at Floor & Decor from June 2011 to August 2022. From June 2007 to June 2011, Mr. Lang served as the Chief Financial Officer of Zumiez Inc. (NASDAQ: ZUMZ), prior to which he served as Vice President of Finance at Carter's Inc. (NYSE: CRI) from February 2003 to June 2007. Mr. Lang holds a Bachelor of Business Administration in Accounting from Texas A&M University. We believe that Mr. Lang is qualified to serve on our Board of Directors based on his finance expertise and considerable experience in the consumer retail industry.

Philip H. Loughlin has served on our Board of Directors since 2016. Mr. Loughlin was a Partner at Bain Capital from 2004 to 2025 and now serves as a Senior Advisor to the firm. Prior to joining Bain Capital in 1996, Mr. Loughlin was a consultant at Bain & Company and served in operating roles at Eagle Snacks, Inc. and Norton Company. Mr. Loughlin serves on the boards of directors of private companies, including Envestnet, Inc., Guidehouse Inc., Fogo de Chao, Inc., Sizzling Platter, LLC and Dessert Holdings Inc. He previously served on the boards of directors of AMC Entertainment, Inc. (NYSE: AMC) and Bloomin' Brands, Inc. (NASDAQ: BLMN). Mr. Loughlin holds a Bachelor of Arts in Economics from Dartmouth College and an M.B.A. from the Harvard Business School. We believe Mr. Loughlin is qualified to serve on our Board of Directors based on his strong finance, marketing and general business operations skills and valuable experience gained from previous and current board service.

Scott K. Williams has served on our Board of Directors since July 2018. Mr. Williams has served as Chief Executive Officer and a director of Batteries Plus, a retailer of battery and lighting solutions, since January 2019. Mr. Williams previously served as President of Cabela's, Inc. from February 2016 until its acquisition by Bass Pro Shops in October 2017. Prior to that, he was Chief Commercial Officer at Cabela's from August 2015 to February 2016 and Chief Marketing and eCommerce Officer from October 2011 to August 2015. Previously, he was President of Fanatics, Inc., a pure-play growth company in licensed apparel. He had also served as Corporate Vice President for Wal-Mart Stores, Inc. with responsibility as General Manager of the Samsclub.com business unit, as well as overseeing digital marketing and call center operations. Prior to working at Wal-Mart, he was Senior Vice President of the Marketing and Direct Business segment of OfficeMax, Inc. In addition to serving on our Board of Directors, Mr. Williams has served on the board of directors of Duluth Holdings Inc. (NASDAQ: DLTH) since June 2018 and has served as Compensation Committee Chair since May 2025. Mr. Williams holds a Bachelor of Science degree in Business Administration from the University of Kansas and a Masters of Management degree from the Kellogg Graduate School of Management of Northwestern University. We believe Mr. Williams is qualified to serve on our Board of Directors given his considerable experience across both online and in-store retailing businesses.

Family Relationships

There are no family relationships between any of our executive officers or directors.

Controlled Company

Upon completion of this offering, we will be a "controlled company" under the New York Stock Exchange corporate governance standards. As a controlled company, exemptions under the New York Stock Exchange standards will exempt us from certain New York Stock Exchange corporate governance requirements, including the requirements:

- that our Board of Directors be composed of a majority of "independent directors," as defined under the New York Stock Exchange rules;
- that the people committee be composed entirely of independent directors; and
- that the nominating and corporate governance committee be composed entirely of independent directors.

Accordingly, for so long as we are a "controlled company," you will not have the same protections afforded to stockholders of companies that are subject to all of the New York Stock Exchange corporate governance requirements. In the event that we cease to be a controlled company, we will be required to comply with these provisions within the transition periods specified in the rules of the New York Stock Exchange.

These exemptions do not modify the independence requirements for our audit committee, and we expect to satisfy the member independence requirement for the audit committee prior to the end of the transition period provided under the New York Stock Exchange listing standards and SEC rules and regulations for companies completing their initial public offering.

Board Composition and Director Independence

Our business and affairs are managed under the direction of our Board of Directors. The number of directors will be fixed by our Board of Directors, subject to the terms of our second restated certificate of incorporation and second amended and restated bylaws that will become effective immediately prior to the completion of this offering.

Our Board of Directors has undertaken a review of the independence of each director. Based on the information provided by each director concerning his or her background, employment, and affiliations, our Board of Directors has determined that each of , , and are independent under the rules of the New York Stock Exchange. In making this determination, the Board of Directors considered the relationships that such directors have with our Company and all other facts and circumstances that the Board of Directors deemed relevant in determining such directors' independence, including beneficial ownership of our capital stock by each non-employee director and their affiliates, and the transactions involving them described in "*Certain Relationships and Related Party Transactions*."

Our Board of Directors will be divided into three classes, as follows:

- Class I, which will initially consist of , whose terms will expire at the first annual general meeting of stockholders occurring after this offering;
- Class II, which will initially consist of , whose terms will expire at the second annual general meeting of stockholders occurring after this offering; and
- Class III, which will initially consist of , whose terms will expire at the third annual general meeting of stockholders occurring after this offering.

Upon the expiration of the initial term of office for each class of directors, each director in such class shall be elected for a term of three years and serve until a successor is duly elected and qualified or until his or her earlier death, resignation or removal.

Board Committees

Upon the completion of this offering, our Board of Directors will have three standing committees: the audit committee; the people committee; and the nominating and governance committee. Each of the committees operates under its own written charter adopted by the Board of Directors, each of which will be available on our website upon closing of this offering.

Audit Committee

Following this offering, our audit committee will be composed of , with serving as chairperson of the committee. We anticipate that, prior to the completion of this offering, our audit committee will determine that meets the definition of "independent director" under the rules of the New York Stock Exchange and under Rule 10A-3 under the Exchange Act. Within one year following the effective date of the registration statement of which this prospectus forms a part, the audit committee will consist exclusively of independent directors. None of our audit committee members simultaneously serves on the audit committees of more than three public companies, including ours. Our Board of Directors has determined that is an "audit committee financial expert" within the meaning of the SEC's regulations and applicable listing standards of the New York Stock Exchange. The audit committee's responsibilities upon completion of this offering will include:

- appointing, approving the compensation of, and assessing the qualifications, performance, and independence of our independent registered public accounting firm;
- pre-approving audit and permissible non-audit services, and the terms of such services, to be provided by our independent registered public accounting firm;
- reviewing the audit plan with the independent registered public accounting firm and members of management responsible for preparing our audited consolidated financial statements;
- reviewing and discussing with management and the independent registered public accounting firm our annual and quarterly consolidated financial statements and related disclosures as well as critical accounting policies and practices used by us;
- reviewing the adequacy of our internal control over financial reporting;
- reviewing all related party transactions for potential conflict of interest situations and approving all such transactions;
- establishing policies and procedures for the receipt and retention of accounting-related complaints and concerns;

- recommending, based upon the audit committee's review and discussions with management and the independent registered public accounting firm, the inclusion of our audited consolidated financial statements in our Annual Report on Form 10-K;
- reviewing and assessing the adequacy of the committee charter and submitting any changes to the Board of Directors for approval;
- monitoring our compliance with legal and regulatory requirements as they relate to our audited consolidated financial statements and accounting matters;
- overseeing the integrity of our information technology systems, process and cybersecurity;
- preparing the audit committee report required by the rules of the SEC to be included in our annual proxy statement; and
- reviewing and discussing with management and our independent registered public accounting firm our earnings releases.

People Committee

Following this offering, our people committee will be composed of , with serving as chairperson of the committee. The people committee's responsibilities upon completion of this offering will include:

- reviewing and approving the corporate goals and objectives relevant to the compensation of our executive officers, other than our chief executive officer;
- reviewing and approving the compensation of our executive officers, other than our chief executive officer;
- appointing, compensating, and overseeing the work of any compensation consultant, legal counsel or other advisor retained by the people committee;
- conducting the independence assessment outlined in the rules of the New York Stock Exchange with respect to any compensation consultant, legal counsel, or other advisor retained by the people committee;
- reviewing and assessing the adequacy of the committee charter and submitting any changes to the Board of Directors for approval;
- overseeing and administering our equity compensation and similar plans;
- reviewing and approving our policies and procedures for the grant of equity-based awards and granting equity awards;
- reviewing and making recommendations to the Board of Directors with respect to director compensation; and
- reviewing and discussing with management the compensation discussion and analysis to be included in our annual proxy statement or Annual Report on Form 10-K.

Nominating and Corporate Governance Committee

Following this offering, our nominating and governance committee will be composed of , with serving as chairperson of the committee. The nominating and governance committee's responsibilities upon completion of this offering will include:

- developing and recommending to the Board of Directors criteria for board and committee membership;
- establishing procedures for identifying and evaluating candidates for the Board of Directors, including nominees recommended by stockholders;

- recommending to the Board of Directors the persons to be nominated for election as directors and to each of the board's committees;
- developing and recommending to the Board of Directors a set of corporate governance guidelines;
- reviewing and assessing the adequacy of the committee charter and submitting any changes to the Board of Directors for approval;
- provide for new director orientation and continuing education for existing directors on a periodic basis;
- performing an evaluation of the performance of the committee; and
- overseeing the evaluation of the Board of Directors and management.

People Committee Interlocks and Insider Participation

None of the members of our people committee has at any time during the prior three years been one of our officers or employees. None of our executive officers currently serves, or in the past fiscal year has served, as a member of the board of directors or people committee (or other committee performing equivalent functions) of any entity that has one or more executive officers serving on our Board of Directors or people committee. For a description of transactions between us and members of our people committee (or other committee performing equivalent functions) and affiliates of such members, please see "*Certain Relationships and Related Party Transactions*."

Board of Directors Oversight of Risk Management

Management is responsible for the day-to-day management of risks the Company faces. The full Board of Directors has the ultimate oversight responsibility for the risk management process, and, through its committees, oversees risk in certain specified areas. In particular, our audit committee oversees management of enterprise risks as well as financial risks and cybersecurity risks and is responsible for overseeing the review and approval of related party transactions. Our people committee is responsible for overseeing the management of risks relating to our executive compensation plans and arrangements and the incentives created by the compensation awards it administers. Our nominating and corporate governance committee oversees risks associated with corporate governance, business conduct and ethics.

Pursuant to the Board of Directors' instruction, management regularly reports on applicable risks to the relevant committee or the full Board of Directors, as appropriate, with additional review or reporting on risks conducted as needed or as requested by the Board of Directors and its committees.

Codes of Business Conduct and Ethics

We have adopted a code of ethics that applies to all of our employees, officers and directors. Upon the closing of this offering, our code of ethics will be available on our website. We intend to disclose any amendments to our code of ethics, or any waivers of their requirements, on our website. Information contained on our website is not incorporated by reference into this prospectus, and you should not consider information contained on our website to be part of this prospectus or in deciding to purchase shares of our common stock.

Executive and Director Compensation

The following discussion of compensation arrangements should be read with the compensation tables and related disclosures set forth below. This discussion may contain forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt following the completion of this offering may differ materially from the currently planned programs summarized in this discussion.

Compensation discussion and analysis

This compensation discussion and analysis section is intended to provide information about our 2025 compensation programs for our named executive officers ("NEOs"), the objectives of those programs and our executive compensation philosophy, as well as to provide context for the information included in the tables that follow this discussion. For 2025, our named executive officers were William Barton, our President and Chief Executive Officer; Carl Lukach, our Chief Financial Officer; Carol Glaser, our Chief Merchandising Officer; Ramesh Murthy, our Chief Operating Officer; and Stephen Moeller, our Chief Growth Officer.

Principal Objectives of the Company's Executive Compensation Program

In designing our executive compensation program, our objective is to provide our executives with a total compensation package that furthers our ability to compete for high-caliber talent and pay for performance in a manner that is equitable and transparent. To help meet this objective, we provide a compensation program that is focused on the following key areas:

- providing market-competitive total cash compensation in the form of base salary and short-term cash incentives under our annual management bonus plan (the "Bonus Plan");
- rewarding executives for their contributions towards the Company's financial success, as measured by the Company's normalized earnings before interest and taxes ("Normalized EBIT"), under the Bonus Plan; and
- incentivizing executives to enhance stockholder value over the long-term by, prior to this offering, granting initial stock option awards with a larger grant date value than would be delivered under annual awards and that vest over five years, with no subsequent grants during this initial vesting period.

Decision-making Responsibility

Role of the Committee and Board of Directors. The People Committee (the "Committee") of our Board of Directors reviews and discusses the compensation of our NEOs, other than our CEO, and makes compensation recommendations to our Board of Directors. Our Board of Directors then reviews such recommendations and has the responsibility for making final compensation decisions. The chair of the Committee and our executive chairman, working together, propose a recommendation for the compensation of our CEO, which is then reviewed by the Board of Directors, with the Board of Directors approving our CEO's compensation in executive session.

Our Board of Directors approves our annual Normalized EBIT objective, which is defined as actual earnings before interest and taxes, adjusted to remove one-time occurrences impacting financial results as approved by the Audit Committee of the Board of Directors, as part of its annual budget planning process, which the Committee then reviews and adopts as the performance metric under our Bonus Plan. The Committee also serves as the administrator of our equity incentive plan.

Role of Executives. Our NEOs have a limited role in the executive compensation process. Our CEO, with input from members of our compensation and human resources teams, proposes to the Committee annual, merit-based base salary recommendations for his direct reports. These recommendations are based, in part, on compensation survey information that is reviewed and analyzed by our compensation and human resources teams. The Committee reviews and, if appropriate, makes base salary recommendations to our Board of Directors for final approval. Our named executive officers may also be invited by the Committee or our Board of Directors to address various business, human capital or other organization strategies and to attend portions of such Committee and/or Board of Directors meetings where such topics are discussed.

Compensation Setting Process

The Committee and Board of Directors follow a thoughtful and deliberate approach in discharging their responsibilities with respect to our executive compensation program and making compensation decisions. In fulfilling their responsibilities, the Committee and Board of Directors rely on their members' experience with the compensation practices of other sponsor-backed companies, as well as recommendations from our CEO with respect to the compensation of his direct reports. In assessing the Company's executive compensation structure, the Committee and Board of Directors generally focus on total cash compensation, which consists of annual base salary and incentive opportunities under our Bonus Plan. As discussed in more detail below, the Committee and Board of Directors evaluate long-term incentive opportunities at the time an NEO is newly hired or promoted and provide equity grants in the form of stock option awards. Prior to this offering, our practice was to grant initial option grants that were intended to reflect approximately five years of economic value, which the Committee generally determined based on an executive's total cash compensation opportunity. Annual grants following the initial equity grants were generally intended to reflect approximately one year of economic value. In making its compensation recommendations prior to this offering, the Committee did not strictly benchmark any of these compensation elements to any specified compensation levels within the market in which the Company competes for talent, but it generally sought to target total cash compensation within a broad range that pivots around the market 50th percentile.

In the first quarter of each year, the Committee meets to review and make recommendations with respect to the Bonus Plan payouts for the previous year, as well as to adopt the Normalized EBIT target for the current year. At this time, the Committee will also review, and if applicable make recommendations to the Board of Directors with respect to, any merit-based base salary changes for our named executive officers. In the third quarter of each year, the Committee generally reviews the Company's succession plans to ensure the stability of our executive team, which has been an important factor in the success of the business. Throughout the year, the Committee also has ongoing involvement with respect to matters influencing employee engagement, including maintaining visibility into ongoing employee communications around pay process, fairness and transparency.

Role of Compensation Consultant and Peer Group

In making its compensation recommendations prior to this offering, the Committee did not seek the advice of a compensation consultant or adopt a formal peer group of companies for purposes of compensation benchmarking. However, in connection with the Company's transition to a public company, the Committee has engaged the services of a compensation consultant and expects that, in addition to other advice, that consultant will assist the Committee with developing a relevant set of peer group companies and providing executive compensation benchmarking information.

Elements of Compensation

Component	Form of Payout	Objective
Base Salary	Cash	• To provide a fixed and competitive base level of compensation and to reward individual performance through annual salary adjustments
Annual Bonus Plan	Cash	• 100% performance-based plan that incentivizes the achievement of important short-term performance goals, currently our Normalized EBIT objective
Long-Term Incentives	Equity awards in the form of stock options	• Strengthen alignment between executive pay and stockholder interests by tying compensation to stock price appreciation over an option's exercise price • Extended vesting periods for new hire awards promote retention

Annual Base Salary

We provide each of our NEOs with a base salary for the services that the NEO performs for us. As described above, our CEO, with input from members of our compensation and human resources teams, proposes to the Committee annual, merit-based base salary recommendations during the first quarter of our fiscal year for his direct reports based on the individual performance of the NEO, Company performance, and relevant benchmarking information. The Committee then recommends base salary adjustments to our Board of Directors based on the CEO's recommendations and its assessment of an NEO's performance against our organizational goals and core values. The base salary adjustments for our CEO are determined by the Board of Directors in executive session following a joint recommendation from the chair of the Committee and our executive chairman. For 2025, except for Mr. Moeller who was hired in September 2024 and was therefore not eligible for a base salary increase, each of our NEOs received a merit-based salary increase in the range of approximately 3-5% over his or her 2024 base salary, as shown below.

Executive	2025 FYE Base Salary	2024 FYE Base Salary	% Change
William Barton	$ 1,025,000	$ 995,000	3.02 %
Carl Lukach	$ 527,902	$ 510,050	3.50 %
Carol Glaser	$ 563,207	$ 536,388	5.00 %
Ramesh Murthy	$ 546,000	$ 520,000	5.00 %
Stephen Moeller	$ 510,000	$ 510,000	0 %

Annual Incentive Awards

The Company's Bonus Plan is designed to incentivize the achievement of annual Normalized EBIT, an important indicator of performance for the Company. Under the Bonus Plan, Company performance against the pre-established Normalized EBIT objective has historically been the sole determinant of an NEO's bonus payout. As described above, our Board of Directors approves the annual Normalized EBIT objective as part of its annual budget process, which the Committee then reviews and adopts for purposes of establishing the target level of performance under the Bonus Plan. The Committee also establishes the threshold and maximum performance levels under the plan, with payouts ranging from 0% to 150% of target performance (200% in the case of Mr. Barton pursuant to his employment agreement with the Company).

The table below shows the 2025 target annual bonus for each NEO that can be earned based on our Normalized EBIT performance. Bonuses with respect to fiscal year 2025 have not been determined as of the date of this filing.

Name	Target Percentage	Target Amount
William Barton	100 %	$ 1,015,137
Carl Lukach	60 %	$ 316,741
Carol Glaser	60 %	$ 337,924
Ramesh Murthy	60 %	$ 327,600
Stephen Moeller	60 %	$ 306,000

Equity Incentive Compensation

In order to incentivize long-term value creation for our stockholders, as a privately held company, the Committee adopted an approach to equity-based compensation where it recommends awards for a newly-hired or promoted executive in the form of an initial stock option grant that is intended to reflect five years of economic value, with such award vesting over a five-year period subject to continued employment (the "Initial Option Grant"). Once the Initial Option Grant becomes fully vested, the executive is eligible to receive an annual stock option grant that vests as to 25% of the shares subject to the award over a four-year period, subject to continued employment.

Mr. Barton and Ms. Glaser received an annual stock option grant in 2025 under the BDF Holding Corp. 2014 Stock Option (the "Option Plan") in respect of 97,049 shares and 63,835 shares, respectively. Our other NEOs did not receive stock option grants in 2025. In connection with the Recapitalization, as described above, our Board of Directors adjusted the exercise price of vested and unvested stock options outstanding under the Option Plan, including stock options held by our NEOs, and approved make-whole payments to the holders of certain stock options, including Mr. Barton and Ms. Glaser, in each case as provided under the terms of the Option Plan.

Employment Agreements

The Company has entered into an employment agreement with each of Messrs. Barton and Lukach that governs the terms and conditions of their employment relationship with us, including the compensation and benefits to which each executive is entitled. Messrs. Barton and Lukach are also entitled to severance and other benefits upon a termination of employment in certain circumstances pursuant to their employment agreements. These severance protections are described in more detail below under "Potential Payments Upon Termination or Change in Control."

Other Benefits and Perquisites

We do not provide our NEOs with perquisites, with the exception of our CEO who receives limited perquisites under his employment agreement, including annual membership dues for the Young Presidents Organization and Chief Executives Organization and executive coaching expenses of up to $75,000 per year.

In addition, our NEOs participate in our tax-qualified 401(k) profit sharing plan, a broad-based, defined contribution retirement plan in which all of our employees who meet certain age and service requirements are eligible to participate. We make a non-discretionary matching contribution equal to 50% of each employee's deferrals under the plan, up to 6% of an employee's eligible compensation. We do not maintain a defined benefit pension plan or supplemental executive retirement plan.

Policies on Clawback and Recovery of Compensation

In connection with this offering, we intend to adopt a clawback policy to address the recovery of erroneously-awarded incentive compensation in compliance with the requirements of the Dodd-Frank Act, final SEC rules and applicable listing standards.

Compensation Risk Management

Our Committee has reviewed our compensation policies and practices and does not believe that these policies and practices create risks that are reasonably likely to have a material adverse effect on us.

Summary Compensation Table

The following table sets forth the compensation awarded to, earned by, or paid to our named executive officers in respect of their service to us for fiscal year 2025.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)[1]	Nonequity Incentive Plan Compensation ($)[2]	All Other Compensation ($)[3]	Total ($)
William Barton *President and Chief Executive Officer*	2025	1,014,846	—	—	267,855	—	18,817	1,301,518
Carl Lukach *Chief Financial Officer*	2025	524,812	—	—	—	—	10,349	535,161
Carol Glaser *Chief Merchandising Officer*	2025	558,565	—	—	153,204	—	22,772	734,541
Ramesh Murthy *Chief Operating Officer*	2025	541,500	—	—	—	—	12,403	553,903
Stephen Moeller *Chief Growth Officer*	2025	510,001	—	—	—	—	2,671	512,672

(1) The amounts shown in this column represent the grant date fair value of options to purchase shares of our common stock granted to certain of our named executive officers in fiscal year 2025 under the Option Plan computed in accordance with Financial Accounting Standards Board Accounting Standards Codification, or FASB ASC, Topic 718, excluding the effect of estimated forfeitures. The assumptions used to value the stock option grants for this purpose are set forth in Note 12 to our unaudited condensed consolidated interim financial statements included elsewhere in this prospectus.

(2) Annual bonuses earned with respect to fiscal year 2025 have not yet been determined. Such bonuses are expected to be determined in the first quarter of 2026.

(3) All Other Compensation reflects employer paid matching contributions to our 401(k) Plan, as well as employer paid premiums for: Basic Life Insurance, Long Term Disability Insurance, and Accidental Death and Dismemberment Insurance, and (i) in the case of Mr. Barton, payment of membership dues for the Chief Executives Organization and (ii) in the case of Ms. Glaser, a cash payment in respect of unused time off, which is a benefit offered to individuals with ten or more years of service with the Company, each as set forth below. In connection with the Recapitalization, as described above, Mr. Barton and Ms. Glaser also received Board of Directors-approved make-whole payments in respect of certain of their stock options, as provided under the terms of the Option Plan, which amounts are not included in this table.

Name	Year	Membership Dues	Vacation Pay - Cash Out	Company Paid Benefits (Basic Life/AD&D/LTD; 401k match)
William Barton *President and CEO*	2025	$ 5,000	—	$ 13,817
Carl Lukach *Chief Financial Officer*	2025	—	—	$ 10,349
Carol Glaser *Chief Merchandising Officer*	2025	—	$ 10,315	$ 12,457
Ramesh Murthy *Chief Operating Officer*	2025	—	—	$ 12,403
Stephen Moeller *Chief Growth Officer*	2025	—	—	$ 2,671

Grants of Plan-Based Awards Table

The following table sets forth information regarding plan-based awards made to each of our named executive officers during fiscal year 2025.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards[1]						
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)[2]	Exercise or Base Price of Option Awards ($/Sh)[3]	Grant Date Fair Value of Stock and Option Awards ($)[4]
William Barton	—	507,568	1,015,137	2,030,274	—	—	—	—
	11/4/2025	—	—	—	—	97,049	7.62	267,855
Carl Lukach	—	158,371	316,741	475,112	—	—	—	—
	—	—	—	—	—	—	—	—
Carol Glaser	—	168,962	337,924	506,886	—	—	—	—
	2/12/2025	—	—	—	—	63,835	6.05	153,204
Ramesh Murthy	—	163,800	327,600	491,400	—	—	—	—
	—	—	—	—	—	—	—	—
Stephen Moeller	—	153,000	306,000	459,000	—	—	—	—
	—	—	—	—	—	—	—	—

(1) The amounts in the "Estimated Future Payouts Under Non-Equity Incentive Plan Awards" column represent the minimum threshold, target and maximum amounts that our NEOs were eligible to earn pursuant to our Bonus Plan for 2025. Actual amounts paid to each of the NEOs under this program for 2025 performance will be set forth in the Summary Compensation Table once they are determined.
(2) Represents stock option awards granted in 2025 under the Option Plan, as described under "Equity Incentive Compensation" above.
(3) Reflects the exercise price on the Grant Date, prior to the adjustment undertaken in connection with the Recapitalization, as described above.
(4) Represents the grant date fair value of the option awards, as determined in accordance with FASB ASC, Topic 718, excluding the effect of estimated forfeitures. See note (1) to the Summary Compensation Table above.

Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table

Each of Messrs. Barton and Lukach has entered into an employment agreement with the company. The agreements provide the executives with an initial base salary, which has subsequently been increased, an annual bonus target, eligibility to receive severance payments in connection with a qualifying termination and the right to participate in the company's compensation and benefits plans. The agreements also contain certain restrictive covenant obligations, including covenants relating to confidentiality and assignment of developments, as well as covenants not to compete or solicit certain of our service providers, customers and suppliers during employment and for two years after termination of employment.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information concerning outstanding equity awards held by each of our named executive officers as of December 31, 2025.

	Option Awards				
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)[11]	Option Expiration Date
William Barton	3,285,883	—	—	1.30	11/4/2030
	—	97,049	—	5.17	11/4/2035 [2]
Carl Lukach	138,996	208,494	—	2.73	6/19/2033 [1]
Carol Glaser	300,000	—	—	1.30	10/8/2028
	17,432	—	—	1.30	4/1/2031
	17,209	5,737	—	1.58	4/1/2032 [3]
	14,385	14,386	—	1.70	4/1/2033 [4]
	15,480	46,441	—	3.22	4/1/2034 [5]
	—	63,835	—	3.60	4/1/2035 [6]
Ramesh Murthy	240,000	160,000	—	1.58	3/21/2032 [7]
	12,463	18,695	—	3.22	12/1/2033 [8]
	2,939	11,758	—	3.22	4/1/2034 [9]
Stephen Moeller	60,895	243,583	—	3.58	10/14/2034 [10]

(1) Represents stock options that vest annually over a five-year period on each anniversary of June 19, 2023, generally subject to continued employment. If Mr. Lukach's employment is terminated by the Company for a reason other than for cause or by him for good reason, he is entitled to continued vesting of his award, as described below.
(2) Represents stock options that vest annually over a four-year period on each anniversary of November 4, 2025, generally subject to continued employment.
(3) Represents stock options that vest annually over a four-year period on each anniversary of April 1, 2022, generally subject to continued employment.
(4) Represents stock options that vest annually over a four-year period on each anniversary of April 1, 2023, generally subject to continued employment.
(5) Represents stock options that vest annually over a four-year period on each anniversary of April 1, 2024, generally subject to continued employment.
(6) Represents stock options that vest annually over a four-year period on each anniversary of February 12, 2025, generally subject to continued employment.
(7) Represents stock options that vest annually over a five-year period on each anniversary of March 31, 2022, generally subject to continued employment.
(8) Represents stock options that vest annually over a five-year period on each anniversary of December 1, 2023, generally subject to continued employment.
(9) Represents stock options that vest annually over a five-year period on each anniversary of April 1, 2024, generally subject to continued employment.
(10) Represents stock options that vest annually over a five-year period on each anniversary of October 14, 2024, generally subject to continued employment.
(11) Reflects the exercise price adjustment undertaken in connection with the Recapitalization, as described above.

Option Exercises and Stock Vested

None of our NEOs exercised stock options, or held stock that became vested, during fiscal year 2025.

Pension Benefits and Nonqualified Deferred Compensation

None of our NEOs participated in or received benefits from a pension plan or from a nonqualified deferred compensation plan during fiscal year 2025 or prior years.

Potential Payments Upon Termination or Change in Control

Messrs. Barton and Lukach are each entitled to severance and other benefits upon a termination of employment in certain circumstances pursuant to their respective employment agreements, as described below. The terms "cause" and "good reason" referred to below are defined in the respective named executive officer's employment agreement. In the event of a termination of employment without cause, our other NEOs would be eligible for severance benefits under the Company's discretionary severance practice based on their years of service with the Company, as described further below.

In addition, in the event of an employee's death, our Bonus Plan provides for a prorated annual bonus payout based on the portion of the calendar year the employee was employed by the Company.

Messrs. Barton and Lukach. Under their respective employment agreements, if the employment of Messrs. Barton or Lukach is terminated by the Company for a reason other than for cause or disability or by the executive for good reason, the executive would be entitled to receive, in addition to any accrued obligations, (i) severance in the form of base salary continuation for a period of 24 months, in the case of Mr. Barton, and 12 months, in the case of Mr. Lukach, (ii) the annual bonus for the year of termination, determined based on actual performance achievement and pro-rated based on the portion of the calendar year the executive was employed by the Company, and (iii) reimbursement for the executive's (and his eligible dependents') health care continuation premiums during the 18-month period immediately following termination of employment. The severance benefits are conditioned on the executive executing a release of claims in favor of the Company and continuing to comply with the restrictive covenants set forth in the employment agreement. In addition, under his stock option award agreement, if Mr. Lukach's employment is terminated by the Company for a reason other than for cause or by him for good reason, he is entitled to continued vesting of a prorated portion of his award for the vesting year that includes his termination of employment based on each full month of service Mr. Lukach was employed during such vesting year.

Other NEOs. The Company has a practice of providing severance benefits in the form of base salary continuation and benefits continuation coverage through reimbursement of the employer portion of COBRA premiums to employees who experience a termination of employment other than for cause. For employees at the Vice President level and above, which would include Ms. Glaser and Messrs. Murthy and Moeller, the Company's practice has been to provide two weeks of severance benefits for each year of service, with a minimum cash severance benefit of twenty-six weeks, together with benefits continuation for the duration of the period for which such employee receives cash severance payments.

The following table sets forth aggregate estimated payment obligations to each of the named executive officers assuming a termination of employment or change in control, as applicable, occurred on December 31, 2025:

Name	Benefit Type	Termination due to death ($)[1]	Termination without Cause or for Good Reason ($)[2]	Change in Control ($)[3]
William Barton	Severance	$ 1,015,137	3,065,137	—
	Benefits Continuation	$ —	26,230	—
	Value of Equity Acceleration	$ —	—	—
Carl Lukach	Severance	$ 316,741	844,643	—
	Benefits Continuation	$ —	46,750	—
	Value of Equity Acceleration	—	84,788	508,725
Carol Glaser	Severance	$ 337,924	368,251	
	Benefits Continuation	$	20,369	
	Value of Equity Acceleration			261,292

Ramesh Murthy	Severance	$	327,600	273,000	
	Benefits Continuation	$			
	Value of Equity Acceleration				633,782
Stephen Moeller	Severance	$	306,000	255,000	
	Benefits Continuation	$		15,577	
	Value of Equity Acceleration				387,296

(1) In the event of the NEO's death on or after the last day of the fiscal year, each NEO would be entitled to receive the value of any earned annual bonus under the Bonus Plan for 2025. Target annual bonus amounts are reflected in the table as earned annual bonus amounts are not determinable at this time.

(2) The severance benefits to which Messrs. Barton and Lukach are entitled are described above. None of the other NEOs have a contractual entitlement to severance; the amounts included in the table reflect the estimated severance and benefits continuation (for those NEOs who have elected employer-funded coverage) under the Company's historical severance practice, as described above.

(3) In the event of a Change in Control, as defined in the Option Plan, all unvested stock options become 100% vested if the executive remains employed with the Company through the date of such transaction. The amounts in this column reflect the stock price as of December 31, 2025, as determined by our Board of Directors ($5.17), minus the option exercise price multiplied by the number of shares subject to the unvested portion of the option.

DIRECTOR COMPENSATION

In 2025, our non-employee directors received an annual cash retainer of $100,000 (the Chair of the Audit Committee received an additional retainer of $25,000) and reimbursement for certain business expenses. Annual cash retainers are pro-rated for partial years of service. Prior to this offering, in addition, non-employee directors were eligible to receive a stock option grant in connection with their commencement of service as a non-employee director, which stock option vests over five years generally subject to continued service. Prior to this offering, following the vesting of their initial stock option grants, non-employee directors were also eligible to receive an annual stock option grant that vests over four years, generally subject to continued service. The following table sets forth the compensation awarded to, earned by or paid to our non-employee directors for their services to us during fiscal year 2025.

Name	Fees Earned or Paid in Cash ($)[1]	Option Awards ($)[2][3]	Total ($)
Barbara Carbone	125,000	—	125,000
Mir Aamir	100,000	—	100,000
Soyoung Kang	100,000	—	100,000
Scott Williams	100,000	39,670	139,670
Trevor S. Lang[4]	12,500	91,392	103,892
Robert Kaufman[5]	91,670	—	91,670

(1) Amounts reported in this column reflect cash fees earned in fiscal year 2025. In connection with the Recapitalization, as described above, Mr. Mir Aamir, Ms. Soyoung Kang and Mr. Scott Williams also received Board of Directors-approved make-whole payments in respect of certain of their stock options, as provided under the terms of the Option Plan, which amounts are not included in this table.

(2) The amounts shown in this column represent the grant date fair value of options to purchase shares of our common stock granted to certain of our directors in fiscal year 2025 under the Option Plan computed in accordance with Financial Accounting Standards Board Accounting Standards Codification, or FASB ASC, Topic 718, excluding the effect of estimated forfeitures. The assumptions used to value the stock option grants for this purpose are set forth in Note 12 to our unaudited condensed consolidated interim financial statements included elsewhere in this prospectus.

(3) As of December 28, 2025, Ms. Barbara Carbone (a), Mr. Mir Aamir (b), Ms. Soyoung Kang (c), Mr. Scott Williams (d), and Mr. Trevor Lang (e) hold options to purchase 40,120 (a), 45,000 (b), 45,000 (c), 79,166 (d), and 43,520 (e) shares respectively.

(4) Mr. Lang commenced service on our Board of Directors as of November 13, 2025.

(5) Mr. Kaufman resigned from service on our Board of Directors as of December 1, 2025.

(6) Mr. Edmond English is an executive officer of the Company who does not receive any additional compensation for services provided as a director and therefore has been omitted from this table.

Equity Incentive Plans

In 2014, we established the Option Plan to promote the long-term growth and profitability of the Company by providing certain eligible participants with an opportunity to acquire an ownership interest in the Company. Prior to the completion of this offering, we intend to adopt a new equity incentive plan (the "2026 Equity Plan"), which will be effective upon the completion of this offering, and which will allow our Board of Directors or our People Committee to grant long-term equity-based awards to eligible participants. We refer herein to our Option Plan and our 2026 Equity Plan collectively as the equity incentive plans.

Option Plan

The following summary describes the material terms of the Option Plan. This summary is not a complete description of all provisions of the Option Plan and is qualified in its entirety by reference to the Option Plan, which will be filed as an exhibit to the registration statement of which this prospectus is a part.

The Option Plan allows for the grant of options to our directors, officers, employees, consultants and advisors. Our Board of Directors, or its delegate, is responsible for administering the Option Plan and has the full power and authority to, among other items, (i) determine the individuals to whom options may be granted, (ii) set the exercise price of any such options, (iii) establish performance and vesting standards applicable to option awards, (iv) impose such limitations, restrictions and conditions upon option awards as it shall deem appropriate, (v) adopt, amend, and rescind administrative guidelines and other rules and regulations relating to the Option Plan, and (vi) make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Option Plan, subject to such limitations as may be imposed by the tax code or other applicable law.

Under the Option Plan, as subsequently amended, no more than 22,075,000 shares of common stock will be reserved for issuance with respect to options. All options granted under the Option Plan will be subject to adjustment by the Board of Directors as follows. In the event of any reorganization, recapitalization (including extraordinary dividends or distributions), stock split, stock dividend, combination of shares, merger, consolidation or other change in the common stock, the Board of Directors shall make such changes in the number and type of shares of common stock covered by outstanding options and the terms thereof as the Board of Directors determines are necessary to prevent dilution or enlargement of rights of participants. In the event of any such transaction, the Board of Directors will have the power to make such changes as it deems appropriate in the number and type of shares covered by outstanding options, the prices specified therein, and the securities or other property to be received upon exercise (which may include providing for cash payment (or no consideration) in exchange for cancellation of outstanding options). If any options expire unexercised or unpaid or are canceled, terminated or forfeited in any manner without the issuance of common stock or payment thereunder, the shares with respect to which such options were granted shall again be available under the Option Plan, subject to the foregoing maximum amounts.

An option granted under the Option Plan is exercisable no later than ten years after the date of grant, subject to earlier expiration as provided under the Option Plan, including following the termination of a participant's employment. At the discretion of the participant, a participant may elect to pay the exercise price otherwise due and owing by directing the Company to withhold shares of common stock having a fair market value equal to the aggregate exercise price. Shares of common stock received upon exercise of an option are subject to repurchase by the Company in the event of a termination of a participant's employment or restrictive covenant breach, as prescribed in the Option Plan; this repurchase right will terminate upon the occurrence of this offering.

All Options shall be 100% vested upon the consummation of a Change in Control, as defined in the Option Plan, if the respective participant is, and has been, continuously employed by or provides services to the Company or any of our subsidiaries through such date, and as otherwise set forth in an award agreement evidencing the option grant.

Our Board of Directors may at any time and from time to time, amend, suspend or terminate the Option Plan as it deems advisable, except that it may not change any of the terms of the Option Plan or an award agreement evidencing an option in a manner materially adverse to a participant without the prior written approval of such participant.

2026 Equity Plan

As noted above, our Board of Directors intends to adopt the 2026 Equity Plan, which will be effective upon the completion of this offering. The following summary describes the material terms of the 2026 Equity Plan. This summary is not a complete description of all provisions of the 2026 Equity Plan and is qualified in its entirety by reference to the 2026 Equity Plan, which will be filed as an exhibit to the registration statement of which this prospectus is a part.

Purpose

The purpose of the 2026 Equity Plan is to advance our interests by providing for the grant to our employees, directors, consultants and advisors of stock and stock-based awards.

Plan administration

The 2026 Equity Plan will be administered by our People Committee, except with respect to matters that are not delegated to our People Committee by our Board of Directors. Our People Committee (or our Board of Directors, as applicable) will have the discretionary authority to interpret the 2026 Equity Plan and any awards granted under it, determine eligibility for and grant awards, determine the exercise price, base value from which appreciation is measured or purchase price, if any, applicable to any award, determine, modify, accelerate and waive the terms and conditions of any award, determine the form of settlement of any award, prescribe forms, rules and procedures relating to the 2026 Equity Plan and awards and otherwise do all things necessary or desirable to carry out the purposes of the 2026 Equity Plan or any award. Our People Committee may delegate such of its duties, powers and responsibilities as it may determine to one or more of its members, members of our Board of Directors and, to the extent permitted by law, our officers, and may delegate to employees and other persons such ministerial tasks as it deems appropriate. As used in this summary, the term "Administrator" refers to our People Committee and its authorized delegates, as applicable.

Eligibility

Our employees, directors, consultants and advisors are eligible to participate in the 2026 Equity Plan. Eligibility for stock options intended to be incentive stock options, or ISOs, is limited to our employees or employees of certain affiliates. Eligibility for stock options, other than ISOs, and stock appreciation rights, or SARs, is limited to individuals who are providing direct services to us or certain affiliates on the date of grant of the award.

Authorized shares

Subject to adjustment as described below, the maximum number of shares of our common stock that may be delivered in satisfaction of awards under the 2026 Equity Plan is shares, or the share pool. The share pool will automatically increase on January 1 of each year from to by the lesser of (i) % of the number of shares of our common stock outstanding as of the close of business on the immediately preceding December 31 and (ii) the number of shares determined by our Board of Directors on or prior to such date for such year. Up to a maximum of shares may be delivered in satisfaction of ISOs. The number of shares of our common stock delivered in satisfaction of awards under the 2026 Equity Plan is determined (i) by excluding shares withheld by us in payment of the exercise price or purchase price of the award or in satisfaction of tax withholding requirements with respect to the award, (ii) by including only the number of shares delivered in settlement of a SAR that is settled in shares of our common stock, and (iii) by excluding any shares underlying awards settled in cash or that expire, become unexercisable, terminate or are forfeited to or repurchased by us without the delivery of shares of our common stock (or retention, in the case of restricted stock or unrestricted stock). The number of shares available for delivery under the 2026 Equity Plan will not be increased by any shares that have been delivered under the 2026 Equity Plan and are subsequently repurchased using proceeds directly attributable to stock option exercises.

Shares that may be delivered under the 2026 Equity Plan may be authorized but unissued shares, treasury shares or previously issued shares acquired by us.

Types of awards

The 2026 Equity Plan provides for the grant of stock options, SARs, restricted and unrestricted stock and stock units, performance awards and other awards that are convertible into or otherwise based on our common stock. Dividend equivalents may also be provided in connection with awards under the 2026 Equity Plan.

- ***Stock options and SARs.*** The Administrator may grant stock options, including ISOs, and SARs. A stock option is a right entitling the holder to acquire shares of our common stock upon payment of the applicable exercise price. A SAR is a right entitling the holder upon exercise to receive an amount (payable in cash or shares of equivalent value) equal to the excess of the fair market value of the shares subject to the right over the base value from which appreciation is measured. The exercise price per share of each stock option, and the base value of each SAR, granted under the 2026 Equity Plan will be no less than 100% of the fair market value of a share on the date of grant (generally defined as the closing price of a share of common stock on the date of grant) (110% in the case of certain ISOs). Other than in connection with certain corporate transactions or changes to our capital structure, stock options and SARs granted under the 2026 Equity Plan may not be repriced, amended, or substituted for with new stock options or SARs having a lower exercise price or base value, nor may any consideration be paid upon the cancellation of any stock options or SARs that have a per share exercise or base price greater than the fair market value of a share on the date of such cancellation, in each case, without stockholder approval. Each stock option and SAR will have a maximum term of not more than ten years from the date of grant (or five years, in the case of certain ISOs).

- ***Restricted and unrestricted stock and stock units.*** The Administrator may grant awards of stock, stock units, restricted stock and restricted stock units. A stock unit is an unfunded and unsecured promise, denominated in shares, to deliver shares or cash measured by the value of shares in the future, and a restricted stock unit is a stock unit that is subject to the satisfaction of specified performance or other vesting conditions. Restricted stock are shares subject to restrictions requiring that they be forfeited, redelivered or offered for sale to us if specified performance or other vesting conditions are not satisfied.

- ***Performance awards.*** The Administrator may grant performance awards, which are awards subject to the achievement of performance criteria.

- ***Other share-based awards.*** The Administrator may grant other awards that are convertible into or otherwise based on shares of our common stock, subject to such terms and conditions as it determines.

- ***Substitute awards.*** The Administrator may grant substitute awards in connection with certain corporate transactions, which may have terms and conditions that are different from the terms and conditions of the 2026 Equity Plan.

Director limits

The aggregate value of all compensation granted or paid to any director with respect to any calendar year, including awards granted under the 2026 Equity Plan and cash fees or other compensation paid by us to such director outside of the 2026 Equity Plan for his or her services as a director during such calendar year (which, for the avoidance of doubt, will not include compensation granted or paid to a director for services other than as a director, including, without limitation, for services as a consultant or adviser to the company), is subject to a limit of $750,000 in the aggregate ($1 million in the aggregate with respect to a director's first year of service on our Board of Directors).

Vesting; terms of awards

The Administrator determines the terms and conditions of all awards granted under the 2026 Equity Plan, including the time or times an award vests or becomes exercisable, the terms and conditions on which an award remains exercisable, and the effect of termination of a participant's employment or service on an award. The Administrator may at any time accelerate the vesting or exercisability of an award (or any portion thereof).

Non-transferability of awards

Except as the Administrator may otherwise determine, awards may not be transferred other than by will or by the laws of descent and distribution.

Adjustments upon certain covered transactions

In the event of certain covered transactions (including the consummation of a consolidation, merger or similar transaction, the sale of all or substantially all of our assets or shares of our common stock, or our dissolution or liquidation), the Administrator may, with respect to outstanding awards, provide for (in each case, on such terms and subject to such conditions as it deems appropriate):

- The assumption, substitution or continuation of some or all awards (or any portion thereof) by the acquiror or surviving entity;
- The acceleration of exercisability or delivery of shares in respect of any award, in full or in part; and/or
- The cash payment in respect of some or all awards (or any portion thereof) equal to the difference between the fair market value of the shares subject to the award and its exercise or base price, if any.

Except as the Administrator may otherwise determine, each award will automatically terminate or be forfeited immediately upon the consummation of the covered transaction, other than awards that are substituted for, assumed, or that continue following the covered transaction.

Adjustments upon changes in capitalization

In the event of certain corporate transactions, including a stock dividend, stock split or combination of shares (including a reverse stock split), recapitalization or other change in our capital structure, the Administrator shall make appropriate adjustments to the maximum number of shares that may be delivered under the 2026 Equity Plan, the number and kind of securities subject to, and, if applicable, the exercise or purchase prices (or base values) of outstanding awards, and any other provisions affected by such event.

Recovery of compensation

The Administrator may provide that any outstanding award, the proceeds of any award or shares acquired thereunder and any other amounts received in respect of any award or shares acquired thereunder will be subject to forfeiture and disgorgement to us, with interest and other related earnings, if the participant to whom the award was granted is not in compliance with any provision of the 2026 Equity Plan or any award, any non-competition, non-solicitation, no-hire, non-disparagement, confidentiality, invention assignment or other restrictive covenant, or any Company policy that relates to trading on non-public information and permitted transactions with respect to shares of our common stock or that provides for forfeiture, disgorgement or clawback, including, to the extent applicable, the Company's Policy for Recoupment of Incentive Compensation or as otherwise required by law.

Amendment and termination

The Administrator may at any time amend the 2026 Equity Plan or any outstanding award and may at any time terminate the 2026 Equity Plan as to future awards. However, except as expressly provided in the 2026 Equity Plan, the Administrator may not alter the terms of an award so as to materially and adversely affect a participant's rights without the participant's consent (unless the Administrator expressly reserved the right to do so in the 2026 Equity Plan or at the time the award was granted). Any amendments to the 2026 Equity Plan will be conditioned on stockholder approval to the extent required by applicable law or stock exchange requirements.

Certain Relationships and Related Party Transactions

The following includes a summary of transactions since January 1, 2022 and any currently proposed transactions, to which we were or are to be a participant, in which (i) the amount involved exceeded or will exceed $120,000; and (ii) any of our directors, executive officers, or holders of more than 5% of our capital stock, or any affiliate or member of the immediate family of the foregoing persons or entities, had or will have a direct or indirect material interest, other than compensation and other arrangements that are described under "*Executive and Director Compensation*."

We believe the terms obtained or consideration that we paid or received, as applicable, in connection with the transactions described below were comparable to terms available or the amounts that we would pay or receive, as applicable, in arm's-length transactions.

The agreements described in this section, or forms of such agreements as they will be in effect at the time of this offering, are filed as exhibits to the registration statement of which this prospectus forms a part, and the following descriptions are qualified by reference thereto.

Advisory Agreement

On February 12, 2014, in connection with Bain Capital's investment in the Company, the Company and certain of its subsidiaries entered into an advisory agreement (the "Advisory Agreement") with an affiliate of Bain Capital (the "Manager"), pursuant to which the Manager provided us with certain business consulting services. In exchange for these services, we pay the Manager a periodic retainer fee in an aggregate amount per year equal 0.150% of the consolidated revenue of the Company and its consolidated subsidiaries for the immediately preceding fiscal year, payable in quarterly installments and not to exceed $2 million per year, plus reimbursement for out of pocket expenses incurred by the Manager or its affiliates in connection with the provision of services pursuant to the Advisory Agreement. In addition, the Manager is entitled to a transaction fee in connection with any financing, acquisition, disposition, recapitalization or change of control transaction. The Company recognized management fees and expense reimbursement to the Managers and their affiliates totaling $2.0 million, $2.3 million, and $2.2 million for fiscal years 2024, 2023, and 2022, respectively, and $1.5 million for both the nine-month fiscal periods ended September 28, 2025 and September 29, 2024, respectively.

The Advisory Agreement includes customary exculpation and indemnification provisions in favor of the Manager and its affiliates. In connection with this offering, we intend to enter into a termination agreement with the Manager, pursuant to which the Advisory Agreement will be terminated upon the consummation of this offering, at which time we will pay the Manager a lump sum amount of $2.0 million in consideration of services rendered by the Manager in connection with this offering and other capital raising activities. The indemnification and exculpation provisions in favor of the Manager will survive such termination.

The Company also recognized fees for the outsourcing of customer service assistance to an entity affiliated with Bain Capital totaling $6.5 million, $5.1 million and $3.7 million for fiscal years 2024, 2023, and 2022, respectively, and $5.9 million and $4.8 million in the nine-month fiscal periods ended September 28, 2025 and September 29, 2024, respectively.

Leases

In fiscal years 2024, 2023, and 2022, the Company leased five retail stores from limited liability companies of which Mr. Robert Kaufman, the Company's founder and a member of the Board of Directors during such fiscal years, maintained ownership. The current lease arrangements commenced between 2017 and 2022 with current lease terms ranging from 15 to 20 years with varying number of options for five-year renewals. Total rent expense associated with these related parties was $2.6 million, $2.9 million and $3.0 million for fiscal years 2024, 2023, and 2022, respectively, and $1.9 million for both the nine-month fiscal periods ended September 28, 2025 and September 29, 2024, respectively. One of these stores closed and relocated in October 2023 and is no longer considered a related party transaction. As at December 29, 2024 and September 28, 2025, total lease liabilities associated with the remaining related party leases was $14.3 million and $13.3 million, respectively.

Amended and Restated Stockholders Agreement

On February 12, 2014, in connection with Bain Capital's investment in the Company, we entered into a stockholders agreement (the "Stockholders Agreement") with certain stockholders, including investments funds affiliated with Bain Capital, our directors and officers who hold shares of our common stock and certain other investors relating to rights and obligations with respect to ownership of our common stock, including the designation of certain director nominees, certain corporate governance rights, drag along rights, tag along rights, preemptive rights, information rights and demand and piggyback registration rights.

In connection with this offering, we intend to amend and restate the Stockholders Agreement (as so amended and restated, the "Amended and Restated Stockholders Agreement"). Pursuant to the Amended and Restated Stockholders Agreement, Bain Capital and certain other holders will have registration rights whereby, at any time following this offering and the expiration of any related lock-up period, Bain Capital can require us to register under the Securities Act shares of common stock, and the stockholders party to the agreement will have certain rights to sell their shares in registered offerings initiated by us or Bain Capital. The Amended and Restated Stockholders Agreement will also provide that we will obtain customary director indemnity insurance and enter into indemnification agreements with Bain Capital's respective director designees and that we will indemnify Bain Capital with respect to certain losses related to Bain Capital's ownership of our common stock or control of or ability to influence us and certain litigation to which Bain Capital may be exposed due to its relationship with us.

In addition, the Amended and Restated Stockholders Agreement will provide that holders of our common stock party thereto shall be restricted from directly or indirectly selling, transferring, assigning or otherwise disposing of any interest in our common stock for 180 days from the date of this prospectus, subject to certain exceptions substantially consistent with the exceptions provided for under the lock-up agreements described in more detail under "*Underwriting*."

Directed Share Program

At our request, the underwriters have reserved, at the initial offering price, up to shares of common stock, or up to % of the shares of common stock offered by this prospectus for sale to certain of our directors, officers, employees and related persons through a directed share program. The number of shares of common stock available for sale to the general public will be reduced to the extent these individuals purchase such reserved shares. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same basis as the other shares offered by this prospectus. The shares purchased pursuant to the directed share program will not be subject to lock-up agreements with the underwriters, except in the case of shares purchased by any of our directors or executive officers, which will be subject to a 180-day lock-up restriction. Purchases by any related persons participating in the directed share program may individually exceed $120,000. See "*Underwriting—Directed Share Program*."

Certain Relationships

From time to time, we collaborate with Bain Capital and/or their affiliates to source and outsource certain goods and services to obtain the best terms available. We believe that all such arrangements have been entered into in the ordinary course of business and have been negotiated on commercially reasonable terms.

Director and Officer Indemnification Agreements

We provide indemnification protection to our directors and officers pursuant to indemnification agreements with each individual which require us to indemnify such persons to the fullest extent permitted by applicable law. Certain members of our Board of Directors serve as designees of Bain Capital and its affiliates.

Related Party Transactions Policy

In connection with this offering, we have adopted a policy with respect to the review, approval and ratification of related party transactions. Under the policy, our audit committee is responsible for reviewing and approving related party transactions. In the course of its review and approval of related party transactions, our audit committee

will consider the relevant facts and circumstances to decide whether to approve such transactions. Related party transactions must be approved or ratified by the audit committee based on full information about the proposed transaction and the related party's interest.

Principal and Selling Stockholders

The following table sets forth information relating to the beneficial ownership of our common stock as of by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our outstanding shares of common stock;
- each of our current directors;
- the selling stockholder in this offering;
- each of our named executive officers; and
- all of our directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC, which generally includes any shares over which a person exercises sole or shared voting and/or investment power. A person is also deemed to be a beneficial owner of a security if that person has the right to acquire beneficial ownership of such security within 60 days. Except as otherwise indicated by the footnotes, and subject to applicable community property laws, the persons and entities named in the table below have sole voting and investment power with respect to all shares of common stock held by such person or entity.

The percentage of shares beneficially owned is computed on the basis of shares of our common stock outstanding as of after giving effect to the effectiveness of our second restated certificate of incorporation. Shares of our common stock that a person has the right to acquire within 60 days of are deemed outstanding for purposes of computing the percentage ownership of such person's holdings, but are not deemed outstanding for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all directors and executive officers as a group. Unless otherwise indicated below, the address for each beneficial owner listed is c/o Bob's Discount Furniture, Inc., 434 Tolland Turnpike Manchester, CT 06042.

The following table does not reflect any shares that may be purchased pursuant to our directed share program described under "*Underwriting—Directed Share Program*."

	Shares of common stock beneficially owned before this offering		Shares offered hereby	Shares beneficially owned after this offering (without option)		Shares beneficially owned after this offering (with option)	
Name and address of beneficial owners	**Number**	**Percent**	**Number**	**Number**	**Percent**	**Number**	**Percent**
Greater than 5% stockholders:							
Entities affiliated with Bain Capital[(1)]							
Directors and named executive officers:							
William G. ("Bill") Barton							
Carl Lukach							
Carol Glaser							
Ramesh Murthy							
Stephen Moeller							
Edmond J. English							
Mir Aamir							
Joshua Bekenstein							
Barbara Carbone							
Jennifer Davis							
Soyoung Kang							
John Kilgallon							

Trevor Lang	
Philip H. Loughlin	
Scott Williams	
All executive officers and directors as a group (19 persons)	

* Less than 1%

(1) Represents shares of common stock held by BCPE BDF Investor, LP ("BCPE BDF Investor"). Bain Capital Investors, LLC ("BCI") is the general partner of Bain Capital Beacon Roll SPV X, L.P., which is the sole member of BCPE BDF GP, LLC, which is the general partner of BCPE BDF Investor. As a result, BCI may be deemed to share voting and dispositive power with respect to the shares held by BCPE BDF Investor. Voting and investment decisions with respect to securities held by BCPE BDF Investor are made by the partners of BCI (including Joshua Bekenstein, Jennifer Davis, John Kilgallon and Philip H. Loughlin who serve on our Board of Directors), of whom there are three or more and none of whom individually has the power to direct such decisions. The address of each of the foregoing entities is c/o Bain Capital Private Equity, LP, 200 Clarendon Street, Boston, Massachusetts 02116.

Description of Certain Indebtedness

The following is a summary of certain of our indebtedness that is currently outstanding. The following descriptions do not purport to be complete and are qualified in their entirety by reference to the agreements and related documents referred to herein, copies of which have been filed as exhibits to the registration statement of which this prospectus forms a part, and may be obtained as described under "Where You Can Find More Information" in this prospectus.

Revolving Credit Facility

BDF Acquisition Corp., an indirect wholly-owned subsidiary of the Company (the "Borrower"), and the subsidiary borrowers from time to time parties thereto are party to the ABL Credit Agreement, dated as of February 12, 2014, with Royal Bank of Canada, as administrative agent and collateral agent, the lenders from time to time party thereto and the other parties party thereto providing for the $125.0 million Revolving Credit Facility.

The ABL Credit Agreement provides that the Borrower may at any time, on one or more occasions increase the aggregate amount of the revolving commitments, in an aggregate principal amount not to exceed $15,000,000. As of September 28, 2025, undrawn borrowing availability under the Revolving Credit Facility was $124.4 million.

Interest Rate and Fees

Availability under the Revolving Credit Facility is subject to compliance with a customary borrowing base. Tranche A loans are available in an amount not to exceed the Tranche A Borrowing Base, which is defined as (a) 90% of eligible credit card receivables, plus (b) 90% of the net orderly liquidation value of eligible inventory, less (c) the applicable borrowing base reserves. Tranche A loans bear interest depending on the availability at term SOFR or alternate base rate (as selected by the Borrower) plus an interest rate margin as per the following table:

		Tranche A Loan	
Level	**Average Excess Availability**	**Alternate Base Rate**	**Term SOFR**
I	Greater than 66% of the Line Cap	0.50 %	1.50 %
II	Greater than or equal to 33% of the Line Cap but less than or equal to 66% of the Line Cap	0.75 %	1.75 %
III	Less than 33% of the Line Cap	1.00 %	2.00 %

Tranche B loans are available in an amount not to exceed the Tranche B Borrowing Base, which is defined as the lesser of (a) $6,000,000 and (b) (i) 5% of eligible credit card receivables, plus (ii) 7.5% of the appraised net orderly liquidation value of eligible inventory. Tranche B loans bear interest at a per annum rate equal to (x) term SOFR plus 4.25% for SOFR Loans and (y) the alternate base rate plus 3.25% for ABR Loans.

In addition to paying interest on loans outstanding under the Revolving Credit Facility, we are required to pay a commitment fee of 0.375% per annum on unused commitments under the Revolving Credit Facility. We are also required to pay (i) letter of credit fees on the maximum amount that is available to be drawn and/or which is unreimbursed under all outstanding letters of credit, at a rate equal to the applicable margin for SOFR-based loans under the Revolving Credit Facility on a per annum basis and (ii) customary fronting fees and other customary documentary fees in connection with the issuance of letters of credit.

Mandatory Prepayment

If the Borrower's outstanding borrowings under any revolving credit facility (including any letters of credit) exceed the lesser of (a) the total commitments under the Revolving Credit Facility and (b) the borrowing base (the "Line Cap"), we will be required to prepay the borrowings under the Revolving Credit Facility in an aggregate amount equal to the amount by which such borrowings and letters of credit exceed the Line Cap. Further. After giving effect to such prepayments, if the Borrower's outstanding borrowings (including any letters of credit) under any revolving credit facility still exceeds the Line Cap, the Borrower must provide cash collateral for letters of credit outstanding to the extent of the remaining excess.

Upon the occurrence of certain defaults or when availability falls below a certain set threshold, the Borrowers are required to prepay outstanding loans with 100% of the net cash proceeds received from any sale or disposition of assets that constitute priority collateral for the Revolving Credit Facility, to the extent such proceeds exceed $1,000,000 in any fiscal year (the "Prepayment Trigger"). The Borrowers are not required to make any such prepayment unless and until the aggregate amount of net cash proceeds from all such asset sales in any fiscal year exceeds the Prepayment Trigger, but thereafter must prepay with all such net cash proceeds (excluding amounts below the Prepayment Trigger), subject to customary reinvestment rights and other exceptions.

Voluntary Prepayment

We may voluntarily reduce the unutilized portion of the commitment amount and prepay outstanding loans under the Revolving Credit Facility in whole or in part from time to time without premium or penalty other than customary "breakage" costs.

Final Maturity

All outstanding loans under the Revolving Credit Facility are due and payable in full on July 1, 2029.

Guarantees and Security

All obligations of the Borrower, as borrower under the Revolver are guaranteed by BDF Intermediate, LLC, a direct wholly-owned subsidiary of the Company, as parent guarantor, and, subject to certain customary exceptions, each wholly-owned material domestic restricted subsidiary of the Borrower. Such obligations are also secured, subject to certain exceptions, by a perfected security interest in substantially all of the assets of the Borrower and the guarantors. Lenders under the ABL Credit Agreement have a first priority security interest in cash, accounts receivable in inventory of the Borrower and the guarantors (the "ABL Priority Collateral") and a second priority security interest in substantially all other assets.

Certain Covenants and Events of Default

The ABL Credit Agreement contains a number of restrictive covenants that, subject to certain thresholds, qualifications and exceptions, restrict the ability of the Borrower and its subsidiaries to, among other things:

- incur additional indebtedness or grant liens;
- consummate a sale, transfer, or other disposition of property or assets;
- pay dividends and distributions on, or purchase, redeem, defease, or otherwise acquire or retire for value, capital stock;
- make prepayments or repurchases of any debt above a certain threshold amount that is contractually subordinated in right of payment to the Revolving Credit Facility;
- create negative pledge or other restrictions on the payment of dividends, the making of certain intercompany loan arrangements or transfer assets;
- make investments, acquisitions, loans and advances;
- engage in consolidations, amalgamations, mergers, liquidations or dissolutions;
- engage in certain transactions with affiliates;
- materially alter the character of the business;
- change the fiscal year; and
- modify organizational documents in a manner that is materially adverse to the lenders.

In addition, the ABL Credit Agreement contains a financial covenant under certain conditions requiring the Borrower, if at any time either (a) availability under the Revolving Credit Facility falls below the greater of 10% of the Line Cap or $10.0 million, or (b) any loans in excess of the borrowing base are outstanding (each of the events in clauses (a) and (b), a "Financial Covenant Trigger Event"), to maintain a fixed charge coverage ratio of 1.00:1.00 as of last day of any fiscal quarter, starting with the quarter ended on or immediately before a Financial Covenant Trigger Event.

The ABL Credit Agreement also contains certain customary representations and warranties, affirmative covenants, reporting obligations and a passive holding company covenant with respect to BDF Intermediate, LLC. In addition, the lenders under the ABL Credit Agreement are permitted to accelerate the loans and terminate commitments thereunder or exercise other specified remedies available to secured creditors upon the occurrence of certain events of default, subject to certain grace periods and exceptions, which events of default include, without limitation, payment defaults, breaches of representations and warranties, covenant defaults, cross-defaults to certain material indebtedness, certain events of bankruptcy, certain events under the Employee Retirement Income Security Act of 1974, as amended, material judgments and any change of control.

Letters of Credit

The Borrower has caused letters of credit to be issued on the Borrower's behalf by financial institutions related to the guarantee of future payment on certain lease agreements and collateral on insurance contracts. There were $9.4 million and $1.2 million of outstanding letters of credit at September 28, 2025, and December 29, 2024, respectively.

Term Loan Facility

BDF Acquisition Corp., in its capacity as borrower (the "Borrower"), BDF Intermediate, LLC, in its capacity as holdings ("Holdings") and the other guarantors from time to time parties thereto are party to the Term Loan Credit Agreement, dated as of October 31, 2025, with JPMorgan Chase Bank, N.A., as administrative agent and collateral agent, the lenders from time to time party thereto and the other parties party thereto providing for a $350 million initial term loan facility (the "Term Loan Facility").

The Term Loan Credit Agreement provides that the Borrower may, subject to certain conditions, (a) request increases to any existing term loans or add one or more incremental term loan facilities under the Term Loan Credit Agreement in an aggregate amount not to exceed the greater of (i) 100% of LTM Consolidated EBITDA (as defined in the Term Loan Credit Agreement) and (ii) $240 million, plus any unused amounts from the general debt basket and the general restricted payment basket, plus the amount of voluntary prepayments of indebtedness under the Term Loan Credit Agreement and permanent commitment reductions under the ABL Credit Agreement, plus amounts up to specified leverage ratios.

Interest Rate and Fees

The initial term loans bear interest at a per annum rate equal to (x) term SOFR plus 4.00% for SOFR loans and (y) the alternate base rate plus 3.00% for ABR loans. There are no recurring fees under the Term Loan Credit Agreement other than customary administrative agency fees.

Mandatory Prepayment

Subject to certain exceptions, the Borrower is required to prepay outstanding term loans under the Term Loan Facility in a principal amount equivalent to:

- 50% of annual excess cash flow (subject to certain customary deductions), which percentage is subject to (i) a step-down to 25% if our first lien net leverage ratio is less than or equal to 1.25:1.00, but greater than 0.75:1.00, and (ii) a step-down to 0% if our first lien net leverage ratio is less than or equal to 0.75:1.00; provided that such prepayment is required only in the amount (if any) by which such prepayment would exceed the greater of (x) $60 million and (y) 25% of LTM Consolidated EBITDA for the relevant measurement period;

- 100% of the net cash proceeds of any incurrence of indebtedness, subject to customary exceptions;
- 100% of (i) net cash proceeds with respect to certain asset sales and (ii) certain net insurance condemnation proceeds, in each case, only and to the extent the aggregate amount of such proceeds in any fiscal year exceeds the greater of (x) $72 million and (y) 30% of LTM Consolidated EBITDA and subject, in each case, to reinvestment rights and certain other customary exceptions; and
- 100% of the net cash proceeds upon the consummation of a Qualifying IPO (as defined in the Term Loan Credit Agreement).

Voluntary Prepayment

We may voluntarily prepay outstanding loans under the Term Loan Facility in whole or in part from time to time without premium or penalty.

Final Maturity

All outstanding loans under the Term Loan Credit Agreement are due and payable in full on October 31, 2032.

Guarantees and Security

All obligations of the Borrower, as borrower under the Term Loan Facility are guaranteed by Holdings and Bob's Discount Furniture, LLC, a wholly-owned material domestic restricted subsidiary of the Borrower. Such obligations are also secured, subject to certain exceptions and the Intercreditor Agreement, by a perfected security interest in substantially all of the assets of the Borrower and the guarantors. Lenders under the Term Loan Credit Agreement have a first lien security interest in all collateral that is not ABL Priority Collateral and a second priority security interest in the ABL Priority Collateral.

Certain Covenants and Events of Default

The Term Loan Credit Agreement contains a number of restrictive covenants that, subject to certain thresholds, qualifications and exceptions, restrict the ability of the Borrower and its subsidiaries to, among other things:

- incur additional indebtedness or grant liens;
- consummate a sale, transfer, or other disposition of property or assets;
- pay dividends and distributions on, or purchase, redeem, defease, or otherwise acquire or retire for value, capital stock;
- make prepayments or repurchases of any debt above a certain threshold amount that is contractually subordinated in right of payment to the Term Loan Facility;
- create negative pledge or other restrictions on the payment of dividends, the making of certain intercompany loan arrangements or transfer assets;
- make investments, acquisitions, loans and advances;
- engage in consolidations, amalgamations, mergers, liquidations or dissolutions;
- engage in certain transactions with affiliates;
- materially alter the character of the business;
- change the fiscal year; and
- modify organizational documents in a manner that is materially adverse to the lenders.

The Term Loan Credit Agreement does not contain any financial maintenance covenants.

The Term Loan Credit Agreement also contains certain customary representations and warranties, affirmative covenants, reporting obligations and a passive holding company covenant with respect to Holdings. In addition, the lenders under the Term Loan Credit Agreement are permitted to accelerate the loans or exercise other specified remedies available to secured creditors upon the occurrence of certain events of default, subject to certain grace periods and exceptions, which events of default include, without limitation, payment defaults, breaches of representations and warranties, covenant defaults, cross-defaults to certain material indebtedness, certain events of bankruptcy, certain events under the Employee Retirement Income Security Act of 1974, as amended, material judgments and any change of control.

Description of Capital Stock

General

The following descriptions of our capital stock and provisions of our second restated certificate of incorporation, our second amended and restated bylaws and the Amended and Restated Stockholders Agreement are intended as a summary only and are qualified in their entirety by reference to the second restated certificate of incorporation, second amended and restated bylaws and the Amended and Restated Stockholders Agreement to be in effect at the completion of this offering, which are filed as exhibits to the registration statement of which this prospectus forms a part, and to the applicable provisions of Delaware law.

Upon completion of this offering, our authorized capital stock will consist of shares of common stock, par value $0.0001 per share, and shares of preferred stock, par value $0.01 per share. After consummation of this offering, we expect to have shares of our common stock outstanding and zero shares of our preferred stock outstanding. Unless the Board of Directors determines otherwise, we will issue all shares of our capital stock in uncertificated form. We urge you to review our second restated certificate of incorporation, our second amended and restated bylaws and the Amended and Restated Stockholders Agreement.

Common Stock

Dividend rights. Subject to preferences that may apply to shares of preferred stock outstanding at the time, holders of outstanding shares of common stock will be entitled to receive dividends out of assets legally available at the times and in the amounts as the Board of Directors may determine from time to time. See "*Dividend Policy*."

Voting rights. Each outstanding share of common stock will be entitled to one vote on all matters submitted to a vote of stockholders. Holders of shares of our common stock will have no cumulative voting rights.

Except as otherwise required under the DGCL or provided for in our second restated certificate of incorporation, all matters other than the election of directors will be determined by a majority of the votes cast on the matter and all elections of directors will be determined by a plurality of the votes cast. Any director may resign at any time upon notice given in writing, including by electronic transmission, to the Company. Except as otherwise required by law and subject to any rights of the holders of preferred stock, vacancies and newly-created directorships shall be filled exclusively by vote of a majority of the directors then in office, even if less than a quorum, or by a sole remaining director, except that any vacancy created by the removal of a director by the stockholders for cause shall only be filled by vote of the holders of a majority of the voting power of all then outstanding shares of voting stock. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

Preemptive rights. Our common stock will not be entitled to preemptive or other similar subscription rights to purchase any of our securities. There will be no sinking fund provisions applicable to shares of our common stock.

Conversion or redemption rights. Our common stock will be neither convertible nor redeemable.

Liquidation rights. Upon our liquidation, the holders of our common stock will be entitled to receive pro rata our assets that are legally available for distribution, after payment of all debts and other liabilities and subject to the prior rights of any holders of preferred stock then outstanding.

The rights, preferences and privileges of holders of shares of our common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Preferred Stock

Our second restated certificate of incorporation will authorize the Board of Directors to establish one or more series of preferred stock (including convertible preferred stock). Once effective, the Board of Directors may, without further action by our stockholders, from time to time, direct the issuance of shares of preferred stock in series and may, at the time of issuance, determine the designations, powers, preferences, privileges and relative participating,

optional or special rights, as well as the qualifications, limitations or restrictions thereof, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights of the common stock. Satisfaction of any dividend preferences of outstanding shares of preferred stock would reduce the amount of funds available for the payment of dividends on shares of our common stock. Holders of shares of preferred stock may be entitled to receive a preference payment in the event of our liquidation before any payment is made to the holders of shares of our common stock. Under certain circumstances, the issuance of shares of preferred stock may render more difficult or tend to discourage a merger, tender offer or proxy contest, the assumption of control by a holder of a large block of our securities or the removal of incumbent management. Upon the affirmative vote of a majority of the total number of directors then in office, our Board of Directors, without stockholder approval, may issue shares of preferred stock with voting and conversion rights which could adversely affect the holders of shares of our common stock and the market value of our common stock. Upon consummation of this offering, there will be no shares of preferred stock outstanding, and we have no present intention to issue any shares of preferred stock.

Amended and Restated Stockholders Agreement

In connection with this offering, we intend to amend and restate the Stockholders Agreement with certain of our stockholders, including investment entities affiliated with Bain Capital, pursuant to which such parties will have specified board representation rights, governance rights and other rights. See "*Certain Relationships and Related Party Transactions.*"

Anti-Takeover Effects of Our Certificate of Incorporation and Our Bylaws and Certain Provisions of Delaware Law

Certain provisions of Delaware law and our second restated certificate of incorporation and our second amended and restated bylaws contain provisions that are intended to enhance the likelihood of continuity and stability in the composition of the Board of Directors and which may have the effect of delaying, deferring or preventing a future takeover or change in control of the Company unless such takeover or change in control is approved by the Board of Directors.

These provisions include:

Classified Board. Our second restated certificate of incorporation will provide that our Board of Directors will be divided into three classes of directors, with the classes as nearly equal in number as possible. As a result, approximately one-third of our Board of Directors will be elected each year. The classification of directors will have the effect of making it more difficult for stockholders to change the composition of our Board of Directors. The number of directors will be fixed by our Board of Directors, subject to the terms of our second restated certificate of incorporation and second amended and restated bylaws.

Special Meetings of Stockholders. Our second restated certificate of incorporation and second amended and restated bylaws will provide that, except as otherwise required by law, special meetings of the stockholders may be called only (i) by our chairperson of the Board of Directors, (ii) by a resolution adopted by a majority of our Board of Directors, or (iii) by our Secretary at the request of the holders of 50% or more of the outstanding shares of our common stock so long as Bain Capital beneficially owns a majority of the outstanding shares of our common stock.

Removal of Directors. Our second restated certificate of incorporation will provide that, so long as Bain Capital beneficially owns a majority of the outstanding shares of our common stock, our directors may be removed only for cause by the affirmative vote of a majority of the voting power of our outstanding shares of capital stock entitled to vote generally in the election of directors, voting together as a single class. Following the date on which Bain Capital no longer beneficially owns a majority of the outstanding shares of our common stock, no member of our Board of Directors may be removed from office except for cause by the affirmative vote of the holders of at least 75% of the voting power of our outstanding shares of capital stock entitled to vote thereon.

Elimination of Stockholder Action by Written Consent. Our second restated certificate of incorporation will eliminate the right of stockholders to act by written consent without a meeting following the date on which Bain Capital no longer beneficially owns a majority of the outstanding shares of our common stock.

Advance Notice Procedures. Our second amended and restated bylaws will establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to the Board of Directors. Stockholders at an annual meeting will only be able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of the Board of Directors or by a stockholder who was a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given our Secretary timely written notice, in proper form, of the stockholder's intention to bring that business before the meeting. Although the second amended and restated bylaws will not give the Board of Directors the power to approve or disapprove stockholder nominations of candidates or proposals regarding other business to be conducted at a special or annual meeting, the second amended and restated bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of the company.

Authorized but Unissued Shares. Our authorized but unissued shares of common stock and preferred stock will be available for future issuance without stockholder approval. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of a majority of our common stock by means of a proxy contest, tender offer, merger or otherwise.

Business Combinations with Interested Stockholders. We will elect in our second restated certificate of incorporation not to be subject to Section 203 of the DGCL, an antitakeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination, such as a merger, with a person or group owning 15% or more of the Company's voting stock for a period of three years following the date the person became an interested stockholder, unless (with certain exceptions) the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Accordingly, we are not subject to any anti-takeover effects of Section 203. However, our second restated certificate of incorporation will contain provisions that have the same effect as Section 203, except that they provide that Bain Capital and its respective successors, transferees and affiliates will not be deemed to be "interested stockholders," regardless of the percentage of our voting stock owned by them, and accordingly will not be subject to such restrictions.

Choice of Forum. Our second restated certificate of incorporation will provide that, subject to limited exceptions, the Court of Chancery of the State of Delaware (or, if, and only if, the Court of Chancery of the State of Delaware dismisses a Covered Claim (as defined below) for lack of subject matter jurisdiction, any other state or federal court in the State of Delaware that does have subject matter jurisdiction) will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for the following types of claims: (i) any derivative claim brought in the right of the Company, (ii) any claim asserting a breach of a fiduciary duty to the Company or the Company's stockholders owed by any current or former director, officer or other employee or stockholder of the Company, (iii) any claim against the Company arising pursuant to any provision of the DGCL, our second restated certificate of incorporation or amended and restated bylaws, (iv) any claim to interpret, apply, enforce or determine the validity of our second restated certificate of incorporation or our amended and restated bylaws, (v) any claim against the Company governed by the internal affairs doctrine, and (vi) any other claim, not subject to exclusive federal jurisdiction and not asserting a cause of action arising under the Securities Act, as amended, brought in any action asserting one or more of the claims specified in clauses (a)(i) through (v) herein above (each a "Covered Claim"). This provision would not apply to claims brought to enforce a duty or liability created by the Exchange Act.

Our second restated certificate of incorporation will further provide that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. In addition, our second restated certificate of incorporation will provide that any person or entity purchasing or otherwise acquiring any interest in the shares of capital stock of the Company will be deemed to have notice of and consented to these choice-of-forum provisions and waived any argument relating to the inconvenience of the forums in connection with any Covered Claim.

The choice of forum provisions to be contained in our second restated certificate of incorporation may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our

directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims, although our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder. While the Delaware courts have determined that such choice of forum provisions are facially valid, it is possible that a court of law in another jurisdiction could rule that the choice of forum provisions to be contained in our second restated certificate of incorporation are inapplicable or unenforceable if they are challenged in a proceeding or otherwise, which could cause us to incur additional costs associated with resolving such action in other jurisdictions. See "*Risk Factors— Risks Related to Ownership of our Common Stock and this Offering—Our second restated certificate of incorporation will contain exclusive forum provisions, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees*."

Amendment of Charter Provisions and Bylaws. The amendment of any of the above provisions, following the date on which Bain Capital no longer beneficially owns a majority of the outstanding shares of our common stock, except for the provision making it possible for our Board of Directors to issue preferred stock, would require the affirmative vote of the holders of at least 75% of the voting power of our outstanding shares of capital stock entitled to vote thereon.

The provisions of Delaware law, our second restated certificate of incorporation and our second amended and restated bylaws could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in the composition of our Board of Directors and management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

Corporate Opportunities

Our second restated certificate of incorporation provides that we renounce any interest or expectancy in the business opportunities of Bain Capital and each of their respective partners, principals, directors, officers, members, managers and/or employees, including any of the foregoing who serve as officers or directors of the Company, and each such party shall not have any obligation to offer us those opportunities, even if such opportunity is in the line of business of the Company.

Limitations on Liability and Indemnification of Directors and Officers

Our second restated certificate of incorporation will limit the liability of our directors to the fullest extent permitted by the DGCL or any other law of the state of Delaware and our second amended and restated bylaws will provide that we may indemnify our directors and our officers that are appointed by the Board of Directors to the fullest extent permitted by applicable law. We expect to enter into indemnification agreements with our current directors and executive officers prior to the completion of this offering and expect to enter into similar agreements with any new directors or executive officers. We expect to increase our directors' and officers' liability insurance coverage prior to the completion of this offering.

Transfer Agent and Registrar

Upon the completion of this offering, the transfer agent and registrar for our common stock will be Equiniti Trust Company, LLC. The transfer agent's address is 28 Liberty Street, 53rd Floor, New York, NY 10005.

Listing

We have applied to list our common stock on the New York Stock Exchange under the symbol "BOBS."

Shares Eligible For Future Sale

Immediately prior to this offering, there was no public market for our common stock, and we cannot predict the effect, if any, that market sales of our common stock or the availability of our common stock for sale will have on the market price of our common stock prevailing from time to time. Future sales of our common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect market prices prevailing from time to time. As described below, only a limited number of shares currently outstanding will be available for sale immediately after this offering due to contractual and legal restrictions on resale. Nevertheless, future sales of substantial amounts of our common stock, including shares issued upon the exercise of outstanding options or warrants, in the public market after this offering, or the perception that those sales may occur, could cause the prevailing market price for our common stock to fall or impair our ability to raise capital through sales of our equity securities.

Upon consummation of this offering, we expect to have outstanding an aggregate of shares of our common stock outstanding.

All of the shares to be issued in this offering, including shares sold by the selling stockholder if the underwriters exercise their option to purchase additional shares in this offering, will be freely tradable without restriction under the Securities Act unless purchased by our "affiliates," as that term is defined in Rule 144 under the Securities Act. Shares purchased by our affiliates may not be resold except pursuant to an effective registration statement or an exemption from registration, including the safe harbor under Rule 144 of the Securities Act described below. In addition, following this offering, we expect shares of common stock issuable pursuant to awards granted under certain of our equity plans to be covered by a registration statement on Form S-8 will be freely tradable in the public market, subject to certain contractual and legal restrictions described below.

All of the remaining shares of our common stock outstanding after this offering will be "restricted securities," as that term is defined in Rule 144 of the Securities Act, and we expect that substantially all of these restricted securities will be subject to the lock-up agreements described below. These restricted securities may be sold in the public market only if the sale is registered or pursuant to an exemption from registration, such as the safe harbors provided by Rule 144 or Rule 701 of the Securities Act, which are summarized below.

Lock-Up and Market Standoff Restrictions

In connection with this offering, we, the selling stockholder and all of our directors, officers, and the holders of shares of our outstanding common stock have agreed that, without the prior written consent of certain of the underwriters, we and they will not, subject to limited exceptions, directly or indirectly sell or dispose of any shares of common stock or any securities convertible into or exchangeable or exercisable for shares of common stock for a period of 180 days after the date of this prospectus.

Furthermore, less than 5% of our outstanding shares of common stock and securities directly or indirectly convertible into or exercisable or exchangeable for our common stock are subject to market standoff provisions with us, pursuant to which, subject to certain exceptions, such holders agreed to not offer, pledge, sell, assign, encumber or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for our common stock held immediately prior to the effectiveness of the registration statement of which this prospectus forms a part during the restricted period.

As a result of the foregoing, substantially all of our outstanding shares of common stock and securities directly or indirectly convertible into or exchangeable or exercisable for our common stock are subject to a lock-up agreement or market standoff provision during the restricted period. We have agreed to enforce all such market standoff restrictions on behalf of the underwriters and not to amend or waive any such market standoff provisions during the restricted period without the prior written consent of J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC, on behalf of the underwriters, provided that we may release shares from such restrictions to the extent such shares would be entitled to release under the form of lock-up agreement with the underwriters entered into by our directors and executive officers and certain other holders of our securities as described herein.

The lock-up and market standoff restrictions and specified exceptions are described in more detail under "*Underwriting*."

Rule 144

In general, under Rule 144, as currently in effect, beginning 90 days after we become subject to the public company reporting requirements of the Exchange Act, any person who is not our affiliate and who has held their shares for at least six months, including the holding period of any prior owner other than one of our affiliates, may sell shares without restriction, subject to the availability of current public information about us. In addition, under Rule 144, any person who is not our affiliate and has not been our affiliate at any time during the preceding three months and who has held their shares for at least one year, including the holding period of any prior owner other than one of our affiliates, would be entitled to sell an unlimited number of shares immediately upon the closing of this offering without regard to whether current public information about us is available.

Beginning 90 days after we become subject to the public company reporting requirements of the Exchange Act, a person who is our affiliate or who was our affiliate at any time during the preceding three months and who has beneficially owned restricted securities for at least six months, including the holding period of any prior owner other than one of our affiliates, is entitled to sell a number of shares within any three-month period that does not exceed the greater of: (i) 1% of the number of shares of our common stock outstanding, which will equal approximately shares immediately after this offering; and (ii) the average weekly trading volume of our common stock on during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Sales under Rule 144 by our affiliates are also subject to certain manner of sale provisions, notice requirements and the availability of current public information about us.

Rule 701

In general, under Rule 701 under the Securities Act, beginning 90 days after we become subject to the public company reporting requirements of the Exchange Act, any of our employees, directors, officers, consultants or advisors who acquired shares of common stock from us in connection with a written compensatory stock or option plan or other written agreement in compliance with Rule 701 is entitled to sell such shares in reliance on Rule 144 but without compliance with certain of the requirements contained in Rule 144. Accordingly, subject to any applicable lock-up or market standoff restrictions, beginning 90 days after we become subject to the public company reporting requirements of the Exchange Act, under Rule 701 persons who are not our affiliates may resell those shares without complying with the minimum holding period or public information requirements of Rule 144, and persons who are our affiliates may resell those shares without compliance with minimum holding period requirements of Rule 144.

Equity Incentive Plans

Following this offering, we intend to file with the SEC a registration statement on Form S-8 under the Securities Act covering the shares of common stock that are subject to outstanding options and other awards issuable pursuant to our equity incentive plans. Shares covered by such registration statement will be available for sale in the open market following its effective date, subject to certain Rule 144 limitations applicable to affiliates and the terms of lock-up or market standoff restrictions applicable to those shares. See the section titled "*Executive and Director Compensation—Equity Incentive Plans and Other Benefit Plans*" for a description of our equity incentive plans.

Registration Rights

Subject to the lock-up and market standoff restrictions described above, following this offering, certain holders of our common stock may demand that we register the sale of their shares under the Securities Act or, if we file another registration statement under the Securities Act other than a Form S-8 covering securities issuable under our equity plans or on Form S-4, may elect to include their shares of common stock in such registration. Following such registered sales, the shares will be freely tradable without restriction under the Securities Act, unless held by our

affiliates. See "*Certain Relationships and Related Party Transactions—Amended and Restated Stockholders Agreement*."

Material U.S. Federal Income Tax Considerations for Non-U.S. Holders

The following is a summary of the material U.S. federal income tax considerations relating to the purchase, ownership and disposition of our common stock by Non-U.S. Holders (defined below). This summary does not purport to be a complete analysis of all the potential tax considerations relevant to Non-U.S. Holders of our common stock. This summary is based upon the Internal Revenue Code of 1986, as amended (the "Code"), the Treasury regulations promulgated or proposed thereunder and administrative and judicial interpretations thereof, all as of the date hereof and all of which are subject to change at any time, possibly on a retroactive basis.

This discussion is limited to Non-U.S. Holders that hold our common stock as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment). For purposes of this summary, a "Non-U.S. Holder" means a beneficial owner of common stock that for U.S. federal income tax purposes is not classified as a partnership and is not:

- an individual who is a citizen or resident of the United States;
- a corporation or any other organization taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is included in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust if (1) a U.S. court is able to exercise primary supervision over the trust's administration and one or more U.S. persons have the authority to control all of the trust's substantial decisions or (2) the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

This discussion does not address all U.S. federal income tax consequences relevant to a Non-U.S. Holder's particular circumstances, including the impact of any alternative minimum tax or the Medicare contribution tax on net investment income. In addition, it does not address consequences relevant to Non-U.S. Holders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- persons holding our common stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies and other financial institutions;
- brokers, dealers or traders in securities;
- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities or arrangements treated as partnerships or other pass-through entities for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons deemed to sell our common stock under the constructive sale provisions of the Code;
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- tax-qualified retirement plans;
- persons who hold common stock that constitutes "qualified small business stock" under Section 1202 of the Code, or "Section 1244 stock" under Section 1244 of the Code;

- persons who acquired our common stock in a transaction subject to the gain rollover provisions of the Code (including Section 1045 of the Code);
- persons that acquired our common stock pursuant to the exercise of warrants or conversion rights under convertible instruments;
- persons who have elected to mark securities to market;
- persons that own, or have owned, actually or constructively, more than 5% of our common stock;
- "qualified foreign pension funds" as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds; and
- persons subject to special tax accounting rules as a result of any item of gross income with respect to our common stock being taken into account in an applicable financial statement.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of persons treated as its partners for U.S. federal income tax purposes will generally depend upon the status of the partner and the activities of the partnership. Partnerships and other entities that are classified as partnerships for U.S. federal income tax purposes and persons holding our common stock through a partnership or other entity classified as a partnership for U.S. federal income tax purposes are urged to consult their own tax advisors.

There can be no assurance that the U.S. Internal Revenue Service (the "IRS") will not challenge one or more of the tax consequences described herein, and we have not obtained, nor do we intend to obtain a ruling from the IRS with respect to the U.S. federal income tax consequences to a Non-U.S. Holder of the purchase, ownership or disposition of our common stock.

THIS SUMMARY IS FOR GENERAL INFORMATION ONLY AND IS NOT INTENDED TO BE TAX ADVICE. NON-U.S. HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS CONCERNING THE U.S. FEDERAL INCOME TAXATION, STATE, LOCAL AND NON-U.S. TAXATION AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK.

Distributions on Our Common Stock

If we make a distribution of cash or property with respect to our common stock, any such distributions generally will constitute dividends for U.S. federal income tax purposes to the extent of our current and accumulated earnings and profits, if any, as determined under U.S. federal income tax principles. If a distribution exceeds our current and accumulated earnings and profits, the excess will constitute a return of capital and will first reduce the holder's adjusted tax basis in our common stock, but not below zero. Any remaining excess will be treated as capital gain, subject to the tax treatment described below in "*—Gain on Sale, Exchange or Other Taxable Disposition of Our Common Stock*." Any such distribution would also be subject to the discussion below under the section titled "*—Additional Withholding and Reporting Requirements*."

Dividends paid to a Non-U.S. Holder generally will be subject to a 30% U.S. federal withholding tax unless such Non-U.S. Holder provides us or our agent, as the case may be, with an appropriate IRS Form W-8 establishing a reduction or exemption, such as:

- IRS Form W-8BEN or W-8BEN-E (or successor form) certifying, under penalties of perjury, a reduction in withholding under an applicable income tax treaty, or
- IRS Form W-8ECI (or successor form) certifying that a dividend paid on our common stock is not subject to withholding tax because it is effectively connected with a trade or business in the United States of the Non-U.S. Holder (in which case such dividend generally will be subject to regular graduated U.S. tax rates as described below).

The certification requirement described above must be provided to us or our agent prior to the payment of dividends and must be updated periodically. The certification also may require a Non-U.S. Holder that provides an IRS form or that claims treaty benefits to provide its U.S. taxpayer identification number. Special certification and other requirements apply in the case of certain Non-U.S. Holders that hold shares of our common stock through intermediaries or are pass-through entities for U.S. federal income tax purposes.

Each Non-U.S. Holder is urged to consult its own tax advisor about the specific methods for satisfying these requirements. A claim for exemption will not be valid if the person receiving the applicable form has actual knowledge or reason to know that the statements on the form are false.

If dividends are effectively connected with a trade or business in the United States of a Non-U.S. Holder (and, if required by an applicable income tax treaty, are attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States), the Non-U.S. Holder, although exempt from the withholding tax described above (provided that the certification requirements described above is satisfied), generally will be subject to U.S. federal income tax on such dividends on a net income basis in the same manner as if it were a resident of the United States. In addition, if a Non-U.S. Holder is treated as a corporation for U.S. federal income tax purposes, the Non-U.S. Holder may be subject to an additional "branch profits tax" equal to 30% (unless reduced by an applicable income treaty) of its earnings and profits in respect of such effectively connected dividend income.

Non-U.S. Holders that do not timely provide us or our agent with the required certification, but which are eligible for a reduced rate of U.S. federal withholding tax pursuant to an income tax treaty, may obtain a refund or credit of any excess amount withheld by timely filing an appropriate claim for refund with the IRS.

Gain on Sale, Exchange or Other Taxable Disposition of Our Common Stock

Subject to the discussion below under the section titled "*—Additional Withholding and Reporting Requirements,*" in general, a Non-U.S. Holder will not be subject to U.S. federal income tax or withholding tax on gain realized upon such holder's sale, exchange or other taxable disposition of shares of our common stock, unless (1) such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition, and certain other conditions are met, (2) we are or have been a "United States real property holding corporation," as defined in the Code (a "USRPHC"), at any time within the shorter of the five-year period preceding the disposition and the Non-U.S. Holder's holding period in the shares of our common stock, and certain other requirements are met, or (3) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States).

If the first exception described above applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the disposition. If the third exception described above applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to such gain on a net income basis in the same manner as if it were a resident of the United States and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to any earnings and profits attributable to such gain at a rate of 30% (or at a reduced rate under an applicable income tax treaty).

With respect to the second exception described above, generally, a corporation is a USRPHC only if the fair market value of its U.S. real property interests (as defined in the Code) equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. We believe that we are not, and do not anticipate becoming, a USRPHC. Even if we became a USRPHC, a Non-U.S. Holder would not be subject to U.S. federal income tax on a sale, exchange or other taxable disposition of our common stock by reason of our status as USRPHC so long as our common stock is regularly traded on an established securities market at any time during the calendar year in which the disposition occurs and the Non-U.S. Holder does not own and is not deemed to own (directly, indirectly or constructively) more than 5% of our common stock at any time during the shorter of the five year period ending on the date of disposition and the holder's holding period.

Additional Withholding and Reporting Requirements

The Foreign Account Tax Compliance Act, Sections 1471 through 1474 of the Code, and related Treasury regulations, together with other U.S. Treasury Department and IRS guidance issued thereunder and intergovernmental agreements, legislation, rules and other official guidance adopted pursuant to such intergovernmental agreements (commonly referred to as "FATCA") impose a U.S. federal withholding tax of 30% on certain payments, including dividends paid on our common stock, paid to (1) a "foreign financial institution" (as defined under FATCA) unless such institution furnishes proper documentation (typically on IRS Form W-8BEN-E) evidencing either (i) an exemption from FATCA withholding, (ii) its compliance (or deemed compliance) with specified due diligence, reporting, withholding and certification obligations under FATCA or (iii) residence in a jurisdiction that has entered into an intergovernmental agreement with the United States relating to FATCA and compliance with the diligence and reporting requirements of the intergovernmental agreement and local implementing rules; or (2) a "non-financial foreign entity" (as defined under FATCA) that does not furnish proper documentation, typically on IRS Form W-8BEN-E, evidencing either (i) an exemption from FATCA or (ii) adequate information regarding substantial United States beneficial owners of such entity (if any). An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements.

The IRS and the U.S. Department of Treasury have issued proposed regulations on which taxpayers may rely providing that these withholding rules will not apply to the gross proceeds of a sale or other disposition of shares of our common stock. Prospective investors should consult their own tax advisors regarding the effect of FATCA on their ownership and disposition of our common stock.

Backup Withholding and Information Reporting

We must report annually to the IRS and to each Non-U.S. Holder the gross amount of the distributions on our common stock paid to the holder and the tax withheld, if any, with respect to the distributions. Non-U.S. Holders may have to comply with specific certification procedures (such as the provision of a properly completed IRS Form W-8BEN or IRS Form W-8BEN-E) to establish that the holder is not a United States person (as defined in the Code) in order to avoid backup withholding at the applicable rate, currently 24%, with respect to dividends on our common stock. Dividends paid to Non-U.S. Holders subject to the U.S. withholding tax, as described above under the section titled "*—Distributions on Our Common Stock,*" generally will be exempt from U.S. backup withholding.

Information reporting and backup withholding will generally apply to the proceeds of a disposition of our common stock by a Non-U.S. Holder effected by or through the U.S. office of any broker, U.S. or foreign, unless the holder certifies its status as a Non-U.S. Holder and satisfies certain other requirements, or otherwise establishes an exemption. Generally, information reporting and backup withholding will not apply to a payment of disposition proceeds to a Non-U.S. Holder where the transaction is effected outside the United States through a non-U.S. office of a broker. However, for information reporting purposes, dispositions effected through a non-U.S. office of a broker with substantial U.S. ownership or operations generally will be treated in a manner similar to dispositions effected through a U.S. office of a broker. Prospective investors should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them, including the availability of and procedure for obtaining an exemption from backup withholding.

Copies of information returns may be made available to the tax authorities of the country in which the Non-U.S. Holder resides or, in which the Non-U.S. Holder is incorporated, under the provisions of a specific treaty or agreement.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a Non-U.S. Holder can be refunded or credited against the Non-U.S. Holder's U.S. federal income tax liability, if any, provided that an appropriate claim is timely filed with the IRS.

Underwriting

We are offering the shares of our common stock described in this prospectus through a number of underwriters. J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC, RBC Capital Markets, LLC and UBS Securities LLC are acting as joint book-running managers of the offering, and J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC are acting as representatives of the underwriters. We and the selling stockholder have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, we and the selling stockholder have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of shares of our common stock listed next to its name in the following table:

Name	Number of Shares
J.P. Morgan Securities LLC	
Morgan Stanley & Co. LLC	
RBC Capital Markets, LLC	
UBS Securities LLC	
BofA Securities, Inc.	
Evercore Group L.L.C.	
Goldman Sachs & Co. LLC	
Robert W. Baird & Co. Incorporated	
KeyBanc Capital Markets Inc.	
Raymond James & Associates, Inc.	
Total	

The underwriters are committed to purchase the shares of common stock offered by us if they purchase any shares. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the shares of common stock directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of $ per share. After the initial offering of the shares to the public, if all of the shares of common stock are not sold at the initial public offering price, the underwriters may change the offering price and the other selling terms. Sales of any shares made outside of the United States may be made by affiliates of the underwriters.

The selling stockholder has granted the underwriters an option to buy up to additional shares of our common stock from the selling stockholder to cover sales of shares by the underwriters which exceed the number of shares specified in the table above. The underwriters have 30 days from the date of this prospectus to exercise this option to purchase additional shares. If any shares are purchased with this option to purchase additional shares, the underwriters will purchase shares in approximately the same proportion as shown in the table above. If any additional shares of our common stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

The underwriting fee is equal to the public offering price per share of common stock less the amount paid by the underwriters to us per share of common stock. The underwriting fee is $ per share. The following table shows

the per share and total underwriting discounts and commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	Without option to purchase additional shares exercise	With full option to purchase additional shares exercise
Per Share	$	$
Total	$	$

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately $. We and the selling stockholder have also agreed to reimburse the underwriters for certain of their expenses in an amount up to $. The underwriters have agreed to reimburse us for certain expenses in connection with this offering.

A prospectus in electronic format may be made available on the web sites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We have agreed that we will not (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, or submit to, or file with, the SEC a registration statement under the Securities Act relating to, any shares of our common stock or securities convertible into or exercisable or exchangeable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, loan, disposition or filing, or (ii) enter into any swap or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of any shares of common stock or any such other securities (regardless of whether any of these transactions are to be settled by the delivery of shares of common stock or such other securities, in cash or otherwise), in each case without the prior written consent of J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC for a period of 180 days after the date of this prospectus, other than the shares of our common stock to be sold in this offering.

The restrictions on our actions, as described above, do not apply to certain transactions, including (i) the issuance of shares of our common stock or securities convertible into or exercisable for shares of our common stock pursuant to the conversion or exchange of convertible or exchangeable securities or the exercise of warrants or options (including net exercise) or the settlement of restricted stock units ("RSUs") (including net settlement), in each case outstanding on the date of the underwriting agreement and described in this prospectus; (ii) grants of stock options, stock awards, restricted stock, RSUs, or other equity awards and the issuance of shares of our common stock or securities convertible into or exercisable or exchangeable for shares of our common stock (whether upon the exercise of stock options or otherwise) to our employees, officers, directors, advisors, or consultants pursuant to the terms of an equity compensation plan in effect as of the closing of this offering and described in this prospectus, provided that such recipients enter into a lock-up agreement with the underwriters; (iii) the issuance of up to % of the outstanding shares of our common stock, or securities convertible into, exercisable for, or which are otherwise exchangeable for, our common stock, immediately following the closing of this offering, in acquisitions or other similar strategic transactions, provided that such recipients enter into a lock-up agreement with the underwriters; or (iv) our filing of any registration statement on Form S-8 relating to securities granted or to be granted pursuant to any plan in effect on the date of the underwriting agreement and described in this prospectus or any assumed benefit plan pursuant to an acquisition or similar strategic transaction.

Our directors and executive officers, and holders of substantially all of our common stock, including the selling stockholder (such persons, the "lock-up parties"), have entered into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each lock-up party, with limited exceptions, for a period of 180 days after the date of this prospectus (such period, the "restricted period"), may not (and may not cause any of

their direct or indirect affiliates to), without the prior written consent of J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC, (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for our common stock (including, without limitation, common stock or such other securities which may be deemed to be beneficially owned by such lock-up parties in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant (collectively with the common stock, the "lock-up securities")), (2) enter into any hedging, swap or other agreement or transaction that transfers, in whole or in part, any of the economic consequences of ownership of the lock-up securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of lock-up securities, in cash or otherwise, (3) make any demand for, or exercise any right with respect to, the registration of any lock-up securities, or (4) publicly disclose the intention to do any of the foregoing. Such persons or entities have further acknowledged that these undertakings preclude them from engaging in any hedging or other transactions or arrangements (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) designed or intended, or which could reasonably be expected to lead to or result in, a sale or disposition or transfer (by any person or entity, whether or not a signatory to such agreement) of any economic consequences of ownership, in whole or in part, directly or indirectly, of any lock-up securities, whether any such transaction or arrangement (or instrument provided for thereunder) would be settled by delivery of lock-up securities, in cash or otherwise.

The restrictions described in the immediately preceding paragraph and contained in the lock-up agreements between the underwriters and the lock-up parties do not apply, subject in certain cases to various conditions, to certain transactions, including (a) transfers of lock-up securities: (i) as bona fide gifts, or for bona fide estate planning purposes, (ii) by will, testamentary document or intestacy, (iii) to any immediate family member or to any trust for the direct or indirect benefit of the lock-up party or any immediate family member, (iv) to a corporation, trust, partnership, limited liability company or other entity of which the lock-up party and its immediate family members are the legal and beneficial owner of all of the outstanding equity securities or similar interests, (v) to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (i) through (iv), (vi) in the case of a corporation, partnership, limited liability company, trust or other business entity, (A) to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate of the lock-up party, or to any investment fund or other entity controlling, controlled by, managing or managed by or under common control with the lock-up party or its affiliates or (B) as part of a distribution to members or stockholders of the lock-up party; (vii) by operation of law, (viii) to us from an employee upon death, disability or termination of employment of such employee, (ix) as part of a sale of lock-up securities acquired in open market transactions after the completion of this offering, (x) to us in connection with the vesting, settlement or exercise of restricted stock units, options, warrants or other rights to purchase shares of our common stock (including "net" or "cashless" exercise), including for the payment of exercise price and tax and remittance payments, (xi) in connection with any pledge, charge, hypothecation or other granting of a security interest in lock-up securities held by BCPE BDF Investor, LP or its affiliates, including entities controlled by or affiliated with Bain Capital, L.P. (collectively, the "Bain Funds") to one or more banks, financial or other lending institutions ("Lenders") as collateral or security for or in connection with any margin loan or other loans, advances or extensions of credit entered into by the lock-up party or any of its direct or indirect subsidiaries and any transfers of such lock-up securities or such other securities to the applicable Lender(s) or other third parties upon or following foreclosure upon or enforcement of such lock-up securities or such securities in accordance with the terms of the documentation governing any margin loan or other loan, advance, or extension of credit (including, without limitation, pursuant to any agreement or arrangement existing as of the date hereof); provided that with respect to any pledge, charge, hypothecation or other granting of a security interest set forth above after the execution of this agreement, the applicable Lender(s) is informed of the existence and contents of this agreement before entering into any margin loan or other loans, advances or extensions of credit, (xii) by the Bain Funds as bona fide gifts, either directly or indirectly (including through any related distributions or dividends to the direct or indirect equity holders of the Bain Funds or to managing directors of Bain Capital Investors, LLC, in each case as necessary to facilitate any such bona fide gifts), or (xiii) pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction approved by our Board of Directors and made to all stockholders involving a change in control, provided that if such transaction is not completed, all such lock-up securities would remain subject to the restrictions in the immediately preceding paragraph; (b) exercise

of the options, settlement of RSUs or other equity awards, or the exercise of warrants granted pursuant to plans described in this prospectus, provided that any lock-up securities received upon such exercise, vesting or settlement would be subject to restrictions similar to those in the immediately preceding paragraph; (c) the conversion of outstanding preferred stock, warrants to acquire preferred stock, or convertible securities into shares of our common stock or warrants to acquire shares of our common stock, provided that any common stock or warrant received upon such conversion would be subject to restrictions similar to those in the immediately preceding paragraph; and (d) the establishment by lock-up parties of trading plans under Rule 10b5-1 under the Exchange Act, provided that such plan does not provide for the transfer of lock-up securities during the restricted period.

J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC, in their sole discretion, may release the securities subject to any of the lock-up agreements with the underwriters described above, in whole or in part at any time.

Furthermore, less than 5% of our outstanding shares of common stock and securities directly or indirectly convertible into or exercisable or exchangeable for our common stock are subject to market standoff provisions with us, pursuant to which, subject to certain exceptions, such holders agreed to not offer, pledge, sell, assign, encumber or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for our common stock held immediately prior to the effectiveness of the registration statement of which this prospectus forms a part during the restricted period.

As a result of the foregoing, substantially all of our outstanding shares of common stock and securities directly or indirectly convertible into or exchangeable or exercisable for our common stock are subject to a lock-up agreement or market standoff provision during the restricted period. We have agreed to enforce all such market standoff restrictions on behalf of the underwriters and not to amend or waive any such market standoff provisions during the restricted period without the prior written consent of J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC, on behalf of the underwriters, provided that we may release shares from such restrictions to the extent such shares would be entitled to release under the form of lock-up agreement with the underwriters entered into by our directors and executive officers, the selling stockholder and certain other holders of our securities as described herein.

We and the selling stockholder have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

We have applied to list our common stock on the New York Stock Exchange under the symbol “BOBS.”

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of our common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress. These stabilizing transactions may include making short sales of common stock, which involves the sale by the underwriters of a greater number of shares of our common stock than they are required to purchase in this offering, and purchasing shares of our common stock on the open market to cover positions created by short sales. Short sales may be “covered” shorts, which are short positions in an amount not greater than the underwriters’ option to purchase additional shares referred to above, or may be “naked” shorts, which are short positions in excess of that amount.

The underwriters may close out any covered short position either by exercising their option to purchase additional shares, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through the option to purchase additional shares. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the common stock, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase common stock in the open market in

stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of the common stock or preventing or retarding a decline in the market price of the common stock, and, as a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on the New York Stock Exchange, in the over-the-counter market or otherwise.

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiations between us and the representatives of the underwriters. In determining the initial public offering price, we and the representatives of the underwriters expect to consider a number of factors including:

- the information set forth in this prospectus and otherwise available to the representatives;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- our prospects for future earnings;
- the general condition of the securities markets at the time of this offering;
- the recent market prices of, and demand for, publicly traded common stock of generally comparable companies; and
- other factors deemed relevant by the underwriters and us.

Neither we nor the underwriters can assure investors that an active trading market will develop for our common stock, or that the shares of our common stock will trade in the public market at or above the initial public offering price.

Other Relationships

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

Directed Share Program

At our request, the underwriters have reserved, at the initial public offering price, up to shares of common stock, or up to % of the shares of common stock offered by this prospectus, for sale to certain of our directors, officers, employees and related persons through a directed share program. The shares purchased pursuant to the directed share program will not be subject to lock-up agreements with the underwriters, except in the case of shares purchased by any of our directors or executive officers, which will be subject to a 180-day lock-up restriction as described above. The underwriters will receive the same underwriting discount on any shares purchased pursuant to this program as they will on any other shares sold to the public in this offering. The number of shares available for sale to the general public will be reduced to the extent these individuals purchase such reserved shares. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same basis as the other shares offered by this prospectus. The directed share program will be administered by Morgan Stanley & Co. LLC. We have agreed to indemnify Morgan Stanley & Co. LLC against certain liabilities and expenses in

connection with sales of the shares reserved for the directed share program, including liabilities under the Securities Act.

Selling Restrictions

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Notice to Prospective Investors in Canada

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area (each a "Relevant State"), no shares have been offered or will be offered pursuant to the offering to the public in that Relevant State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the underwriters; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of shares shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. and each person who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the underwriters and to us that it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation. In the case of any shares being offered to a financial intermediary as that term is used in the Prospectus Regulation, each such financial intermediary will be

deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares to the public other than their offer or resale in a Relevant State to qualified investors as so defined or in circumstances in which the prior consent of the underwriters have been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an "offer to the public" in relation to shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Notice to Prospective Investors in the United Kingdom

No shares have been offered or will be offered pursuant to the offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the shares which (i) has been approved by the Financial Conduct Authority or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc (EU Exit) Regulations 2019/1234, except that the shares may be offered to the public in the United Kingdom at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of underwriters for any such offer; or

(c) in any other circumstances falling within Section 86 of the Financial Services and Markets Act 2000, as amended (the "FSMA").

provided that no such offer of the shares shall require us or any underwriter to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Regulation) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons") or otherwise in circumstances which have not resulted and will not result in an offer to the public of the shares in the United Kingdom within the meaning of the Financial Services and Markets Act 2000.

Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons.

Notice to Prospective Investors in Switzerland

This prospectus does not constitute an offer to the public or a solicitation to purchase or invest in any shares. No shares have been offered or will be offered to the public in Switzerland, except that offers of shares may be made to the public in Switzerland at any time under the following exemptions under the Swiss Financial Services Act ("FinSA"):

(a) to any person which is a professional client as defined under the FinSA;

(b) to fewer than 500 persons (other than professional clients as defined under the FinSA), subject to obtaining the prior consent of the representatives of the underwriters for any such offer; or

(c) in any other circumstances falling within Article 36 FinSA in connection with Article 44 of the Swiss Financial Services Ordinance,

provided that no such offer of shares shall require the Company or any investment bank to publish a prospectus pursuant to Article 35 FinSA.

The shares have not been and will not be listed or admitted to trading on a trading venue in Switzerland.

Neither this document nor any other offering or marketing material relating to the shares constitutes a prospectus as such term is understood pursuant to the FinSA and neither this document nor any other offering or marketing material relating to the shares may be publicly distributed or otherwise made publicly available in Switzerland.

Notice to Prospective Investors in Australia

This prospectus:

- does not constitute a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the "Corporations Act");
- has not been, and will not be, lodged with the Australian Securities and Investments Commission ("ASIC"), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document for the purposes of the Corporations Act; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, available under section 708 of the Corporations Act ("Exempt Investors").

The shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any shares may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of shares of our common stock under this prospectus will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the shares of our common stock you undertake to us that you will not, for a period of 12 months from the date of issue of the shares, offer, transfer, assign or otherwise alienate those shares of our common stock to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Notice to Prospective Investors in Japan

The shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any "resident" of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Notice to Prospective Investors in Hong Kong

The shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO") of Hong Kong and any rules made thereunder; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "CO") or which do not constitute an offer to the public within the meaning of the CO. No advertisement, invitation or document relating to the shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made thereunder.

Notice to Prospective Investors in Singapore

Each underwriter has acknowledged that this prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each underwriter has represented and agreed that it has not offered or sold any shares or caused the shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any shares or cause the shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares, whether directly or indirectly, to any person in Singapore other than:

(a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA;

(a) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or

(b) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), unless otherwise specified before an offer of shares, we have determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA), that the shares are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Notice to Prospective Investors in China

This prospectus will not be circulated or distributed in the People's Republic of China (the "PRC") and the shares will not be offered or sold, and will not be offered or sold to any person for re-offering or resale directly or indirectly to any residents of the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except pursuant to any applicable laws and regulations of the PRC. Neither this prospectus nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with applicable laws and regulations.

Notice to Prospective Investors in Korea

The shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "FSCMA"), and the shares have been and will be offered in Korea as a private placement under the FSCMA. None of the shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "FETL"). Furthermore, the purchaser of the shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the shares. By the purchase of the shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the shares pursuant to the applicable laws and regulations of Korea.

Notice to Prospective Investors in Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the shares has been or will be registered with the Securities Commission of Malaysia ("Commission") for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the shares, as principal, if the offer is on terms that the shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this prospectus is subject to Malaysian laws. This prospectus does not

constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Notice to Prospective Investors in Taiwan

The shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorised to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the shares in Taiwan.

Notice to Prospective Investors in Saudi Arabia

This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations Regulations as issued by the board of the Saudi Arabian Capital Market Authority ("CMA") pursuant to resolution number 3-123-2017 dated 27 December 2017, as amended. The CMA does not make any representation as to the accuracy or completeness of this document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorized financial adviser.

Notice to Prospective Investors in the Dubai International Financial Centre ("DIFC")

This document relates to an Exempt Offer in accordance with the Markets Law, DIFC Law No. 1 of 2012, as amended. This document is intended for distribution only to persons of a type specified in the Markets Law, DIFC Law No. 1 of 2012, as amended. It must not be delivered to, or relied on by, any other person. The Dubai Financial Services Authority ("DFSA") has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for this document. The securities to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

Notice to Prospective Investors in the United Arab Emirates

The shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this prospectus does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority, Financial Services Regulatory Authority (FSRA) or the Dubai Financial Services Authority (DFSA).

Notice to Prospective Investors in the British Virgin Islands

The shares are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on behalf of us. The shares may be offered to companies incorporated under the BVI

Business Companies Act, 2004 (British Virgin Islands) ("BVI Companies"), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

Notice to Prospective Investors in South Africa

Due to restrictions under the securities laws of South Africa, no "*offer to the public*" (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the "South African Companies Act")) is being made in connection with the issue of the shares in South Africa. Accordingly, this document does not, nor is it intended to, constitute a "*registered prospectus*" (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. The shares are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions stipulated in section 96 (1) applies:

Section 96 (1) (a)	the offer, transfer, sale, renunciation or delivery is to: (i) persons whose ordinary business, or part of whose ordinary business, is to deal in securities, as principal or agent; (ii) the South African Public Investment Corporation; (iii) persons or entities regulated by the Reserve Bank of South Africa; (iv) authorised financial service providers under South African law; (v) financial institutions recognised as such under South African law; (vi) a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorised portfolio manager for a pension fund, or as manager for a collective investment scheme (in each case duly registered as such under South African law); or (vii) any combination of the person in (i) to (vi); or
Section 96 (1) (b)	the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000 or such higher amount as may be promulgated by notice in the Government Gazette of South Africa pursuant to section 96(2)(a) of the South African Companies Act.

Information made available in this prospectus should not be considered as "*advice*" as defined in the South African Financial Advisory and Intermediary Services Act, 2002.

Legal Matters

The validity of the shares of our common stock offered in this prospectus will be passed upon for us by Ropes & Gray LLP, Boston, MA. Ropes & Gray LLP and some of its attorneys are limited partners of RGIP, LP, which is an investor in certain investment funds advised by Bain Capital and often a co-investor with such funds. Upon the consummation of the offering, RGIP, LP will directly or indirectly own less than 1% of the outstanding shares of our common stock. Certain legal matters in connection with this offering will be passed upon for the underwriters by Latham & Watkins LLP, New York, NY.

Experts

The financial statements as of December 29, 2024 and December 31, 2023 and for each of the three years in the period ended December 29, 2024 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

Where You Can Find More Information

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits filed therewith. For further information with respect to us and the common stock offered hereby, please refer to the registration statement and the exhibits filed therewith. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding registrants that file electronically with the SEC. The SEC's website is www.sec.gov.

Upon completion of this offering, we will become subject to the information and periodic reporting requirements of the Exchange Act and, in accordance therewith, we will file periodic reports, proxy statements and other information with the SEC. Such periodic reports, proxy statements and other information will be available for inspection at the website of the SEC referred to above.

We also maintain a website at www.mybobs.com. Upon completion of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on, or that can be accessed through, our website does not constitute a part of this prospectus or the registration statement of which this prospectus forms a part, and is not incorporated by reference herein. We have included our website address in this prospectus solely for informational purposes and you should not consider any information contained on, or that can be accessed through, our website as part of this prospectus or in deciding whether to purchase shares of our common stock.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of BDF Holding Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of BDF Holding Corp. and its subsidiaries (the "Company") as of December 29, 2024 and December 31, 2023, and the related consolidated statements of operations and comprehensive income, of changes in stockholders' equity and of cash flows for each of the three years in the period ended December 29, 2024, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 29, 2024 and December 31, 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 29, 2024 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

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

Critical Audit Matters

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

Revenue Recognition – Merchandise Sales, Delivery Revenue, and Protection Plan Revenue

As described in Note 2 to the consolidated financial statements, the Company's merchandise sales, delivery revenue and protection plan revenue make up a significant portion of total net revenues of $2,028.1 million for the year ended December 29, 2024. The Company recognizes revenue when control of the promised product or service is transferred to customers at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for the products or services. Revenue from the sale of the Company's merchandise is recognized at a point in time which can occur when merchandise is purchased and picked up at a retail store or distribution center or when merchandise is delivered to and accepted by the customer. Delivery revenue is recognized at a point in time when the related merchandise is delivered and accepted by the customer. Product protection plan revenue is recognized at the time of delivery of the related merchandise to the customer. Customer

deposits represent payments made by customers at the time an order is placed, but before the Company has delivered merchandise to the customer, resulting in contract liabilities.

The principal consideration for our determination that performing procedures relating to revenue recognition for merchandise sales, delivery revenue and protection plan revenue is a critical audit matter is a high degree of auditor effort in performing procedures related to the Company's revenue recognition.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others, (i) testing revenue recognized for a sample of revenue transactions by obtaining and inspecting source documents, such as invoices and proof of delivery or pickup; (ii) testing the timing of revenue recognized before and after December 29, 2024 for a sample of revenue transactions by obtaining and inspecting source documents, such as invoices and proof of delivery or pickup; and (iii) confirming a sample of outstanding third-party financing and credit card company balances as of December 29, 2024 and, for confirmations not returned, obtaining and inspecting source documents such as third-party funding statements. The procedures performed also included (i) testing a sample of customer deposit transactions during the year ended December 29, 2024 by obtaining and inspecting source documents, such as cash receipts; (ii) confirming customer deposit transactions during the period with a sample of third-party financing and credit card companies and, for confirmations not returned, obtaining and inspecting source documents such as third-party funding statements; (iii) testing a sample of customer refund transactions by obtaining and inspecting source documents, such as the customer order, customer deposit and subsequent cash disbursements; (iv) testing the sales and use tax activity during the period by developing an independent estimate and comparing to actual sales and use tax activity; and (v) testing a sample of revenue transactions from the customer deposit transaction detail by obtaining and inspecting source documents, such as invoices and proof of delivery or pickup.

/s/ PricewaterhouseCoopers LLP

Hartford, Connecticut
September 19, 2025

We have served as the Company's auditor since 2010.

BDF Holding Corp.

Consolidated Balance Sheets

(In thousands, except share and per share amounts)

	December 29, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	$ 80,558	$ 103,097
Accounts receivable	17,223	16,782
Inventories	303,930	227,486
Prepaids and other current assets	46,208	38,510
Total current assets	447,919	385,875
Property and equipment, net	280,391	247,458
Operating lease right-of-use assets	533,690	490,403
Intangible assets	179,100	179,100
Goodwill	181,699	181,699
Other assets	2,265	5,162
Total assets	$ 1,625,064	$ 1,489,697
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 279,389	$ 197,598
Self-insurance reserves	26,831	26,557
Accrued expenses	61,136	60,688
Customer deposits	66,606	62,413
Current portion of long-term debt	-	1,502
Finance lease liabilities, current portion	9,926	8,646
Operating lease liabilities, current portion	88,891	77,655
Total current liabilities	532,779	435,059
Long-term debt	-	78,850
Finance lease liabilities, noncurrent portion	30,211	28,714
Operating lease liabilities, noncurrent portion	562,069	517,883
Deferred income taxes	34,928	39,236
Other long-term liabilities	847	690
Total long-term liabilities	628,055	665,373
Total liabilities	1,160,834	1,100,432
Commitments and Contingencies (Note 11)		
Stockholders' Equity		
Preferred stock, $0.01 par value, 50,000 shares authorized; no shares issued or outstanding at December 29, 2024 and December 31, 2023	-	-
Common stock, $0.0001 par value, 300,000,000 shares authorized; 185,848,107 shares issued and 172,021,794 outstanding at December 29, 2024; 181,171,388 shares issued and 170,928,831 outstanding at December 31, 2023	18	18
Additional paid-in capital	225,879	215,091
Treasury stock shares, at cost, 13,826,313 and 10,242,557 shares at December 29, 2024 and December 31, 2023, respectively	(63,351)	(42,633)
Accumulated other comprehensive income	-	3,038
Retained earnings	301,684	213,751
Total stockholders' equity	464,230	389,265
Total liabilities and stockholders' equity	$ 1,625,064	$ 1,489,697

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

BDF Holding Corp.

Consolidated Statements of Operations and Comprehensive Income

(In thousands, except per share amounts)

	Fiscal Year Ended		
	December 29, 2024	December 31, 2023	January 1, 2023
Net revenues	$ 2,028,143	$ 2,008,082	$ 2,105,508
Cost of sales	1,079,703	1,073,355	1,252,072
Gross profit	948,440	934,727	853,436
Operating expenses			
Selling, general, and administrative expenses	813,302	806,938	793,887
Pre-opening expenses	15,326	4,662	9,565
Loss on disposal of fixed assets	17	2,226	28
Impairment of long-lived assets	2,061	1,322	-
Restructuring charges	-	1,760	-
Total operating expenses	830,706	816,908	803,480
Operating income	117,734	117,819	49,956
Other (income) expense			
Interest expense	10,538	19,872	24,343
Interest income	(2,450)	(1,006)	(638)
Other income, net	(3,778)	(3,665)	(8,488)
Total other expense, net	4,310	15,201	15,217
Income before taxes	113,424	102,618	34,739
Income tax expense	25,491	24,519	7,091
Net income	$ 87,933	$ 78,099	$ 27,648
Other comprehensive (loss) income			
Change in unrealized interest rate hedging, net of tax expense (benefit) of $1,160, $1,810, and $(2,366), respectively	(3,038)	(4,770)	6,183
Total other comprehensive (loss) income	(3,038)	(4,770)	6,183
Total comprehensive income	$ 84,895	$ 73,329	$ 33,831
Basic net income per share	$ 0.51	$ 0.46	$ 0.16
Diluted net income per share	$ 0.50	$ 0.44	$ 0.16

See accompanying notes to consolidated financial statements.

BDF Holding Corp.

Consolidated Statements of Changes in Stockholders' Equity

(In thousands, except share amounts)

	Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Other Comprehensive Income / (Loss)	Retained Earnings	Total Stockholders' Equity
	Shares	Amount		Shares	Amount			
Balances at January 2, 2022	166,394,820	$ 17	$ 185,875	6,306,610	$ (23,269)	$ 1,625	$ 108,004	$ 272,252
Common stock issued under management incentive plan	691,503	-	1,449	-	-	-	-	1,449
Issuance of common stock	3,288,330	1	13,252	-	-	-	-	13,253
Repurchases of common stock	(610,567)	-	-	610,567	(2,461)	-	-	(2,461)
Stock-based compensation expense	-	-	3,431	-	-	-	-	3,431
Other comprehensive income	-	-	-	-	-	6,183	-	6,183
Net income	-	-	-	-	-	-	27,648	27,648
Balances at January 1, 2023	169,764,086	$ 18	$ 204,007	6,917,177	$ (25,730)	$ 7,808	$ 135,652	$ 321,755
Common stock issued under management incentive plan	4,490,125	-	7,161	-	-	-	-	7,161
Repurchases of common stock	(3,325,380)	-	-	3,325,380	(16,903)	-	-	(16,903)
Stock-based compensation expense	-	-	3,923	-	-	-	-	3,923
Other comprehensive loss	-	-	-	-	-	(4,770)	-	(4,770)
Net income	-	-	-	-	-	-	78,099	78,099
Balances at December 31, 2023	170,928,831	$ 18	$ 215,091	10,242,557	$ (42,633)	$ 3,038	$ 213,751	$ 389,265
Common stock issued under management incentive plan	4,676,719	-	7,140	-	-	-	-	7,140
Repurchases of common stock	(3,583,756)	-	-	3,583,756	(20,718)	-	-	(20,718)
Stock-based compensation expense	-	-	3,648	-	-	-	-	3,648
Other comprehensive loss	-	-	-	-	-	(3,038)	-	(3,038)
Net income	-	-	-	-	-	-	87,933	87,933
Balances at December 29, 2024	172,021,794	$ 18	$ 225,879	13,826,313	$ (63,351)	$ -	$ 301,684	$ 464,230

See accompanying notes to consolidated financial statements.

BDF Holding Corp.

Consolidated Statements of Cash Flows

(In thousands)

	Fiscal Year Ended		
	December 29, 2024	**December 31, 2023**	**January 1, 2023**
Cash flows from operating activities			
Net income	$ 87,933	$ 78,099	$ 27,648
Adjustments to reconcile net income to net cash provided by operating activities			
Stock-based compensation expense	3,648	3,923	3,431
Transaction losses	4,890	4,304	4,118
Depreciation and amortization	65,194	62,876	60,707
Non-cash interest expense	2,973	4,728	3,778
Impairment and loss on disposal of fixed assets	743	2,698	28
Impairment of operating lease right-of-use assets	1,335	850	—
Non-cash lease costs	68,496	60,948	55,067
Deferred income taxes	(3,133)	(2,344)	3,121
Change in reserve for product warranties	857	127	(141)
Changes in operating assets and liabilities			
Accounts receivable	(5,331)	(1,036)	(8,770)
Inventories	(76,444)	43,996	(34,467)
Prepaids and other current assets	(10,054)	(3,987)	2,500
Other assets	649	(5,824)	(2,845)
Accounts payable	72,877	12,587	33,189
Accrued expenses	23	889	13,020
Customer deposits	4,193	(4,118)	(56,880)
Operating leases	(57,695)	(61,544)	(51,456)
Other long-term liabilities	—	—	(55)
Net cash provided by operating activities	161,154	197,172	51,993
Cash flows from investing activities			
Purchase of property and equipment	(78,224)	(29,770)	(51,427)
Proceeds from reduction in interest rate cap	—	6,997	1,694
Net cash used in investing activities	(78,224)	(22,773)	(49,733)
Cash flows from financing activities			
Principal payments on First Lien Note	(82,936)	(66,502)	(97,292)
Proceeds from Line of Credit	30,000	67,000	20,000
Principal payments on Line of Credit	(30,000)	(77,000)	(10,000)
Debt issuance costs	—	—	(7,509)
Principal payments on financing lease obligations	(8,955)	(8,282)	(7,188)
Proceeds from the issuance of common stock	—	—	13,252
Payments related to exercise of employee stock options	(7,604)	(5,757)	(398)
Payments for the acquisition of treasury stock	(5,974)	(3,986)	(614)
Net cash used in financing activities	(105,469)	(94,527)	(89,749)
Net (decrease) increase in cash and cash equivalents	(22,539)	79,872	(87,489)
Cash and cash equivalents, beginning of period	103,097	23,225	110,714
Cash and cash equivalents, end of period	$ 80,558	$ 103,097	$ 23,225
Supplemental disclosure of cash flow data			
Cash paid for			
Interest	$ 6,129	$ 13,335	$ 17,784
Supplemental disclosure of noncash investing and financing activities			
Assets acquired under financing leases	$ 11,467	$ 56	$ 9,716
Purchase of property and equipment included in accounts payable and accrued expenses	13,508	4,595	3,949
Employees cashless exercising of stock options	14,744	12,917	1,847

See accompanying notes to consolidated financial statements.

1. Nature of Business

BDF Holding Corp. is a Delaware corporation owned by funds controlled by Bain Capital and is an omni-channel retailer of quality home furnishings offering a wide variety of merchandise assortments across several categories including living rooms, bedrooms, mattresses, dining rooms, occasional tables, lamps, outdoors, and accessories. This assortment of merchandise can be purchased through both retail and eCommerce sales channels. As used in these annual financial statements and footnotes, "the Company" refers to BDF Holding Corp. and its subsidiaries. At December 29, 2024, the Company operated in 189 stores in 24 states across the United States.

2. Summary of Significant Accounting Policies

Basis of Presentation

These consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") and include the accounts and those of the Company's wholly owned subsidiaries. Accordingly, all intercompany balances and transactions have been eliminated in consolidation. Certain amounts in prior year financial statements and notes thereto have been reclassified to conform to current year presentation.

The Company's fiscal year ends on the Sunday closest to December 31 and consists of 52 weeks with the exception that approximately every six years, the Company has a fiscal year with 53 weeks. The fiscal years ended December 29, 2024 ("fiscal year 2024"), December 31, 2023 ("fiscal year 2023"), and January 1, 2023 ("fiscal year 2022") each consisted of 52 weeks.

Segment Reporting

The Company's Chief Operating Decision Maker ("CODM"), its President and Chief Executive Officer, reviews asset and financial information on a consolidated basis for the purpose of allocating resources and evaluating financial performance, resulting in one operating and reportable segment.

The CODM assesses performance at the consolidated level and allocates resources based on net income, which is reported on the consolidated statements of operations and comprehensive income as net income.

Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Areas in which significant estimates have been made include, but are not limited to leased assets and the Company's evaluation of retail stores for impairment. Actual results could differ from the estimates made and such differences could be material to the consolidated financial statements.

Cash and Cash Equivalents

Cash and short-term highly liquid investments with original maturities of three months or less, including money market funds, are considered cash and cash equivalents and are reported at fair value. The Company maintains cash and cash equivalents in both interest and non-interest-bearing bank deposit accounts in high-quality financial institutions and are in amounts which exceed the federal insurance limits. Management performs ongoing evaluations of these institutions to limit the Company's concentration of credit risk.

Amounts in transit from banks for customer credit card, debit card, and electronic transactions that are processed in less than seven days from year-end are classified as cash equivalents. At December 29, 2024, and December 31, 2023, amounts due from banks for these transactions totaled $13.7 million and $11.4 million, respectively.

Derivatives

The Company uses derivative financial instruments in the form of interest rate caps to manage interest rate risk. Derivative financial instruments are not used for trading or speculative purposes. The Company records all derivative financial instruments in its consolidated balance sheets as either assets or liabilities at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether management has elected to designate a derivative as a hedging relationship and apply hedge accounting, and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. The Company may enter into derivative contracts that are intended to economically hedge certain risk, even though hedge accounting does not apply, or management elects not to apply hedge accounting. For derivatives that are not designated as a hedge, changes in fair value are reported directly to other income, net on the Company's consolidated statements of operations and comprehensive income.

For derivatives that are designated and that do qualify as cash flow hedges of interest rate risk, the changes in fair value are reported in accumulated other comprehensive income ("AOCI") and subsequently reclassified into interest expense in the same period(s) during which the hedged transaction affects earnings. Gains and losses on the derivative representing hedge components excluded from the assessment of effectiveness are recognized currently in earnings in interest expense in the Company's consolidated statements of operations and comprehensive income and are recognized over the life of the hedge on a systematic and rational basis. Amounts reported in AOCI in the Company's consolidated balance sheets related to derivatives are recognized as interest expense in the Company's consolidated statements of operations and comprehensive income as interest payments are made on its variable-rate debt.

Fair Value Measurements

The Company's non-derivative financial instruments consist of cash and cash equivalents, trade receivables, accounts payable, other current assets and liabilities, long-term debt, and letters of credit. Due to the short-term nature of its financial instruments, the Company believes that the carrying values approximate fair value. With regard to long-term debt, the Company believes that the carrying value approximates its fair value as the terms and interest rate approximate market rates given its floating rate basis. The Company records its non-derivative financial instruments at fair value.

The financial assets and liabilities are measured at fair value, which is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the use of various valuation methodologies, including market, income, and cost approaches is permissible. The Company considers the principal or most advantageous market in which it would transact and assumptions that market participants would use when pricing the asset and liability.

The accounting guidance for fair value measurements establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value based on the reliability of inputs. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect their placement within the fair value hierarchy levels.

The Company has categorized its cash equivalents and investments within the fair value hierarchy as follows:

- Level 1 — applies to financial assets and liabilities for which there are quoted market prices for identical assets and liabilities in an active market.
- Level 2 — applies to financial assets and liabilities for which there are inputs other than quoted market prices for identical assets or liabilities in an active market such as quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in a market with insufficient volume or infrequent transactions.

- Level 3 — applies to financial assets and liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the asset or liability.

The accounting guidance for fair value measurements requires the Company to use observable market data when available and to minimize the use of unobservable inputs when determining fair value. When inputs used to measure fair value fall within various levels of the hierarchy, the Company categorizes the fair value measurement as being in the lowest level that is significant to the measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period in which they occur.

Accounts Receivable

Accounts receivable consists primarily of amounts due to us from third-party finance partners and arise from the sale of products on trade credit terms and is presented net of allowance for expected credit losses. The allowance for expected credit losses represents management's estimate of expected credit losses based on the length of time trade accounts receivable are past due, previous loss history, the client's current ability to pay its obligations, and the current and future condition of the general economy and industry as a whole. Accounts receivable are written off against the allowance account when the receivable is deemed to be uncollectible, and any payments subsequently received on such receivables are credits to the allowance for expected credit losses. On December 29, 2024, and December 31, 2023, the Company had no allowance for expected credit losses as all receivables were determined to be fully collectible.

Inventories

Inventories consist entirely of finished goods and are carried at the lower of average cost or net realizable value, with cost determined on a weighted average cost basis. Average cost is determined based on charges incurred in the acquisition of inventories based on the actual cost of an item when it is received in the warehouse including vendor costs, freight costs, tariffs and overhead costs to bring inventory to a ready for sale position which is combined with total cost of inventory on hand for that item. Vendor costs are determined based on the actual cost to procure the item from vendors while freight costs are determined using standard freight costs, which are updated on a regular basis, and which approximate actual costs. Inventories on hand are marked down to net realizable value based on estimated selling prices.

Inventory reserves are recorded for excess quantities, obsolete inventory and shrinkage. Reserves for excess quantities and obsolete inventory are estimated based on specific identification and historical write-offs, considering customer demand and market conditions, the selling environment, historical results, and current inventory trends. Reserves for shrinkage are estimated and recorded throughout the year based on historical shrinkage results and current inventory levels. Actual shrinkage is recorded throughout the year based on periodic physical inventory counts. On December 29, 2024, and December 31, 2023, the Company's inventory reserves were $10.0 million and $9.4 million, respectively.

Property and Equipment

Property and equipment is recorded at cost, less accumulated depreciation and amortization. Major renewals and betterments which improve or extend the useful life of the property and equipment are capitalized while replacements, maintenance, and repairs that do not improve or extend the life of the respective assets are expensed as incurred. Retirement, sales or dispositions of long-lived assets are recorded based on carrying value and proceeds received. Any resulting gains or losses are recorded as a component of operating expenses.

Capitalized Software

Computer software purchased or developed for internal use is capitalized. Computer software and mobile application development costs incurred in the preliminary project stage for software to be used for internal use are expensed as incurred until the preliminary project stage is complete. Capitalized costs related to internal-use software under development are treated as construction-in-progress until the program, feature or functionality is ready for its intended use, at which time depreciation commences.

Software licenses purchased from third parties are capitalized at cost if the license agreement provides the Company an ownership interest in the computer software and the license allows use of the software for a period exceeding 24 months.

Certain costs incurred in cloud computing hosting arrangements, which are service contracts that include an internal-use software license, are capitalized. In these instances, implementation costs are capitalized dependent on the nature of the costs and the project stage in which they are incurred, including certain costs after the planning stage from development until the site is fully designed and is operational. The capitalized costs are amortized over the useful life of the internal-use software license.

Depreciation and Amortization

Depreciation of property and equipment and software and amortization of leasehold improvements is calculated using the straight-line method using the following useful lives:

	Years
Vehicles	5
Furniture and fixtures	5-10
Machinery, computer, office equipment, and software	3-10
Distribution center expansions	20

Leasehold improvements are amortized over the shorter of the applicable remaining lease term or estimated useful life of ten to twenty years.

Leases

The Company determines if an arrangement contains a lease at the inception of the agreement based on the right to control the use of an identified asset and the right to obtain substantially all of the economic benefits from the use of that identified asset. The Company determines lease classification at the commencement of an arrangement when it is determined that a lease exists. Right-of-use ("ROU") assets and lease liabilities are recognized at the lease commencement date based on the present value of the remaining future minimum lease payments during the lease term. The Company has elected not to apply the recognition requirements of ASC 842, *Leases,* to short-term leases (leases that, at the commencement date, have a lease term of twelve months or less and do not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise) as permissible under the standard. For short-term leases, the Company recognizes lease payments on a straight-line basis and variable payments in the period in which the obligation for those payments is incurred.

Lease Term

The lease commencement date is the earlier of the date the Company becomes legally obligated to make rent payments or the date the Company has the right to control the property. Certain operating leases have renewal and termination options. These options are assessed to determine if the Company is reasonably certain of exercising these options based on all relevant economic and financial factors. Any options that meet these criteria are included in the lease term at lease commencement.

Incremental Borrowing Rate

The Company uses the rate implicit in the lease agreement if readily determinable. If the implicit rate is not readily determinable in the lease agreement, the Company uses its incremental borrowing rate based on the estimated rate of interest for collateralized borrowing over a similar term of the lease payments at commencement date. The incremental borrowing rate is subsequently reassessed upon a modification to the lease agreement.

Balance Sheet

The Company accounts for lease and non-lease components separately. Fixed payments, including stated rent escalations, are included in the measurement of ROU assets and lease liabilities upon lease commencement. The operating lease ROU assets also include lease payments made before lease commencement and impacts of lease

incentives and are recorded net of impairment. Standard tenant allowances received from landlords, typically those received under operating lease agreements, are recorded as cash and cash equivalents with an offset recorded in lease ROU assets in the Company's consolidated balance sheets. Tenant allowances that are reasonably certain to be received after lease commencement are reflected as a reduction of both the lease liabilities and ROU assets in the consolidated balance sheets at the commencement date. Tenant allowances received from landlords during the construction phase of a leased asset and prior to lease commencement are recorded as cash and cash equivalents with an offset recorded in other assets (to the extent the Company has incurred related capital expenditures for construction costs) or in accrued expenses (to the extent that payments are received prior to capital construction expenditures by us) in the Company's consolidated balance sheets. The land portion of the leases involving land and building are not accounted for separately.

Operating leases are included in operating lease ROU assets, operating lease liabilities, current portion and operating lease liabilities, non-current portion in the Company's consolidated balance sheets. Finance leases are recognized within property and equipment, net and as finance lease liabilities, current portion and finance lease liabilities, noncurrent portion in the Company's consolidated balance sheet.

Statement of Operations

Lease expense is classified as either cost of sales or selling, general and administrative ("SG&A") in the Company's consolidated statements of operations and comprehensive income, depending on the nature of the leased property. Amortization of ROU assets is recognized on a straight-line basis over the lease term. Variable lease payment amounts that cannot be determined at the commencement of the lease such as increases in lease payments based on changes in index rates, usage or sales volume, are not included in the ROU assets or lease liabilities. These are expensed as incurred.

Impairment of Long-Lived Assets

The Company evaluates the carrying value of its long-lived assets, which includes its ROU assets, for impairment whenever events and circumstances indicate that the assets' carrying value may not be recoverable. The assessment of recoverability is based on best estimates using either quoted market prices or an analysis of the undiscounted projected future cash flows by asset group to determine if there is any indicator of impairment requiring the Company to further assess the fair value of its long-lived assets. If the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of those assets, an impairment loss is recognized equal to the difference between the carrying value and fair value of the assets, usually determined by the estimated discounted cash flow of the assets. The asset group is defined as the lowest level for which identifiable cash flows are available and largely independent of the cash flows of other asset groups, which the Company has determined to be its retail stores. Cash flow estimates are based on store level historical results, current and expected future trends, and operating cash flow projections. Estimates are subject to uncertainty and may be affected by several factors outside the Company's control, including general economic conditions and the competitive environment.

In fiscal years 2024 and 2023, the Company considered updated forecasted cash flows which indicated the forecasted cash flows for certain stores were lower than amounts previously forecasted. In fiscal year 2024, the Company recognized an impairment loss for one store on its operating lease ROU assets of $1.3 million and property and equipment of $0.7 million. In fiscal year 2023, the Company recognized an impairment loss for a separate store on its operating lease ROU assets of $0.8 million and property and equipment of $0.5 million. These impairments were recognized in impairment of long-lived assets on the Company's consolidated statements of operations and comprehensive income. No impairments were incurred during fiscal year 2022.

Goodwill and Indefinite-Lived Intangible Assets

The Company's goodwill and indefinite-lived intangible assets are comprised of goodwill and the Bob's Discount Furniture trade name and related trademarks that were recognized in connection with the acquisition of the Company by Bain Capital in 2014. Goodwill represents the costs in excess of the fair value of net assets acquired. Indefinite-lived intangible assets represent the fair value of the Bob's Discount Furniture trade name and related trademarks which were determined to have an indefinite useful life.

Goodwill and intangible assets with indefinite useful lives are not amortized but are evaluated for impairment at least annually, during the fourth quarter, and more frequently if indicators of impairment are present. Conditions that may indicate impairment include, but are not limited to, a significant adverse change in customer demand or business climate that could affect the value of an asset, or an adverse action or assessment by a government agency or regulator. The Company evaluates annually whether its trademarks continue to have an indefinite life.

Under U.S. GAAP, the Company can elect to first assess qualitative factors in order to determine if it is more likely than not that the fair value of the reporting unit is greater than its carrying value. In performing a qualitative assessment, management considers such factors as macro-economic conditions, industry, and market conditions in which the Company operates including the competitive environment and significant changes in demand. If the qualitative analysis indicates that it is more likely than not that the fair value of the reporting unit or indefinite-lived intangible asset is less than its carrying amount or if the Company does not elect to perform a qualitative analysis, a quantitative analysis is performed to determine if an impairment exists. The quantitative impairment analysis is used to identify potential impairment by comparing the fair value of the reporting unit and the indefinite-lived intangible asset with its carrying value using an income approach, along with other relevant market information, derived from a discounted cash flow model to estimate the fair value of the reporting unit. An impairment charge is recognized for the amount by which the carrying amount exceeds the reporting unit's fair value.

The Company performed a qualitative analysis for fiscal years 2024 and 2022 and a quantitative analysis for fiscal year 2023. Based on these analyses, there were no indications of impairments; therefore, no impairment to goodwill or indefinite-lived intangible assets was recognized in fiscal years 2024, 2023, or 2022. As a result, during the years ended December 29, 2024, December 31, 2023, and January 1, 2023, there were no changes to the carrying value of goodwill or indefinite-lived intangible assets.

Self-Insurance Reserves

The Company is insured by a high-deductible workers' compensation insurance policy issued by a third-party and self-insures workers' compensation, general liability, automobile liability, and medical liability occurrences. The self-insured retention varies for each program and program year.

Costs for claims filed, as well as claims incurred but not reported, are accrued based on estimates using information received from plan administrators, a third-party actuary, historical claims, and other relevant data. The total discounted liability for all the Company's self-insurance reserves was included in self-insurance reserves in the Company's consolidated balance sheets.

Customer Deposits

Customer deposits represent payments made by customers at the time an order is placed, but before the Company has delivered merchandise to the customer, resulting in contract liabilities. The Company expects that substantially all customer deposits received as of December 29, 2024 will be recognized as revenue within the next twelve months as the performance obligations are satisfied. See *Note 14, Revenue and Segment Information* for further information on customer deposit balances and breakage recognized.

Product Warranties

The Company's furniture products, excluding mattresses, carry an explicit warranty that they will be free from factory defects for one year from the date of delivery or pickup. A provision for estimated warranty and related costs is recognized at the time of sale based on historical warranty loss experience and the Company makes periodic adjustments to those provisions to reflect actual experience. The warranty obligations are recorded within accrued expenses and other long-term liabilities in the Company's consolidated balance sheets. Costs to provide this warranty are included in cost of sales in the consolidated statements of operations and comprehensive income. The Company has no product warranty liability associated with mattresses as these warranties are covered by the manufacturers. Refer to *Note 8, Accrued Expenses and Other Long-Term Liabilities* for further information on product warranties.

Debt Issuance Costs

Debt issuance costs paid to the lender and third-party fees are capitalized as a reduction to the carrying value of the associated debt on the Company's consolidated balance sheets. These costs are amortized using the effective interest method over the term of the agreement and recorded in interest expense in the Company's consolidated statements of operations and comprehensive income. There were no debt issuance costs recorded net of long-term debt at December 29, 2024. Debt issuance costs of $2.6 million were recorded net of long-term debt on the Company's consolidated balance sheets at December 31, 2023.

Revenue Recognition

The Company recognizes revenue when control of the promised product or service is transferred to customers at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for the goods or services. The Company generates revenue from two sales channels, retail and eCommerce sales, each of which include revenue generated from the sale of merchandise, delivery, and protection plan activities.

Merchandise

Revenue from the sale of the Company's merchandise is recognized at a point in time when control of merchandise is transferred to the customer. This can occur when merchandise is purchased and picked up at a retail store or distribution center or when merchandise is delivered to and accepted by the customer.

Delivery

The Company offers its customers the option for delivery of their merchandise. Delivery revenue represents revenue generated by the Company's shipping and handling activities that are undertaken in connection with fulfilling the promise to transfer merchandise to customers. Delivery revenue is recognized at a point in time when the related merchandise is delivered and accepted by the customer.

Protection Plan

The Company offers its customers the option to purchase a product protection plan ("Goof Proof") covering accidental damage for five years from the date the one-year product warranty expires. The Company has no performance obligations under this relationship once Goof Proof is sold to customers and acts as a sales agent for this optional product protection plan. Goof Proof is managed by a third-party protection company and, as such, customer requests for coverage under this protection plan are directed to and are the financial responsibility of the third-party protection company. The revenue from the sale of Goof Proof, net of third-party protection company costs, is recognized at the time of the delivery of the related merchandise to the customer.

Vendor Rebates

The Company receives volume vendor rebates from third-party partners who provide customers with lease-to-own options on merchandise sold by the Company. Vendor rebates are recognized at a point in time when the related merchandise is delivered and accepted by the customer. Vendor rebates recognized as revenue for fiscal years 2024, 2023, and 2022 were $5.1 million, $3.5 million, and $3.5 million, respectively.

Gift Cards

The Company sells gift cards to customers in its retail stores. Such gift cards do not have expiration dates. The Company recognizes a gift card liability when a gift card is sold or donated and records revenue when a gift card is redeemed for merchandise. Gift card breakage is recognized over time proportional to historical gift card redemption rates and such breakage is recorded within net revenues in the Company's consolidated statements of operations and comprehensive income. See *Note 8, Accrued Expenses and Other Long-Term Liabilities* for further information on the unredeemed gift card balances and *Note 14, Revenue and Segment Information* for further information on gift card breakage recognized.

Customer Deposits

The Company recognizes customer deposit breakage over time proportional to historical customer deposit redemption rate. See *Note 14, Revenue and Segment Information* for further information on customer deposit breakage recognized.

Sales Tax

The Company excludes from the measurement of the transaction price all taxes imposed on and concurrent with a specific revenue-producing transaction and collected by the entity from a customer, including sales, use, excise, value-added, and franchise taxes (collectively referred to as "sales taxes"). Sales tax collected from customers is included in accounts payable in the Company's consolidated balance sheets until it is ultimately remitted to governmental authorities.

Returns

The allowance for sales returns is recorded based on estimated returns which are based on historical sales returns. Merchandise exchanges of similar product, price, and condition are not considered merchandise returns and, therefore, are excluded when calculating the sales returns reserve. The allowance for sales returns is presented within accrued expenses in the Company's consolidated balance sheets and the estimated value of the right of return asset for merchandise is reported within prepaids and other current assets in the Company's consolidated balance sheets.

Cost of Sales

Cost of sales consists of actual product cost, the cost of transportation between warehouses, suppliers, depots and retail stores and to deliver to customers' homes, warranty costs, the cost of warehousing, inventory reserves and write-downs.

Shipping and Handling Delivery Fees and Costs

Costs incurred for shipping and handling are classified as cost of sales in the Company's consolidated statements of operations and comprehensive income. In instances where revenue is recognized for the related direct-to-consumer merchandise upon shipment but prior to delivery to customers, the related costs of shipping and handling activities will be accrued in the same period.

Selling, General, and Administrative Expenses

SG&A expenses include the costs of selling the Company's products and other general and administrative costs. Selling expenses consist primarily of advertising costs, commissions, transaction losses due to fraudulent transactions, bank charges net of certain financing volume rebates, compensation and benefits of employees performing various sales functions, and the occupancy costs of retail stores. For commissions, the Company uses the practical expedient to recognize these costs as incurred as the amortization period is less than one year. Other general and administrative expenses included in SG&A are comprised primarily of compensation and benefit costs for administrative employees, stock-based compensation, and other administrative costs. SG&A expenses exclude non-capital costs associated with the opening of a new store or relocating an existing store.

Pre-opening expenses

Pre-opening expenses include non-capital costs related to the opening of a new store or distribution center or relocating an existing store or distribution center and are recognized when incurred. Pre-opening expenses begin, on average, three months to one year in advance of a store or distribution center opening or relocation due to, among other things, the amount of time it takes to prepare a store for its grand opening or prepare a distribution center for operations. Pre-opening expenses primarily include rent, advertising, training, staff recruiting, utilities, personnel, equipment rental and certain legal fees. A location is considered to be relocated if it is closed temporarily and re-opened within the same primary area.

Advertising costs

Advertising costs primarily represent the costs associated with digital marketing, direct mailings, television and on-air radio spots, and other media. These amounts include advertising media expenses, outside and inside agency expenses, certain website related fees, and photo and video production. Advertising costs from direct mailers are expensed when printed and provided to the carrier for distribution. Website and other advertising expenses, which include eCommerce advertising, web creative content, television, and direct marketing activities such as print media and radio, are expensed as incurred when the advertising is aired or printed. Total advertising costs were $127.7 million, $121.1 million and $103.0 million in fiscal years 2024, 2023, and 2022, respectively, of which $5.1 million, $1.1 million and $2.6 million were included in pre-opening expenses, respectively, and the remaining amounts were included in SG&A expenses on the Company's consolidated statements of operations and comprehensive income.

Stock-based Compensation

Stock-based compensation relates to the cost associated with granting options to purchase shares to independent directors and key employees of the Company. The Company accounts for stock-based compensation in accordance with ASC 718, *Compensation – Stock Compensation*, which requires measurement of compensation cost for all stock awards at fair value on the date of grant and recognition of compensation, net of forfeitures, straight-line over the requisite service period, generally the vesting period for awards expected to vest. Stock-based compensation expense is included within SG&A expenses in the consolidated statements of operations and comprehensive income.

The Company estimates, as of the date of grant, the fair value of stock options awarded using the Black-Scholes option pricing model. Use of a valuation model requires management to make certain assumptions and judgments including anticipated volatility in the underlying stock price and option exercise activity. The Company historically has been a private company and lacks company-specific historical and implied volatility information. Therefore, it estimates its expected stock volatility based on the historical volatility of a publicly traded set of peer companies and expects to continue to do so until such time as it has adequate historical data regarding the volatility of its own traded stock price. Expected volatility is determined using the average stock price volatility of peer group public companies with similar attributes to the Company. The risk-free rate of return is based on the United States Treasury bill rate extrapolated to the term matching the expected life of the share grant. The expected life of stock options granted, which represents the period of time that the options are expected to be outstanding, is based primarily on historical data together with expectations of future behavior of the stock option holder. The expected dividend yield is based upon the fact that the Company has never paid cash dividends on common stock and does not expect to pay any cash dividends in the foreseeable future.

As stock-based compensation expense recognized is based on awards ultimately expected to vest, it has been reduced for estimated forfeitures. Forfeitures are recognized at the actual time of the forfeiture of the options.

Tax benefits associated with stock-based compensation arrangements are included within income tax expense in the consolidated statements of operations and comprehensive income. Windfall tax benefits, defined as tax deductions that exceed recorded stock-based compensation, are classified as cash inflows from operating activities in the Company's consolidated statements of cash flows.

Interest Expense and Income

Interest expense arises primarily from borrowings under the Company's long-term debt together with the amortization of deferred financing fees and interest related to finance leases. Interest income represents interest on the Company's highly liquid investments with original maturities of three months or less.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities for the expected future tax consequences of events have been recognized in the financial statements. Deferred tax assets and liabilities are determined based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to be recovered or

settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company recognizes deferred tax assets to the extent that management believes these assets are more likely than not to be realized. In making such a determination, all available positive and negative evidence is considered, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. A valuation allowance is established for deferred tax assets when it is more likely than not that the assets will not be realized.

The tax benefit from an uncertain tax position is recognized only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The unrecognized tax benefits, if recognized, would be recognized as a benefit to income tax expense in the Company's consolidated statements of operations and comprehensive income. The liability associated with an unrecognized tax benefit is classified as a long-term liability in the Company's consolidated balance sheets except for the amount for which a cash payment is expected to be made or tax positions settled within one year, which is classified as a short-term liability. Interest and penalties related to income tax matters are recognized as a component of income tax expense in the Company's statement of operations and comprehensive income.

Treasury Stock

Treasury stock arises from the repurchase of common stock that has been purchased in connection with the exercise of share-based options under the share-based compensation program and is recognized in the Company's consolidated balance sheets at cost as a separate component of stockholders' equity.

Comprehensive Income

Comprehensive income is comprised of net income and other gains and losses affecting equity that are excluded from net income. The components of other comprehensive income consist of net gains (losses) on derivative securities that have been designated as hedging transactions, presented net of tax. Gains and losses will be recognized in net income in periods in which the hedged cash flow changes, in an amount necessary to reflect constant net cash flow for the hedged item.

Net Income per Share

Basic net income per share is computed as net income divided by the weighted-average number of common shares outstanding for the period. Diluted net income per share is computed as net income divided by the weighted-average number of common shares outstanding for the period and common share equivalents under the Company's incentive stock-option plan using the treasury stock method. Potential dilutive shares are excluded from the computation of diluted net income per share if their effect is anti-dilutive.

Recently Issued Accounting Standards

Recent Accounting Standards Adopted

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2023-09, *Improvements to Income Tax Disclosures* (Topic 740). The standard update requires enhanced disclosures specifically related to effective tax rate reconciliation and income taxes paid. The new requirements are effective for fiscal years beginning after December 15, 2025, on a prospective basis. The Company has elected to early adopt and apply the standard retrospectively as permitted. See *Note 16, Income Taxes* for the enhanced disclosures incorporated in the Company's consolidated financial statements as a result of adopting this standard update.

In November 2023, the FASB issued ASU 2023-07, *Improvements to Reportable Segment Disclosures* (Topic 280). The standard update was designed to improve segment disclosures, primarily by requiring enhanced disclosures about segment expenses. The adoption of ASU 2023-07 did not have a material impact on our accounting policies, financial position, or results of operations but did require additional disclosures. See *Note 14,*

Revenue and Segment Information for the enhanced disclosures incorporated in the Company's consolidated financial statements as a result of adopting this standard update.

Recent Accounting Standards Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses*. The standard update requires disclosure of additional information about specific expense categories to provide investors with a better understanding of an entity's cost structure and forecasting cash flows. The new requirements will be effective for fiscal years beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments in the standard can be applied either prospectively or retrospectively. The Company is currently evaluating the impact on its disclosures from adopting this new accounting standard.

3. Property and Equipment, Net

Property and equipment are summarized as follows:

(in thousands)	December 29, 2024	December 31, 2023
Leasehold improvements and distribution center expansions	$ 407,792	$ 356,147
Machinery, computer and office equipment	145,647	129,280
Software	136,515	124,702
Vehicles	2,512	2,502
Furniture and fixtures	18,022	13,413
Construction in progress	17,400	7,293
Property and equipment, gross	727,888	633,337
Less: Accumulated depreciation	(447,497)	(385,879)
Property and equipment, net	$ 280,391	$ 247,458

Refer to *Note 10, Leases* for further information on leased assets.

The Company recognized total depreciation expense related to property and equipment of $65.2 million, $62.9 million, and $60.7 million in fiscal years 2024, 2023 and 2022, respectively. Included within these amounts was depreciation expense associated with capitalized software of $18.0 million, $17.4 million, and $14.9 million in fiscal years 2024, 2023 and 2022, respectively.

The difference between the gross carrying value and accumulated depreciation of disposed property and equipment is recognized in loss on disposal of fixed assets in the Company's consolidated statements of operations and comprehensive income. During fiscal year 2023, the Company disposed of capitalized software with a gross carrying value of $4.6 million and accumulated depreciation of $2.4 million. The loss on disposal of fixed assets was not material in fiscal years 2024 and 2022.

4. Long-Term Debt

Long-term debt obligations are summarized as follows:

(in thousands)	December 29, 2024	December 31, 2023
First Lien Note	$ —	$ 82,936
Revolving Credit Facility	—	—
Total long-term debt at par value	—	82,936
Less: Current portion of long-term debt	—	(1,502)
Less: Unamortized original issue discount	—	(2,584)
Total long-term debt	$ —	$ 78,850

At December 29, 2024, there was no long-term debt outstanding; therefore, there were no remaining principal payments on the Company's long-term debt obligations and the weighted average interest rate was 0%. The weighted average interest rate on long-term debt outstanding at December 31, 2023 was 12.6%.

First Lien Note

On February 12, 2014, the Company entered into a First Lien Note ("the Note") having a maturity date of August 12, 2023, and bearing interest of 5.25% plus the Long Inter-Bank Offered Rate ("LIBOR"), with a LIBOR floor of 1.00%. On August 24, 2022, the Company amended its credit agreement resulting in an extension of the term loan maturity date to February 12, 2026, and modification of the annual interest rate to 7.25% plus the Secured Overnight Financing Rate ("SOFR"), with a SOFR floor of 1.00%. The Company performed a lender-by-lender assessment of the August 24, 2022 amendment and determined that this amendment was a debt modification as the conditions for extinguishment accounting were not met. Upon amendment, the Company had $218.9 million in outstanding debt. In November 2022, the Company made a voluntary prepayment of $68.5 million, the entire remaining principal amount of the Note under the original credit terms. In fiscal years 2024 and 2023, the Company made voluntary principal prepayments on the Note of $82.2 million and $65.0 million, respectively, which, in addition to the scheduled principal payments, resulted in the complete pay down of the Note in fiscal year 2024.

Debt Issuance Costs

In connection with the amendment, the Company incurred $7.5 million of financing costs, which were deferred as a reduction to the carrying value of the long-term debt obligation. The amounts deferred were being amortized over the life of the agreement using the effective interest method. Amortization of debt issuance costs associated with the Note, which is recognized in interest expense in the Company's consolidated statements of operations and comprehensive income, was $2.9 million, $4.7 million, and $3.8 million for fiscal years 2024, 2023, and 2022, respectively. Included within the amortization for fiscal years 2024 and 2023 was the acceleration of $2.1 million and $2.7 million of amortization in connection with the voluntary prepayments on the Note, respectively.

Asset Based Revolving Credit Facility

The Company's Asset Based Revolving Credit Facility ("the Credit Facility") consists of three components: a revolving Line of Credit (the "Line of Credit"), standby letters of credit, and Swingline loans. The availability of credit at any given time is constrained by the terms and conditions of the facility, including the amount of collateral available and a borrowing base formula based on several factors including the value of eligible accounts receivable and inventory. In July 2024, the Company amended its Credit Facility (the "Amendment") to (i) extend the maturity date to July 1, 2029; (ii) reduce the aggregate amount of revolving commitments from $150.0 million to $125.0 million; (iii) modify the borrowing base formula to permit a higher percentage of inventory to be used in the calculation of availability under the Credit Facility; and (iv) to provide for certain other modifications. Additionally, on June 2, 2023, the Company amended its Credit Facility to modify the interest rate to SOFR plus a 0.1% Credit Spread Adjustment plus 1.50% to 2.00% depending on the average amount borrowed as a percent of its availability. Prior to this June 2, 2023 amendment, the interest rate was LIBOR plus 1.5%.

Third-party fees associated with the amendments in fiscal years 2024 and 2023 were not material. Amortization of debt issuance costs associated with the Credit Facility was not material for fiscal years 2024, 2023, and 2022. Borrowing capacity under the Credit Facility was $121.0 million and $74.6 million at December 29, 2024, and December 31, 2023, respectively. The Company had no amounts borrowed under its Credit Facility at December 29, 2024 and December 31, 2023.

Letters of Credit

The Company has entered into letters of credit issued on the Company's behalf by financial institutions related to the guarantee of future payment on certain lease agreements and self-insurance policies. There were $1.2 million and $0.6 million of outstanding letters of credit at December 29, 2024, and December 31, 2023, respectively.

Covenants

The Note and Credit Facility are subject to certain financial and nonfinancial covenants including a fixed charge ratio covenant which is only measured when the Company's available line of credit drops below thresholds as set forth in the agreement. Each of the Note and Credit Facility is collateralized by company assets and is guaranteed by certain of the Company's subsidiaries. Loans under each of these facilities may become immediately due and payable upon certain events of default, including failure to comply with loan covenants, as set forth in the facility agreements. There are no compensating balances required by the lenders.

5. Derivatives and Hedging Activities

Risk Management Objective of Using Derivatives

The Company is exposed to certain risks arising from both its business operations and economic conditions. While the Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities, it manages economic risks, including interest rate, liquidity, and credit risk primarily by managing the amount, sources, and duration of its assets and liabilities and through derivative financial instruments.

Cash Flow Hedge of Interest Rate Risk

The Company's objective in using an interest rate derivative is to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses an interest rate cap as part of its interest rate risk management strategy. Interest rate caps that are designated as cash flow hedges involve the receipt of variable amounts from a counterparty if interest rates rise above the strike rate on the contract in exchange for a premium. During fiscal years 2024 and 2023, the Company used an interest rate cap to hedge the variable cash flows associated with existing variable-rate borrowings under its long-term debt obligations. The Company's interest rate cap matured on July 31, 2025.

During fiscal year 2022, to correspond with the underlying index of the floating rate Note, the Company amended the floating rate index of the derivative from 1-month USD LIBOR to 1-month USD SOFR. No other economic changes to the terms of the derivative were made.

At inception, in fiscal year 2020, the Company designated all of the $216.8 million notional value of its interest rate cap as a cash flow hedge against the variable-rate interest payments on its floating rate Note. In fiscal years 2023 and 2022, the Company concluded that a portion of the forecasted hedge transaction was no longer probable of occurring, resulting in $145.7 million and $71.1 million of the derivative notional value being de-designated as a cash flow hedge, respectively. In connection with the de-designations, $4.3 million and $4.2 million was recognized to other income, net in the Company's consolidated statements of operations and comprehensive income in fiscal years 2023 and 2022, respectively. At December 29, 2024 and December 31, 2023, none of the derivative notional value was designated as a cash flow hedge. The derivative continued to serve as an economic hedge against the Company's interest rate risk. In the forthcoming twelve months, no amounts are expected to reduce AOCI.

Non-designated Hedge

Any derivative that is not designated as a hedge is not speculative and is used to manage the Company's exposure to interest rate movements and other identified risks but do not meet the strict hedge accounting requirements or the Company has not elected to apply hedge accounting.

In fiscal years 2023 and 2022, the Company reduced the notional value of the de-designated derivative by $112.5 million and $21.0 million, respectively, realizing $7.0 million and $1.7 million in cash proceeds, respectively. No other economic changes to the terms of the derivative were made.

The following table summarizes the fair value of the derivative financial instruments as well as their notional value and classification in the Company's consolidated balance sheets at December 29, 2024 and December 31, 2023.

(in thousands)		Asset Derivative	
Derivative Position as of December 29, 2024	**Notional Balance**	**Prepaid and Other Current Assets**	**Other Assets**
Derivatives not designated as hedging instruments			
Interest rate products	$ 83,312	$ 1,459	$ —

		Asset Derivative	
Derivative Position as of December 31, 2023	**Notional Balance**	**Prepaid and Other Current Assets**	**Other Assets**
Derivatives not designated as hedging instruments			
Interest rate products	$ 83,312	$ 2,848	$ 1,097

The following table summarizes the effect of the cash flow hedges in the Company's consolidated statements of operations and comprehensive income during fiscal years 2024, 2023, and 2022.

		(Gain) or Loss on Effective Portion Reclassified from AOCI to Earnings		
		For fiscal year ended		
(in thousands)	**Classification**	**December 29, 2024**	**December 31, 2023**	**January 1, 2023**
Interest rate products	Interest expense	$ (1,147)	$ (6,177)	$ (1,637)
	Other income, net	$ (3,067)	$ (4,250)	$ (4,244)

		Gain or (Loss) on Effective Portion Recognized in AOCI		
		For fiscal year ended		
(in thousands)	**Classification**	**December 29, 2024**	**December 31, 2023**	**January 1, 2023**
Interest rate products	AOCI	$ 29	$ (520)	$ 10,427

The following table summarizes the effect of the derivative financial instrument that is not designated as hedging instruments in the Company's consolidated statements of operations and comprehensive income during fiscal years 2024, 2023, and 2022.

		Amount of (Gain) or Loss Recognized in Income on Derivative		
		For fiscal year ended		
(in thousands)	**Classification**	**December 29 2024**	**December 31 2023**	**January 1 2023**
Interest rate products	Other income, net	$ (858)	$ 144	$ (1,490)

6. Fair Value Measurements

The following table summarizes, by level within the fair value hierarchy, the financial assets and liabilities that are accounted for at fair value on a recurring basis at December 29, 2024, and December 31, 2023.

(in thousands)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Quoted Prices in Active Markets for Similar Assets (Level 2)	Unobservable inputs for which little or no market data exists (Level 3)	Total
Asset (liability)				
Money market funds	$ 63,440	$ —	$ —	$ 63,440
Interest rate cap[(1)]	—	1,459	—	1,459
Balance at December 29, 2024	$ 63,440	$ 1,459	$ —	$ 64,899
Asset (liability)				
Money market funds	$ 88,782	$ —	$ —	$ 88,782
Interest rate cap[(1)]	—	3,945	—	3,945
Balance at December 31, 2023	$ 88,782	$ 3,945	$ —	$ 92,727

(1) As described in Note 5, Derivatives and Hedging Activities, the Company utilizes an interest rate cap as part of its interest rate risk management strategy. The primary input used to estimate the interest rate cap's Level 2 fair value is the 1-month USD SOFR. This input determines the value of the derivative instrument based upon its likelihood to become an effective hedge over its life as the market interest rates fluctuate.

There were no Level 3-classified assets at either December 29, 2024 or December 31, 2023.

The Company did not record any other-than-temporary impairments on assets required to be measured at fair value on a non-recurring basis during fiscal years 2024, 2023, or 2022.

7. Related Party Transactions

Leases

In fiscal years 2024, 2023, and 2022, the Company leased five retail stores from limited liability companies of which Mr. Bob Kaufman, the Company's founder and a current member of the Board of Directors, maintained ownership. The lease arrangements were entered into between 2017 and 2022 with lease terms ranging from 15 to 20 years with varying number of options for five-year renewals. Total rent expense associated with these related parties was $2.6 million, $2.9 million and $3.0 million for fiscal years 2024, 2023, and 2022, respectively, and was classified in SG&A in the Company's consolidated statements of operations and comprehensive income. One of these stores closed and relocated in October 2023 and is no longer considered a related party transaction. At December 29, 2024, total lease liabilities associated with the remaining related party leases was $14.3 million.

Management Fees

The Company recognized management fees and expense reimbursement to entities affiliated with Bain Capital in connection with an advisory agreement totaling $2.0 million, $2.3 million, and $2.2 million for fiscal years 2024, 2023, and 2022, respectively. Management fees are classified as SG&A in the Company's consolidated statements of operations and comprehensive income. The advisory agreement with Bain Capital will terminate upon consummation of the Company's initial public offering.

Customer Service Fees

The Company recognized fees for the outsourcing of customer service assistance to an entity affiliated with Bain Capital totaling $6.5 million, $5.1 million and $3.7 million for fiscal years 2024, 2023, and 2022, respectively. These fees are classified as SG&A in the Company's consolidated statements of operations and comprehensive income.

Issuance of Common Stock

In August 2022, the Company issued 3,288,330 shares at $0.0001 par value per share in exchange for an additional equity investment made by investment funds affiliated with Bain Capital and certain other current stockholders, including members of management and the Board of Directors, totaling $13.3 million.

8. Accrued Expenses and Other Long-Term Liabilities

The following table summarizes the nature of the amounts within accrued expenses on the Company's consolidated balance sheets:

(in thousands)	December 29, 2024	December 31, 2023
Incentive compensation	$ 20,977	$ 19,418
Payroll and related taxes	20,316	19,330
Unredeemed gift cards	7,531	7,893
Product warranties	5,936	5,236
Other	6,376	8,811
Total accrued expenses	$ 61,136	$ 60,688

Product Warranties

The following table summarizes the Company's activity for product warranty obligations:

(in thousands)	December 29, 2024	December 31, 2023
Product warranties beginning balance	$ 5,926	$ 5,799
Accruals for warranties issued	18,724	20,227
Settlements (in cash or in-kind)	(18,239)	(22,151)
Change in reserve estimate	372	2,051
Product warranties ending balance	6,783	5,926
Less: Current portion of warranties	(5,936)	(5,236)
Total long-term warranties	$ 847	$ 690

9. Benefit Plans

401(k) Retirement Savings Plan

The Company maintains a 401(k) Retirement Savings Plan that is open to all employees who have completed one full calendar quarter of service. Employee participants may contribute a percentage of their compensation up to the maximum allowed by the Internal Revenue Code. The Company makes discretionary matching contributions as a percentage of eligible employee participant contributions, which totaled $6.3 million, $6.3 million, and $6.6 million for fiscal years 2024, 2023, and 2022, respectively. Discretionary matching contributions vest over five years of employment.

Benefits Fund for Union Employees

The Company makes contributions to the United Food and Commercial Workers ("UFCW") Local 888 Health Fund ("Benefits Fund") for the benefit of union employees at five company operated stores under the terms of a collective bargaining agreement that expired on June 30, 2024. On June 20, 2025, the Company entered into a successor collective bargaining agreement effective July 1, 2024. The terms of the successor collective bargaining agreement are not expected to have a material impact to the Company. The Benefits Fund provides medical, dental, pharmacy, vision, and other ancillary benefits to active employees at these stores. Contributions are derived from the

enrollment of active employees only. Payments into the Benefits Fund were $1.2 million, $1.3 million, and $1.3 million for the fiscal years 2024, 2023, and 2022, respectively.

10. Leases

The Company recognizes leases in its consolidated balance sheets as a ROU asset and a lease liability. The Company has operating leases for its retail stores, distribution centers, corporate headquarters, and certain equipment under operating and finance leases that expire at various dates through 2037. Some of the leases include options to extend the lease term for up to twenty years. The Company's leases do not have any residual value guarantees or any restrictions or covenants imposed by leases.

During fiscal year 2024, the Company entered 18 non-cancellable leases for retail stores that had not commenced as of December 29, 2024. The initial terms of these leases are approximately ten years, with options to extend for up to an additional twenty years. Upon lease commencement, the ROU asset and lease liability will be determined and recognized in the Company's consolidated balance sheets. Lease liabilities at December 29, 2024 exclude undiscounted future lease payments of approximately $164.4 million associated with these leases.

The following table summarizes finance and operating lease assets and liabilities recognized in the Company's consolidated balance sheets at December 29, 2024, and December 31, 2023:

(in thousands)	Classification	December 29, 2024	December 31, 2023
Assets			
Finance leases	Property and equipment, net	$ 29,557	$ 27,247
Operating leases	Operating lease right-of-use assets	533,690	490,403
Total lease assets		$ 563,247	$ 517,650
Liabilities			
Current			
Finance leases	Finance lease liabilities, current portion	$ 9,926	$ 8,646
Operating leases	Operating lease liabilities, current portion	88,891	77,655
Noncurrent			
Finance leases	Finance lease liabilities, noncurrent portion	30,211	28,714
Operating leases	Operating lease liabilities, noncurrent portion	562,069	517,883
Total lease liabilities		$ 691,097	$ 632,898

The following table summarizes lease expense recognized in the Company's consolidated statements of operations and comprehensive income for fiscal years 2024, 2023, and 2022:

	Fiscal Year Ended		
(in thousands)	December 29, 2024	December 31, 2023	January 1, 2023
Operating lease cost			
Fixed	$ 126,656	$ 117,636	$ 114,556
Variable	91	638	519
Finance lease cost			
Amortization of assets	9,422	8,581	7,788
Interest on lease liabilities	2,556	2,832	3,003
Short-term lease cost	444	440	473
Total lease expense	$ 139,169	$ 130,127	$ 126,339

Supplemental cash flow information related to leases is as follows:

	Fiscal Year Ended		
(in thousands)	December 29, 2024	December 31, 2023	January 1, 2023
Cash paid for amounts included in the measurement of lease liabilities			
Operating cash flows from operating leases	$ 135,012	$ 127,173	$ 121,200
Operating cash flows from finance leases	2,556	2,809	3,003
Financing cash flows from finance leases	8,955	8,282	7,188
Right-of-use assets obtained in exchange for lease obligations			
Finance leases	11,467	56	9,716
Operating leases	109,771	53,045	48,749

The weighted average remaining lease term and weighted average discount rate for finance and operating leases at December 29, 2024, and December 31, 2023, were:

	December 29, 2024	December 31, 2023
Weighted average remaining lease term (in years)		
Finance leases	4.2	3.8
Operating leases	6.9	7.0
Weighted average discount rate		
Finance leases	5.8%	6.6%
Operating leases	9.0%	9.6%

The following table summarizes the undiscounted future minimum lease payments (displayed by year and in the aggregate) under non-cancellable leases with terms of more than one year that are recognized in the Company's consolidated balance sheet at December 29, 2024:

	Operating Leases			
(in thousands)	Related Party Leases	Other Leases	Total Operating Leases	Finance Leases
2025	$ 2,620	$ 140,924	$ 143,544	$ 12,135
2026	2,620	135,734	138,354	12,294
2027	2,627	127,176	129,803	6,689
2028	2,678	117,216	119,894	3,613
2029	2,119	98,710	100,829	2,631
Thereafter	7,342	242,021	249,363	8,066
Total undiscounted future minimum	$ 20,006	$ 861,781	$ 881,787	$ 45,428
Less: Amount representing interest			230,827	5,291
Total present value of lease obligations			$ 650,960	$ 40,137

11. Commitments and Contingencies

Contingencies

The Company is a defendant in lawsuits arising in the ordinary course of business. Such matters are subject to many uncertainties and the outcomes of individual litigated matters are not predictable with assurance. While the Company is unable to predict the outcome, based on information currently available, the Company does not believe that resolution of any of these matters, individually or in aggregate, will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

Government Grants

In conjunction with the construction of its corporate headquarters, the Company negotiated an agreement with the State of Connecticut Department of Economic and Community Development ("DECD") that provides for various government grants and subsidies. These grants and subsidies are contingent on the Company making certain minimum investments in Connecticut including $50.0 million in total construction costs, including costs incurred by the developer of the headquarters building, and achieving and maintaining certain headcount requirements within the State of Connecticut within a timeframe set forth in the grant agreement. The Company has met the requirement to invest $50.0 million in Connecticut and expects to meet the minimum headcount requirements during the allotted timeframe. The grants and subsidies were spent on the buildout of the corporate headquarters and on further buildout and enhancement of its existing Connecticut distribution center. The subsidies, which total approximately $20.7 million, include the following:

DECD Direct Assistance/Loan Forgiveness Program

Under an agreement dated December 14, 2016, as amended on February 28, 2023, the DECD provided a $1.7 million grant for employee training that has been received and completed. The DECD also provided a direct forgivable loan of $7.0 million which bears interest at an annual rate of 2%. Monthly interest-only payments commenced at the time the loan was granted with principal payments deferred until January 1, 2028. The final payment of principal and interest is due on September 1, 2029, if not sooner paid or forgiven. The funds were specifically designated for use in the purchase of leasehold improvements, machinery and equipment, and furniture and fixtures. The Company will be eligible for loan forgiveness based on maintaining the 326 full-time jobs that existed within Connecticut as of the date the original agreement was signed and creating and maintaining for a twenty-four-month period ending on or prior to October 31, 2027 an average of 125 additional full-time jobs in Connecticut with an average salary of at least $80,000. As the Company believes it will meet all requirements for loan forgiveness, the proceeds from the loan offset the carrying cost of the $7.9 million of tenant improvements on the Company's consolidated balance sheets.

Sales & Use Tax Exemption

The State of Connecticut provided an exemption to relieve the Company from the State's 6.35% sales tax on qualifying capital equipment or construction materials. The Company received this benefit in the form of reduced prices from vendors that exclude normal Connecticut sales & use tax. The benefit is thereby reflected as a reduction in the related fixed asset costs.

Urban and Industrial Sites Reinvestment Act ("URA") Tax Credits

The State of Connecticut is also providing the Company with up to $11.0 million of income tax credits under its URA program (the "Tax Credits"). The program allows for a dollar-for-dollar corporate tax credit for eligible projects with a minimum investment of $5.0 million in targeted investment or urban distressed areas and $50.0 million in all areas of the State, which the Company has met. Beginning in 2017, the credits can be used over ten years according to the following schedule: Years 2017-2019: 0%; Years 2020-2023: 10%; 2024-2026: 20%. The credits can be sold or transferred to another taxpayer. Given its projected state tax liabilities over the next ten years, the Company may sell or transfer the credits to third parties to realize the associated economic benefit. The credits are recognized as a reduction in Connecticut state income tax expense if the Company intends to utilize the credit as a reduction to state income tax or as other income if the Company elects to sell or transfer the credits to third parties. The Company sold $0.2 million and $3.3 million in credits to a third party in fiscal years 2023 and 2022, respectively, realizing $0.2 million and $2.9 million in fiscal years 2023 and 2022, respectively, which was included in other income, net in the Company's consolidated statements of operations and comprehensive income. The Company did not sell any credits to third parties in fiscal year 2024.

Generally, the subsidies require the following: that the expenditures are made; that the appropriate paperwork is submitted to the granting agency; that the corporate headquarters is maintained in Connecticut for a period of time; and certain levels of job creation and employment are achieved. The Company believes that it is reasonably assured of achieving each of the requirements.

The Company will assess the likelihood of the conditions attached to the various subsidies, to the extent they exist, each reporting period. If at any time after receiving the $7.0 million forgivable loan, the Company determines that it is no longer probable it will meet the conditions outlined in the DECD agreement, the change will be accounted for as a change in estimate.

The Company provided separate guarantees to each of the two departments of the State of Connecticut. The first guarantee relates to the obligation to repay a grant if it fails to meet the criteria described above. The second guarantee relates to the obligation to repay sales and use tax exemptions if the Company fails to meet those criteria. On December 29, 2024, and December 31, 2023, there was no potential amount of repayment for these guarantees because the Company was in compliance with all requirements of the grants.

12. Stockholders' Equity

Dividends

In accordance with the Amended and Restated Bylaws of BDF Holding Corp. dated February 11, 2014, dividends may be approved and distributed to stockholders at the discretion of the Board of Directors. Any dividends shall be paid to the stockholders in proportion to their number of shares. Upon a capital event (defined as a direct or indirect sale of all or substantially all of the assets of the Company), the net proceeds of the capital event shall be distributed to stockholders in proportion to their shares, with preferred shares getting first priority and common shares getting second priority of net proceeds.

Stock Repurchase Program

The Company's 2014 Stock Option Plan allows the Company the option, but not the obligation, to repurchase outstanding shares held by participants who are no longer employed by or providing services to the Company. The repurchase option provides for the repurchase at current fair value and will terminate in the event of an Initial Public Offering. Repurchases of stock from former employees are recorded as treasury stock in the Company's consolidated statements of changes in stockholders' equity. At December 29, 2024, there were 108,291 shares available for repurchase.

13. Net Income Per Share

Basic and diluted net income per share were as follows:

	Fiscal Year Ended		
(in thousands, except share and per share amounts)	December 29, 2024	December 31, 2023	January 1, 2023
Net income	$ 87,933	$ 78,099	$ 27,648
Weighted-Average Shares Outstanding			
Weighted-average number of shares outstanding	172,215,828	170,157,035	167,643,028
Dilutive effect of stock options	4,270,390	7,629,325	6,991,559
Diluted weighted-average number of shares outstanding	176,486,218	177,786,360	174,634,587
Net Income Per Share			
Basic net income per share	$ 0.51	$ 0.46	$ 0.16
Diluted net income per share	$ 0.50	$ 0.44	$ 0.16

In the fiscal years 2024, 2023, and 2022, 2,547,617, 2,743,539 and 6,832,372 stock-based awards, respectively, were excluded from the diluted net income per share calculation because their inclusion would have been anti-dilutive.

14. Revenue and Segment Information

The following table details revenue by source and significant segment expenses for the Company's one reportable segment:

	Fiscal Year Ended		
(in thousands)	December 29, 2024	December 31, 2023	January 1, 2023
Retail	$ 1,741,888	$ 1,737,033	$ 1,828,437
eCommerce	286,255	271,049	277,071
Net revenues	2,028,143	2,008,082	2,105,508
Less: Significant and other segment expenses			
Cost of sales[1]	1,065,918	1,060,518	1,240,414
Depreciation and amortization	65,194	62,876	60,707
Store and corporate expenses	629,385	622,745	634,768
Advertising expenses	128,693	121,945	103,835
Pre-opening expenses[2]	9,708	3,424	6,775
Other segment items[3]	11,511	18,755	9,053
Interest expense	10,538	19,872	24,343
Interest income	(2,450)	(1,006)	(638)
Other income, net	(3,778)	(3,665)	(8,488)
Income tax expense	25,491	24,519	7,091
Net income	$ 87,933	$ 78,099	$ 27,648

(1) Cost of sales excludes depreciation and amortization of $13.8 million, $12.8 million, and $11.7 million for fiscal years 2024, 2023, and 2022, respectively.
(2) Pre-opening expenses exclude advertising expenses of $5.6 million, $1.2 million, and $2.8 million for fiscal years 2024, 2023, and 2022, respectively.
(3) Other segment items include loss on disposal of fixed assets, impairment of long-lived assets, restructuring charges, stock-based compensation expense, and other items.

Contract Liabilities

The Company defers revenue when cash payments are received in advance of performance for unsatisfied gift cards and customer deposit obligations. Gift card liabilities included in accrued expenses in the Company's consolidated balance sheets were $7.5 million and $7.9 million on December 29, 2024, and December 31, 2023, respectively. Customer deposit liabilities were $66.6 million and $62.4 million on December 29, 2024, and December 31, 2023, respectively. We expect that substantially all of the contract liabilities as of December 29, 2024 will be recognized within the next year as the performance obligations are satisfied.

The Company recognizes gift card and customer deposit breakage proportional to historical gift card and customer deposit redemption rates. Gift card and customer deposit breakage recognized as revenue for fiscal years 2024, 2023, and 2022 were $1.4 million, $1.3 million, and $2.0 million, respectively.

15. Stock-based Compensation

Management Incentive Plan

The Company's Management Incentive Plan (the "Plan") is a service-based plan that provides for awards of stock options which can be exercised into common shares of the Company. The Plan has a limitation of 22,075,000 shares authorized, which are issued out of common stock when exercised. The options expire ten years after the grant date and vest over either four or five years or upon a change of control transaction. The Plan requires that common shares held upon exercise of stock options be held for a minimum of six months plus one day post

purchase, and allows the Company the option, but not the obligation, to repurchase the outstanding shares at fair value for a period of 180 days beginning after the minimum holding period.

Stock Compensation Expense

For fiscal years 2024, 2023, and 2022, the Company recognized share-based compensation expense of $3.6 million, $3.9 million, and $3.4 million, respectively. The tax benefit for stock compensation recognized during fiscal years 2024, 2023, and 2022 was $1.0 million, $1.1 million, and $0.8 million, respectively. On December 29, 2024, the total unrecognized compensation cost related to non-vested service-based stock awards granted under the Plan was $8.2 million, which will be recognized over a weighted average period of 2.6 years.

Stock Options Outstanding

The following table summarizes the stock option activity under the Management Incentive Plan for fiscal year 2024:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2023	17,333,166	3.05		
Granted	1,347,543	5.86		
Forfeited or expired	(653,400)	4.35		
Exercised	(4,676,468)	1.53		
Outstanding at December 29, 2024	13,350,841	3.80	5.7	$ 29,979
Exercisable at December 29, 2024	8,993,435	3.39	4.7	$ 23,718
Options expected to vest at December 29, 2024	4,357,406	4.64	7.8	$ 6,261

The aggregate intrinsic value of stock options vested during fiscal years 2024, 2023, and 2022 was $3.9 million, $4.4 million and $1.0 million, respectively. The aggregate intrinsic value of the options is calculated as the difference between the exercise price of the stock options and the fair value of the Company's common stock for those options that had exercise prices lower than the fair value of the Company's common stock. The tax benefit for stock option exercises recognized during fiscal years 2024, 2023, and 2022 was $5.4 million, $4.4 million, and $0.3 million, respectively.

Fair Value

The following table summarizes the assumptions that were used in determining the grant date fair value of each award granted:

	December 29, 2024	December 31, 2023	January 1, 2023
Weighted-average grant date fair value per share of underlying common stock	$ 2.66	$ 2.77	$ 1.70
Risk-free interest rate	3.69% - 4.28%	3.39% - 4.26%	1.65% - 3.39%
Expected stock price volatility	45.00% - 50.00%	50.00% - 60.00%	45.00% - 65.00%
Average expected life (in years)	4.8 - 6.5	3.9 - 4.8	3.7 - 4.3
Dividend yield	— %	— %	— %

16. Income Taxes

The following table summarizes the provision for income taxes:

(in thousands)	For fiscal year ended December 29, 2024	December 31, 2023	January 1, 2023
Income before taxes			
US	$ 113,424	$ 102,618	$ 34,739
Current income tax expense			
US federal	20,775	18,539	509
US state and local	7,849	8,324	3,461
Total current income tax expense	28,624	26,863	3,970
Deferred income tax expense (benefit)			
US federal	(1,557)	(1,610)	3,588
US state and local	(1,576)	(734)	(467)
Total deferred income tax (benefit) expense	(3,133)	(2,344)	3,121
Total income tax expense	$ 25,491	$ 24,519	$ 7,091

The following table reconciles the effective income tax rate to the federal statutory income tax rate:

(in thousands, except percentages)	For fiscal year ended December 29, 2024		December 31, 2023		January 1, 2023	
US federal statutory income tax rate	$ 23,819	21.0 %	$ 21,550	21.0 %	$ 7,295	21.0 %
Tax credits						
Work opportunity tax credit	(227)	(0.2)%	(656)	(0.6)%	(937)	(2.7)%
Other	(3)	— %	69	0.1 %	(8)	— %
Non taxable and nondeductible items						
Excess tax benefits on share-based payments	(3,522)	(3.1)%	(2,710)	(2.7)%	(172)	(0.5)%
Other	193	0.2 %	190	0.2 %	128	0.4 %
Changes in valuation allowances	—	— %	—	— %	(1,741)	(5.0)%
Changes in prior year unrecognized tax benefits	—	— %	—	— %	(37)	(0.1)%
Other reconciling items	521	0.4 %	203	0.2 %	184	0.5 %
State income taxes, net of federal effect	4,710	4.2 %	5,873	5.7 %	2,379	6.8 %
Income tax expense and corresponding effective tax rate	$ 25,491	22.5 %	$ 24,519	23.9 %	$ 7,091	20.4 %

In fiscal year 2024, state and local income taxes in California, Pennsylvania, New Jersey, New York and New York City comprised the majority of the state and local income taxes, net of federal effect. In fiscal year 2023, state and local income taxes in New Jersey, New York and California comprised the majority of the state and local income taxes, net of federal effect. In fiscal year 2022, state and local income taxes in New York and Connecticut comprised the majority of the state and local income taxes, net of federal effect.

The following table summarizes income taxes paid, net of refunds received:

(in thousands)	For fiscal year ended December 29, 2024	December 31, 2023	January 1, 2023
US federal	$ 8,000	$ 16,605	$ (153)
US state and local			
Arizona	*	*	33
California	*	*	38
Indiana	*	*	35
Kentucky	*	*	34
Maryland	*	*	(110)
Michigan	*	*	80
New Hampshire	*	*	65
New York	*	2,492	*
New York City	*	*	(47)
New Jersey	*	1,626	*
Pennsylvania	*	*	90
Philadelphia, PA	*	*	53
Other	3,751	6,403	346
Total US state and local	3,751	10,521	617
Total income taxes paid, net of refunds received	$ 11,751	$ 27,126	$ 464

* The amount of income taxes paid during the year does not meet the 5% disaggregation threshold.

The following table summarizes the Company's deferred income taxes on December 29, 2024, and December 31, 2023:

(in thousands)	December 29, 2024	December 31, 2023
Deferred tax assets		
Net operating losses	$ 199	$ 558
Tax credits	1,827	2,507
Deferred revenue	2,392	3,031
Employee benefits	7,623	7,170
Reserves	3,920	3,906
Inventory	2,713	2,609
Stock options	3,987	3,821
State bonus depreciation	7,296	7,098
Lease liability	182,540	170,752
Operating lease	8,501	—
Capitalized research and development	11,094	—
Inventory capitalization	786	601
Accrued interest	169	32
Transaction costs	225	1,228
Total deferred tax assets	233,272	203,313
Deferred tax liabilities		
Operating lease	—	(3,419)
Prepaid insurance	(555)	(350)
Fixed assets	(59,346)	(39,316)
Intangible assets	(44,932)	(44,482)
Goodwill	(10,976)	(10,537)
Customer deposits	(2,032)	(1,803)
Right-of-use assets	(149,554)	(140,506)
Unrealized gains or losses	(607)	(375)
Interest rate products	—	(1,176)
Total deferred tax liabilities	(268,002)	(241,964)
Valuation allowance	(198)	(585)
Total deferred tax assets (liabilities)	$ (34,928)	$ (39,236)

For fiscal years 2024, 2023, and 2022, the Company recorded no unrecognized tax benefits. The total amount of interest and penalties recognized in the consolidated statements of operations and comprehensive income for fiscal years 2024, 2023, and 2022 was not material.

U.S. federal and certain state income tax returns remain open for periods from 2019 forward.

On December 29, 2024, the Company had state net operating loss carryforwards of $2.6 million which will begin to expire in 2031. The Company also had state tax credit carryforwards of $2.3 million that will begin to expire in 2026. Of this amount, a valuation allowance of $0.3 million was recorded related to certain state tax credits that the Company anticipates will expire unutilized.

17. Restructuring

During fiscal year 2023, the Company recognized restructuring costs totaling $1.8 million for restructuring actions that were initiated in January 2023. These 2023 actions related primarily to workforce reductions at the

corporate headquarters and were recognized in restructuring charges in the Company's consolidated statements of operations and comprehensive income. All actions initiated in fiscal year 2023 were completed, and the Company does not expect any costs attributable to these actions in subsequent fiscal years. At December 31, 2023, the Company had $0.2 million accrued on the Company's consolidated balance sheets related to these actions, all of which was paid in fiscal year 2024. No significant restructuring actions were initiated in fiscal year 2024 or 2022.

18. Condensed Financial Information of Registrant (Parent Company Only)

BDF Holding Corp.
(Parent Company Only)
Condensed Balance Sheets

(in thousands, except share amounts)	December 29, 2024	December 31, 2023
Assets		
Investment in subsidiary	$ 454,881	$ 380,520
Prepaid and other current assets	9,349	8,745
Total assets	$ 464,230	$ 389,265
Stockholders' Equity		
Common stock, $0.0001 par value, 300,000,000 shares authorized; 185,848,107 shares issued and 172,021,794 outstanding at December 29, 2024; 181,171,388 shares issued and 170,928,831 outstanding at December 31, 2023	$ 18	$ 18
Additional paid-in capital	225,879	215,091
Treasury stock shares, at cost, 13,826,313 and 10,242,557 shares at December 29, 2024 and December 31, 2023, respectively	(63,351)	(42,633)
Accumulated other comprehensive income	—	3,038
Retained earnings	301,684	213,751
Total stockholders' equity	$ 464,230	$ 389,265

BDF Holding Corp.
(Parent Company Only)
Consolidated Statements of Operations and Comprehensive Income

	Fiscal Year Ended		
(in thousands, except per share amounts)	December 29, 2024	December 31, 2023	January 1, 2023
Equity in net income of subsidiaries	$ 87,933	$ 78,099	$ 27,648
Net income	$ 87,933	$ 78,099	$ 27,648
Basic net income per share	$ 0.51	$ 0.46	$ 0.16
Diluted net income per share	$ 0.50	$ 0.44	$ 0.16

A statement of cash flows has not been presented as BDF Holding Corp. did not have any cash as of, or for the years ended December 29, 2024, December 31, 2023, and January 1, 2023.

Basis of Presentation

These condensed parent company-only financial statements have been prepared in accordance with Rule 12-04, Schedule I of Regulation S-X, as the restricted net assets (as defined in Rule 4-08(e)(3) of Regulation S-X) of the subsidiaries of BDF Holding Corp. exceed 25% of the consolidated net assets of the Company. The ability of BDF Holding Corp.'s operating subsidiaries to pay dividends may be restricted due to the terms of the Credit Facility, as defined in Note 4. For example, the covenants of the Eighth Amendment to the Revolving Credit Agreement restrict

the payment of dividends to, among certain exceptions i) the greater of $15 million or 30% of Consolidated EBITDA as defined in the agreement and ii) following this offering, a basket for 6% per annum of the net cash proceeds received from such qualified IPO that are contributed to the borrower in cash. At December 29, 2024, the amount of net income free of such restrictions and available for payment by BDF Holding Corp. as dividends was $61.3 million, and the total amount of restricted net assets of consolidated subsidiaries of BDF Holding Corp. was $402.9 million.

These condensed parent company financial statements have been prepared using the same accounting principles and policies described in the notes to the consolidated financial statements, with the only exception being that the parent company accounts for its subsidiaries using the equity method.

19. Subsequent Events

The Company has evaluated subsequent events through September 19, 2025, which is the date the financial statements were available to be issued. Other than below, no material subsequent events were identified that require disclosure.

In early 2025, the U.S. Government began imposing significant new or increased tariffs on goods imported into the U.S. from numerous countries from which the Company sources merchandise. While some trade deals have been reached, trade negotiations are ongoing, and overall, the global trade environment remains fluid and highly uncertain. The Company will continue to evaluate the impact of tariffs on our financial statements and make appropriate sourcing and pricing decisions to minimize the impact of these tariffs on our financial condition and results of operations.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was signed into U.S. law, which contains broad tax reform language impacting businesses that apply beginning in 2025. While the Company continues to evaluate the legislation, we do not expect that the OBBBA will have a material impact on our financial condition, results of operations, and on our related cash flows.

Events subsequent to original issuance of consolidated financial statements (unaudited)

Effective October 13, 2025, the Company changed its legal name from BDF Holding Corp. to Bob's Discount Furniture, Inc.

Debt

On October 31, 2025, the Company entered a $350.0 million Term Loan (the "Term Loan") having a maturity date of October 31, 2032 and bearing interest of 4.00% plus the Secured Overnight Financing Rate ("SOFR"), with a SOFR floor of 0%. The Term Loan is subject to certain non-financial covenants, is collateralized by substantially all of the Company's assets, and is guaranteed by certain of the Company's subsidiaries. The Term Loan may become immediately due and payable upon certain events of default, including failure to comply with loan covenants, as set forth in the facility agreements. Contracted payments are 1% of the Term Loan annually, with 0.25% paid quarterly beginning in June 2026. The Company is required to prepay the Term Loan with any proceeds received from an Initial Public Offering (the "Offering") of the Company's common shares.

In connection with the amendment, the Company incurred approximately $11.0 million of financing costs, which were deferred as a reduction to the carrying value of the long-term debt obligation. The amounts deferred will be amortized over the life of the Term Loan using the effective interest method and will be recognized as interest expense in the Company's consolidated statements of operations and comprehensive income.

Dividend

On October 31, 2025, the Company's Board of Directors declared a dividend of $2.45 per share on all outstanding shares of common stock (or an aggregate of approximately $423.3 million), which is payable on or before November 14, 2025, to stockholders of record on October 31, 2025. Pursuant to the Company's Management Incentive Plan, in the event of an extraordinary dividend or distribution, the Company is required to adjust the exercise price of outstanding vested and unvested options or take other good faith actions to be equitable to reflect

such dividend or distribution. In connection with the dividend payment, the Board of Directors adjusted the exercise price of vested and unvested options outstanding under the Management Incentive Plan and approved a compensatory make-whole payment in an aggregate amount of $2.6 million to the holders of certain such options. The Company is currently evaluating the impact that these actions will have on the Company's consolidated financial statements.

DECD Direct Assistance/Loan Forgiveness Program

On December 3, 2025, the Company entered into an amendment to its agreement with the State of Connecticut DECD. Under the amended agreement, the Company: (1) will be entitled to prorated loan forgiveness so long as the Company has achieved at least 50% of its full-time Connecticut jobs creation requirement for twenty-four consecutive months, (2) is allowed to choose the twenty-four consecutive months with the highest average full-time employment in Connecticut during the period from December 14, 2016, through October 31, 2027, and (3) has agreed (i) to extend the existing non-relocation period for its Manchester, Connecticut corporate headquarters through December 14, 2038 and (ii) to create a new non-relocation obligation for its Norwich, Connecticut distribution center operations through December 3, 2035. The Company believes it will meet all the requirements for loan forgiveness and accordingly has not recognized the Forgivable Loan in the Company’s consolidated balance sheets.

Bob's Discount Furniture, Inc.
Condensed Consolidated Balance Sheets

(In thousands, except share and per share amounts)
(Unaudited)

	September 28, 2025	December 29, 2024
Assets		
Current assets		
Cash and cash equivalents	$ 123,379	$ 80,558
Restricted cash	9,368	—
Accounts receivable	19,068	17,223
Inventories	341,276	303,930
Prepaids and other current assets	51,789	46,208
Total current assets	544,880	447,919
Property and equipment, net	311,512	280,391
Operating lease right-of-use assets	630,105	533,690
Intangible assets	179,100	179,100
Goodwill	181,699	181,699
Deferred offering costs	1,538	—
Other assets	1,806	2,265
Total assets	$ 1,850,640	$ 1,625,064
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 271,596	$ 279,389
Self-insurance reserves	28,203	26,831
Accrued expenses	58,519	61,136
Customer deposits	79,087	66,606
Finance lease liabilities, current portion	15,166	9,926
Operating lease liabilities, current portion	96,013	88,891
Total current liabilities	548,584	532,779
Finance lease liabilities, noncurrent portion	42,052	30,211
Operating lease liabilities, noncurrent portion	671,459	562,069
Deferred income taxes	39,806	34,928
Other long-term liabilities	939	847
Total long-term liabilities	754,256	628,055
Total liabilities	1,302,840	1,160,834
Commitments and Contingencies (Note 9)		
Stockholders' Equity		
Preferred stock, $0.01 par value, 50,000 shares authorized; no shares issued or outstanding at September 28, 2025 and December 29, 2024	—	—
Common stock, $0.0001 par value, 300,000,000 shares authorized; 187,128,977 shares issued and 172,704,678 shares outstanding at September 28, 2025; 185,848,107 shares issued and 172,021,794 shares outstanding at December 29, 2024	18	18
Additional paid-in capital	232,412	225,879
Treasury stock shares, at cost, 14,424,299 and 13,826,313 shares at September 28, 2025 and December 29, 2024, respectively	(67,011)	(63,351)
Retained earnings	382,381	301,684
Total stockholders' equity	547,800	464,230
Total liabilities and stockholders' equity	$ 1,850,640	$ 1,625,064

Bob's Discount Furniture, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Income

(In thousands, except per share amounts)
(Unaudited)

	Nine-Month Fiscal Period Ended	
	September 28, 2025	September 29, 2024
Net revenues	$ 1,719,212	$ 1,428,382
Cost of sales	934,401	752,981
Gross profit	784,811	675,401
Operating expenses (income)		
Selling, general, and administrative	662,968	596,365
Pre-opening expenses	15,157	13,562
(Gain) loss on disposal of fixed assets	(134)	10
Restructuring charges	292	—
Insurance recoveries	(4,497)	—
Total operating expenses	673,786	609,937
Operating income	111,025	65,464
Other (income) expense		
Interest expense	3,201	9,644
Interest income	(1,502)	(2,039)
Other income, net	(653)	(3,332)
Total other expense, net	1,046	4,273
Income before taxes	109,979	61,191
Income tax expense	29,282	11,879
Net income	$ 80,697	$ 49,312
Other comprehensive (loss) income		
Change in unrealized interest rate hedging, net of tax expense of $0 and $1,176, respectively	—	(3,038)
Total other comprehensive loss	—	(3,038)
Total comprehensive income	$ 80,697	$ 46,274
Basic net income per share	$ 0.47	$ 0.29
Diluted net income per share	$ 0.46	$ 0.28

Bob's Discount Furniture, Inc.
Condensed Consolidated Statements of Changes in Stockholders' Equity

(In thousands, except share amounts)
(Unaudited)

Nine-Month Fiscal Period Ended September 28, 2025

	Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Other Comprehensive Income / (Loss)	Retained Earnings	Total Stockholders' Equity
	Shares	Amount		Shares	Amount			
Balances at December 29, 2024	172,021,794	$ 18	$ 225,879	13,826,313	$ (63,351)	$ -	$ 301,684	$ 464,230
Common stock issued under management incentive plan	1,280,870	-	3,744	-	-	-	-	3,744
Repurchases of common stock	(597,986)	-	-	597,986	(3,660)	-	-	(3,660)
Stock-based compensation expense	-	-	2,789	-	-	-	-	2,789
Net income	-	-	-	-	-	-	80,697	80,697
Balances at September 28, 2025	**172,704,678**	**$ 18**	**$ 232,412**	**14,424,299**	**$ (67,011)**	**$ -**	**$ 382,381**	**$ 547,800**

Nine-Month Fiscal Period Ended September 29, 2024

	Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Other Comprehensive Income / (Loss)	Retained Earnings	Total Stockholders' Equity
	Shares	Amount		Shares	Amount			
Balances at December 31, 2023	170,928,831	$ 18	$ 215,091	10,242,557	$ (42,633)	$ 3,038	$ 213,751	$ 389,265
Common stock issued under management incentive plan	4,199,231	-	5,738	-	-	-	-	5,738
Repurchases of common stock	(3,205,015)	-	-	3,205,015	(18,432)	-	-	(18,432)
Stock-based compensation expense	-	-	2,794	-	-	-	-	2,794
Other comprehensive loss	-	-	-	-	-	(3,038)	-	(3,038)
Net income	-	-	-	-	-	-	49,312	49,312
Balances at September 29, 2024	**171,923,047**	**$ 18**	**$ 223,623**	**13,447,572**	**$ (61,065)**	**$ -**	**$ 263,063**	**$ 425,639**

Bob's Discount Furniture, Inc.
Condensed Consolidated Statements of Cash Flows

(In thousands)
(Unaudited)

	Nine-Month Fiscal Period Ended	
	September 28, 2025	**September 29, 2024**
Cash flows from operating activities		
Net income	$ 80,697	$ 49,312
Adjustments to reconcile net income to net cash provided by operating activities		
Stock-based compensation expense	2,789	2,794
Transaction losses	2,210	3,955
Depreciation and amortization	52,084	48,682
Non-cash interest expense	66	2,949
(Gain) loss on disposal of fixed assets	(134)	10
Non-cash lease costs	56,798	50,765
Deferred income taxes	4,878	2,455
Change in reserve for product warranties	650	535
Changes in operating assets and liabilities		
Accounts receivable	(4,055)	1,130
Inventories	(37,346)	(58,220)
Prepaids and other current assets	(5,581)	(16,358)
Other assets	(832)	479
Accounts payable	(7,453)	36,835
Accrued expenses	(1,802)	(1,177)
Customer deposits	12,481	6,359
Operating leases	(36,702)	(38,480)
Net cash provided by operating activities	118,748	92,025
Cash flows from investing activities		
Purchase of property and equipment	(57,989)	(60,145)
Net cash used in investing activities	(57,989)	(60,145)
Cash flows from financing activities		
Principal payments on First Lien Note	—	(82,936)
Proceeds from Line of Credit	3,000	5,000
Principal payments on Line of Credit	(3,000)	(5,000)
Principal payments on financing lease obligations	(8,341)	(6,530)
Proceeds (payments) related to exercise of employee stock options	1,194	(7,079)
Payments for the acquisition of treasury stock	(1,110)	(5,616)
Payments of initial public offering costs	(313)	—
Net cash used in financing activities	(8,570)	(102,161)
Net increase (decrease) in cash, cash equivalents, and restricted cash	52,189	(70,281)
Cash, cash equivalents, and restricted cash beginning of period	80,558	103,097
Cash, cash equivalents, and restricted cash end of period	$ 132,747	$ 32,816
Supplemental disclosure of cash flow data		
Cash paid for interest	$ 1,763	$ 5,570
Supplemental disclosure of noncash investing and financing activities		
Assets acquired under financing leases	$ 25,423	$ 11,022
Purchase of property and equipment included in accounts payable and accrued expenses	13,169	12,581
Deferred offering costs included in accounts payable	1,225	—
Employees cashless exercising of stock options	2,550	12,816

1. Nature of Business

Effective October 13, 2025, we changed our legal name from BDF Holding Corp. to Bob's Discount Furniture, Inc.

Bob's Discount Furniture, Inc. is a Delaware corporation owned by funds controlled by Bain Capital and is an omnichannel retailer of quality home furnishings offering a wide variety of merchandise assortments across several categories including upholstery, case good, bedding and other. This assortment of merchandise can be purchased through both retail and eCommerce sales channels. As used in these Condensed Consolidated Financial Statements "the Company" refers to Bob's Discount Furniture, Inc. and its subsidiaries. At September 28, 2025, the Company operated 206 stores in 26 states across the United States.

2. Summary of Significant Accounting Policies

Basis of Presentation

These unaudited Condensed Consolidated Financial Statements include the accounts and those of the Company's wholly-owned subsidiaries and have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission for interim financial information. Accordingly, they do not include all of the information and notes required by accounting principles generally accepted in the United States of America ("U.S. GAAP") for complete financial statements.

In the opinion of management, these Condensed Consolidated Financial Statements reflect all adjustments necessary for a fair presentation of the Company's financial position, results of operations and cash flows for the interim periods presented. All adjustments are of a normal recurring nature, unless otherwise disclosed in this report. The results reported in these Condensed Consolidated Financial Statements should not necessarily be taken as indicative of the results that may be expected for the entire fiscal year. These Condensed Consolidated Financial Statements should be read in conjunction with the Company's Consolidated Financial Statements as of and for the fiscal year ended December 29, 2024.

The Company's fiscal quarters follow a 13-week convention ("three-month fiscal period"), with each quarter ending on a Sunday. The third quarters for 2025 and 2024 ended on September 28, 2025 and September 29, 2024, respectively.

Restricted Cash

The Company maintains certain cash balances that are restricted as to withdrawal or use. Restricted cash is comprised primarily of cash used as collateral with the Company's insurance carrier related to a portion of our workers' compensation and automobile insurance obligations.

Deferred Offering Costs

Deferred offering costs consist primarily of investment banking, accounting, legal, advisory and other fees directly related to the Company's issuance and proposed issuances of equity securities. Deferred offering costs that are considered direct and incremental to the equity offering are deferred in the Company's Condensed Consolidated Balance Sheet as deferred offering costs and will be charged against gross proceeds of the offering as a reduction to additional paid in capital. All other costs related to the equity offering that are not considered direct and incremental to the equity offering are expensed as incurred. If the equity offering is abandoned, any previously deferred offering costs are expensed immediately in the period the equity offering is abandoned. Deferred offering costs were $1.5 million at September 28, 2025. There were no deferred offering costs at December 29, 2024.

Insurance Claims

From time to time, the Company may submit a claim related to an insurable event. The Company may receive recoveries from the insurance company for recovery of costs or lost profits associated with the event. Insurance proceeds for the recovery of costs are recognized up to the amount that the costs have been incurred when receipt of the recovery is probable. Proceeds for cost recovery are recognized in the Company's Condensed Consolidated

Statements of Operations and Comprehensive Income; however, the classification is dependent on the nature of the claim and the Company must use judgment to determine the impacted financial statement line items. Insurance recoveries for lost profits are recognized when the proceeds are received, or receipt of the proceeds is probable and non-refundable. Proceeds from lost profits are recognized in insurance recoveries above operating income on the Company's Condensed Consolidated Statements of Operations and Comprehensive Income.

In May 2025, the Company received $4.5 million in insurance recoveries for lost profits associated with an information technology system outage and the related interruption of its business that occurred at the end of September 2024. This amount was recorded to insurance recoveries in the Company's Condensed Consolidated Statements of Operations and Comprehensive Income. The Company may receive additional recoveries associated with this event; however, the timing and amount of recoveries are unknown and not yet realizable.

Estimates and Assumptions

The preparation of these Condensed Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the Condensed Consolidated Financial Statements and accompanying notes. Areas in which significant estimates have been made include, but are not limited to leased assets and the Company's evaluation of retail stores for impairment. Actual results could differ from the estimates made and such differences could be material to the Condensed Consolidated Financial Statements.

Other than the Restricted Cash, Deferred Offering Costs, and Insurance Claims policies noted above, there were no other significant changes to our Significant Accounting Policies as disclosed in the Company's Consolidated Financial Statements as of and for the fiscal year ended December 29, 2024.

Recently Issued Accounting Standards

Recent Accounting Standards Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, Disaggregation of Income Statement Expenses. The standard update requires disclosure of additional information about specific expense categories to provide investors with a better understanding of an entity's cost structure and forecasting cash flows. The new requirements will be effective for fiscal years beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments in the standard can be applied either prospectively or retrospectively. The Company is currently evaluating the impact the new pronouncement will have on its disclosures when adopted.

In September 2025, the FASB issued ASU 2025-06, *Targeted Improvements to the Accounting for Internal-Use Software*. The standard update eliminates accounting consideration of software project development stages that exists under current U.S. GAAP. Capitalization of software development costs would begin when (1) management has authorized and committed to funding a software development project and (2) it is probable that the software development project will be completed and the software will be used to perform its intended function. This update will be effective for fiscal years beginning after December 15, 2027, including interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact that this standard update will have on the Company's consolidated financial statements when adopted.

3. Long-Term Debt

At September 28, 2025 and December 29, 2024, there was no long-term debt outstanding.

Asset Based Revolving Credit Facility

The Company's Asset Based Revolving Credit Facility ("the Credit Facility") provides for a maximum availability of $125.0 million. The availability of credit at any given time is constrained by the terms and conditions of the facility, including the amount of collateral available and a borrowing base formula based on several factors including the value of eligible accounts receivable and inventory. In connection with the Credit Facility, the Company has entered into a letter of credit of $0.6 million issued on the Company's behalf by a financial institution

related to the guarantee of future payment on certain lease agreements. Borrowing capacity under the Credit Facility was $124.4 million and $121.0 million at September 28, 2025 and December 29, 2024, respectively. Amortization of debt issuance costs associated with the Credit Facility was not material for the nine-month fiscal periods ended September 28, 2025 and September 29, 2024.

4. Derivatives and Hedging Activities

Risk Management Objective of Using Derivatives

The Company is exposed to certain risks arising from both its business operations and economic conditions. While the Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities, it manages economic risks, including interest rate, liquidity, and credit risk primarily by managing the amount, sources, and duration of its assets and liabilities and through derivative financial instruments.

Cash Flow Hedge of Interest Rate Risk

The Company's objective in using an interest rate derivative is to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses an interest rate cap as part of its interest rate risk management strategy. Interest rate caps that are designated as cash flow hedges involve the receipt of variable amounts from a counterparty if interest rates rise above the strike rate on the contract in exchange for a premium. During the nine-month fiscal period ended September 28, 2025 and the fiscal year ended December 29, 2024, the Company used an interest rate cap to hedge the variable cash flows associated with existing variable-rate borrowings under its long-term debt obligations. The Company's interest rate cap matured on July 31, 2025.

At inception, in fiscal year 2020, the Company designated all of the $216.8 million notional value of its interest rate cap as a cash flow hedge against the variable-rate interest payments on its floating rate First Lien Note. In fiscal years 2023 and 2022, the Company concluded that a portion of the forecasted hedge transaction was no longer probable of occurring and accordingly, the derivative notional value was de-designated as a cash flow hedge. At December 29, 2024, none of the derivative notional value was designated as a cash flow hedge. Until its maturity on July 31, 2025, the interest rate cap continued to serve as an economic hedge against the Company's interest rate risk.

Non-designated Hedge

Any derivative that is not designated as a hedge is not speculative and is used to manage the Company's exposure to interest rate movements and other identified risks but does not meet the hedge accounting requirements or the Company has not elected to apply hedge accounting.

The following table summarizes the fair value of the derivative financial instruments as well as their notional value and classification in the Company's Condensed Consolidated Balance Sheets at December 29, 2024. There were no derivatives outstanding at September 28, 2025.

(in thousands)		Asset Derivative
Derivative Position at December 29, 2024	**Notional Balance**	**Prepaid and Other Current Assets**
Derivatives not designated as hedging instruments		
Interest rate products	$ 83,312	$ 1,459

The following table summarizes the effect of the cash flow hedges in the Company's Condensed Consolidated Statements of Operations and Comprehensive Income in the nine-month fiscal periods ended September 28, 2025 and September 29, 2024.

		(Gain) or Loss on Effective Portion Reclassified from Accumulated Other Comprehensive Income ("AOCI") to Earnings	
		Nine-Month Fiscal Period Ended	
(in thousands)	Classification	September 28, 2025	September 29, 2024
Interest Rate Products	Interest expense	$ —	$ (1,146)
	Other income, net	$ —	$ (3,067)

		Gain or (Loss) on Effective Portion Recognized in AOCI	
		Nine-Month Fiscal Period Ended	
	Classification	September 28, 2025	September 29, 2024
Interest Rate Products	AOCI	$ —	$ 29

The following table summarizes the effect of the derivative financial instrument that is not designated as hedging instruments in the Company's Condensed Consolidated Statements of Operations and Comprehensive income in the nine-month fiscal periods ended September 28, 2025 and September 29, 2024.

		Amount of (Gain) or Loss Recognized in Income on Derivative	
(in thousands)	Classification	September 28, 2025	September 29, 2024
Interest Rate Products	Other income, net	$ (437)	$ (475)

5. Fair Value Measurements

The following table summarizes, by level within the fair value hierarchy, the financial assets and liabilities that are accounted for at fair value on a recurring basis at September 28, 2025, and December 29, 2024.

(in thousands)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Quoted Prices in Active Markets for Similar Assets (Level 2)	Unobservable inputs for which little or no market data exists (Level 3)	Total
Asset (Liability)				
Money market funds	$ 103,302	$ —	$ —	$ 103,302
Balance at September 28, 2025	$ 103,302	$ —	$ —	$ 103,302
Asset (Liability)				
Money market funds	$ 63,440	$ —	$ —	$ 63,440
Interest rate cap[(1)]	—	1,459	—	1,459
Balance at December 29, 2024	$ 63,440	$ 1,459	$ —	$ 64,899

(1) As described in Note 4, Derivatives and Hedging Activities, the Company utilized an interest rate cap as part of its interest rate risk management strategy. The primary input used to estimate the interest rate cap's Level 2 fair value is the 1-month USD SOFR. This input determines the value of the derivative instrument based upon its likelihood to become an effective hedge over its life as the market interest rates fluctuate.

There were no Level 3-classified assets or liabilities at September 28, 2025 or December 29, 2024.

The Company did not record any other-than-temporary impairments on assets required to be measured at fair value on a non-recurring basis during the three and nine-month fiscal periods ended September 28, 2025 and September 29, 2024.

6. Related Party Transactions

Leases

In the nine-month fiscal periods ended September 28, 2025 and September 29, 2024, the Company leased four retail stores from limited liability companies of which Mr. Bob Kaufman, the Company's founder and a current member of the Board of Directors, maintained ownership. The lease arrangements commenced between fiscal years 2017 and 2022 with current lease terms ranging from 15 to 20 years with varying number of options for five-year renewals. Total rent expense associated with these related parties was $1.9 million for both the nine-month fiscal periods ended September 28, 2025 and September 29, 2024, respectively. At September 28, 2025, total lease liabilities associated with the remaining related party leases was $13.3 million.

Management Fees

The Company recognized management fees and expense reimbursement to entities affiliated with Bain Capital in connection with an advisory agreement totaling $1.5 million for both the nine-month fiscal periods ended September 28, 2025 and September 29, 2024, respectively. Management fees are classified as selling, general and administrative ("SG&A") expenses in the Company's Condensed Consolidated Statements of Operations and Comprehensive Income. The advisory agreement with Bain Capital will terminate upon consummation of the Company's initial public offering.

Customer Service Fees

The Company recognized fees for the outsourcing of customer service assistance to an entity affiliated with Bain Capital totaling $5.9 million and $4.8 million in the nine-month fiscal periods ended September 28, 2025 and September 29, 2024, respectively. These fees are classified as SG&A in the Company's Condensed Consolidated Statements of Operations and Comprehensive Income.

7. Product Warranties

Product Warranties

The following table summarizes the Company's activity for product warranty obligations:

	Nine-Month Fiscal Period Ended	
(in thousands)	**September 28, 2025**	**September 29, 2024**
Product warranties beginning balance	$ 6,783	$ 5,926
Accruals for warranties issued	21,259	16,982
Settlements (in cash or in-kind)	(20,490)	(17,745)
Change in reserve estimate	(119)	1,297
Product warranties ending balance	7,433	6,460
Less: Current portion of warranties	(6,494)	(5,770)
Total long-term warranties	939	690

8. Leases

The Company recognizes leases in its Condensed Consolidated Balance Sheets as a right-of-use ("ROU") asset and a lease liability. The Company has operating leases for its retail stores, distribution centers, corporate headquarters, and certain equipment under operating and finance leases that expire at various dates through 2041. Some of the leases include options to extend the lease term for up to twenty years. The Company's leases do not have any residual value guarantees or any restrictions or covenants imposed by the leases.

At September 28, 2025, the Company had eighteen non-cancellable leases for retail stores and one non-cancellable lease for a regional distribution center of which none had commenced. The initial terms of these leases range from ten to fifteen years with options to extend for up to an additional twenty years. Upon lease commencement, the ROU asset and lease liability will be determined and recognized in the Company's Condensed Consolidated Balance Sheets. Lease liabilities at September 28, 2025 exclude undiscounted future lease payments of approximately $226.9 million associated with these leases.

The following table summarizes finance and operating lease assets and liabilities recognized in the Company's Condensed Consolidated Balance Sheets at September 28, 2025, and December 29, 2024:

(in thousands)	Classification	September 28, 2025	December 29, 2024
Assets			
Finance leases	Property and equipment, net	$ 46,552	$ 29,557
Operating leases	Operating lease right-of-use assets	630,105	533,690
Total lease assets		$ 676,657	$ 563,247
Liabilities			
Current			
Finance leases	Finance lease liabilities, current portion	$ 15,166	$ 9,926
Operating leases	Operating lease liabilities, current portion	96,013	88,891
Noncurrent			
Finance leases	Finance lease liabilities, noncurrent portion	42,052	30,211
Operating leases	Operating lease liabilities, noncurrent portion	671,459	562,069
Total lease liabilities		$ 824,690	$ 691,097

The following table summarizes lease expense recognized in the Company's Condensed Consolidated Statements of Operations and Comprehensive Income for the nine-month fiscal periods ended September 28, 2025 and September 29, 2024:

	Nine-Month Fiscal Period Ended	
(in thousands)	September 28, 2025	September 29, 2024
Operating lease cost		
Fixed	$ 102,728	$ 94,228
Variable	615	162
Finance lease cost		
Amortization of assets	8,541	6,996
Interest on lease liabilities	2,256	1,917
Short-term lease cost	1,489	334
Total lease expense	$ 115,629	$ 103,637

Supplemental cash flow information related to leases is as follows:

(in thousands)	Nine-Month Fiscal Period Ended	
	September 28, 2025	September 29, 2024
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 109,569	$ 99,601
Operating cash flows from finance leases	2,256	1,917
Financing cash flows from finance leases	8,341	6,530
Right-of-use assets obtained in exchange for lease obligations		
Finance leases	25,423	11,022
Operating leases	153,213	81,009

The weighted average remaining lease term and weighted average discount rate for finance and operating leases at September 28, 2025, and September 29, 2024, were:

	September 28, 2025	September 29, 2024
Weighted average remaining lease term (in years)		
Finance leases	4.6	4.3
Operating leases	7.5	6.9
Weighted average discount rate		
Finance leases	5.8%	5.9%
Operating leases	8.7%	9.2%

The following table summarizes the undiscounted future minimum lease payments (displayed by year and in the aggregate) under noncancellable leases with terms of more than one year that are recognized in the Company's Condensed Consolidated Balance Sheet at September 28, 2025:

(in thousands)	Operating Leases			
	Related Party Leases	Other Leases	Total Operating Leases	Finance Leases
Remainder of 2025	$ 655	$ 37,602	$ 38,257	$ 4,242
2026	2,620	155,835	158,455	16,884
2027	2,627	149,682	152,309	12,015
2028	2,678	140,119	142,797	8,938
2029	2,119	122,833	124,952	7,957
2030	2,119	103,692	105,811	7,227
Thereafter	5,223	304,998	310,221	8,127
Total undiscounted future minimum	$ 18,041	$ 1,014,761	$ 1,032,802	$ 65,390
Less: Amount representing interest			265,330	8,172
Total present value of lease obligations			$ 767,472	$ 57,218

9. Commitments and Contingencies

Contingencies

The Company is a defendant in lawsuits arising in the ordinary course of business. Such matters are subject to many uncertainties and the outcomes of individual litigated matters are not predictable with assurance. While the Company is unable to predict the outcome, based on information currently available, the Company does not believe that resolution of any of these matters, individually or in the aggregate, will have a material adverse effect on the Company's condensed consolidated financial position, results of operations or cash flows.

Government Grants

In conjunction with the construction of its corporate headquarters, the Company negotiated an agreement with the State of Connecticut Department of Economic and Community Development ("DECD") that provides for various government grants and subsidies. These grants and subsidies are contingent on the Company making certain minimum investments in Connecticut including $50 million in total construction costs, including costs incurred by the developer of the headquarters building, and achieving and maintaining certain headcount requirements within the State of Connecticut within a timeframe set forth in the grant agreement. The Company has met the requirement to invest $50.0 million in Connecticut and expects to meet the minimum headcount requirements during the allotted timeframe. The grants and subsidies were spent on buildout of the corporate headquarters and on further buildout and enhancement of its existing Connecticut distribution center. The subsidies, which total approximately $20.7 million, include the following:

DECD Direct Assistance/Loan Forgiveness Program

Under an agreement dated December 14, 2016, as amended on February 28, 2023, the DECD provided a $1.7 million grant for employee training that has been received and completed. The DECD also provided a direct forgivable loan of $7.0 million which bears interest at an annual rate of 2%. Monthly interest-only payments commenced at the time the loan was granted with principal payments deferred until January 1, 2028. The final payment of principal and interest is due on September 1, 2029, if not sooner paid or forgiven. The funds were specifically designated for use in the purchase of leasehold improvements, machinery and equipment, and furniture and fixtures. The Company will be eligible for loan forgiveness based on maintaining 326 full-time jobs that existed within the Company as of the date the original agreement was signed and creating and maintaining for a twenty-four month period ending on or before October 31, 2027 an average of 125 full-time jobs in Connecticut with an average salary of at least $80,000. As the Company believes it will meet all requirements for loan forgiveness, the proceeds from the loan offset the carrying cost of the $7.9 million of assets generated in Connecticut associated with this program included in prepaid and other assets on the Company's Condensed Consolidated Balance Sheets.

Sales & Use Tax Exemption

The State of Connecticut provided an exemption to relieve the Company from the State's 6.35% sales tax on qualifying capital equipment or construction materials. The Company received this benefit in the form of reduced prices from vendors that exclude normal Connecticut sales & use tax. The benefit is thereby reflected as a reduction in the related fixed asset costs.

Urban and Industrial Sites Reinvestment Act ("URA") Tax Credits

The State of Connecticut is also providing the Company with $11.0 million of income tax credits under its URA program (the "Tax Credits"). The program allows for a dollar-for-dollar corporate tax credit for eligible projects with a minimum investment of $5.0 million in targeted investment or urban distressed areas and $50.0 million in all areas of the State, which the Company has met. Beginning in 2017, the credits can be used over ten years according to the following schedule: Years 2017-2019: 0%; Years 2020-2023: 10%; Years 2024-2026: 20%. The credits can be sold or transferred to another taxpayer. Given its projected state tax liabilities over the next ten years, the Company may sell or transfer the credits to third parties to realize the associated economic benefit. The credits are recognized as a reduction in Connecticut state income tax expense if the Company intends to utilize the credit as a reduction to state income tax or as other income if the Company elects to sell or transfer the credits to third parties. In the three and nine-month fiscal periods ended September 28, 2025 and September 29, 2024, the Company did not sell credits to third parties.

Generally, the subsidies require the following: that the expenditures are made; that the appropriate paperwork is submitted to the granting agency; that the corporate headquarters is maintained in Connecticut for a period of time; and certain levels of job creation and employment are achieved. The Company believes that it is reasonably assured of achieving each of the requirements.

The Company assesses the likelihood of the conditions attached to the various subsidies, to the extent they exist, each reporting period. If at any time after receiving the $7.0 million forgivable loan, the Company determines that it

is no longer probable it will meet the conditions outlined in the DECD agreement, the change will be accounted for as a change in estimate.

The Company provided separate guarantees to each of two departments of the State of Connecticut. The first guarantee relates to the obligation to repay the forgivable loan if it fails to meet the criteria described above. The second guarantee relates to the obligation to repay sales and use tax exemptions if the Company fails to meet those criteria. On September 28, 2025, and December 29, 2024, there was no potential amount of repayment for these guarantees because the Company was in compliance with all requirements of the grants.

Letters of Credit

The Company has entered into a letter of credit issued on the Company's behalf by a financial institution related to the guarantee of collateral for our workers' compensation and automobile liability insurance contracts. There was $9.4 million of outstanding letters of credit at September 28, 2025 related to these insurance programs. Outstanding letters of credit related to these insurance programs were not material at December 29, 2024.

10. Net Income Per Share

Basic and diluted net income per share were as follows:

	Nine-Month Fiscal Period Ended	
(in thousands, except share and per share amounts)	**September 28, 2025**	**September 29, 2024**
Net income	$ 80,697	$ 49,312
Weighted-Average Shares Outstanding		
Weighted average number of shares outstanding	172,374,391	172,297,834
Dilutive effect of stock options	4,167,723	4,249,689
Diluted weighted-average number of shares outstanding	176,542,114	176,547,523
Net Income Per Share		
Basic net income per share	$ 0.47	$ 0.29
Diluted net income per share	$ 0.46	$ 0.28

In the nine-month fiscal periods ended September 28, 2025 and September 29, 2024, 2,606,230 and 2,802,222 stock-based awards, respectively, were excluded from the diluted net income per share calculation because their inclusion would have been anti-dilutive.

11. Revenue and Segment Information

The following table details revenue by source and significant segment expenses for the Company's one reportable segment:

	Nine-Month Fiscal Period Ended	
(in thousands)	September 28, 2025	September 29, 2024
Retail	$ 1,456,781	$ 1,234,664
eCommerce	262,431	193,718
Net revenues	1,719,212	1,428,382
Less: Significant and other segment expenses		
Cost of sales[1]	923,178	742,888
Depreciation and amortization	52,084	48,682
Store and corporate expenses	519,123	458,830
Advertising expenses	101,172	94,954
Pre-opening expenses[2]	9,280	8,530
Other segment items[3]	3,350	9,034
Interest expense	3,201	9,644
Interest income	(1,502)	(2,039)
Other income, net	(653)	(3,332)
Income tax expense	29,282	11,879
Net income	$ 80,697	$ 49,312

(1) Cost of sales excludes depreciation and amortization of $11.2 million and $10.1 million for the nine-month fiscal periods ended September 28, 2025 and September 29, 2024, respectively.
(2) Pre-opening expenses exclude advertising expenses of $5.9 million and $5.1 million for the nine-month fiscal periods ended September 28, 2025 and September 29, 2024, respectively.
(3) Other segment items include (gain) loss on disposal of fixed assets, restructuring charges, stock-based compensation expense, management fee, and other items.

Contract Liabilities

The Company defers revenue when cash payments are received in advance of performance for unsatisfied gift cards and customer deposit obligations. Gift card liabilities included in accrued expenses in the Company's Condensed Consolidated Balance Sheets were $7.2 million and $7.5 million at September 28, 2025, and December 29, 2024, respectively. Customer deposit liabilities were $79.1 million and $66.6 million at September 28, 2025 and December 29, 2024, respectively. The Company believes the majority of the contract liabilities outstanding at December 29, 2024 will be recognized as revenue within fiscal year 2025 as the performance obligations are satisfied.

The Company recognizes gift card and customer deposit breakage proportional to historical gift card and customer deposit redemption rates. Gift card and customer deposit breakage recognized as revenue in the nine-month fiscal periods ended September 28, 2025 and September 29, 2024 were $1.3 million and $1.0 million, respectively.

12. Stock-based Compensation

Stock Compensation Expense

The Company recognized stock-based compensation expense of $2.8 million in both the nine-month fiscal periods ended September 28, 2025 and September 29, 2024. At September 28, 2025, the total unrecognized compensation cost related to non-vested service-based stock awards granted under the Plan was $6.8 million which will be recognized over a weighted average period of 3.1 years.

Stock Options Outstanding

The following table summarizes the stock option activity under the Management Incentive Plan for the nine-month fiscal period ended September 28, 2025:

	Options	Weighted-Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 29, 2024	13,350,841	$ 3.80		
Granted	809,733	$ 6.13		
Forfeited or expired	(274,327)	$ 4.66		
Exercised	(1,295,016)	$ 2.92		
Outstanding at September 28, 2025	12,591,231	$ 4.02	5.48	$ 27,693
Exercisable at September 28, 2025	8,563,074	$ 3.56	4.49	$ 22,744
Options expected to vest at September 28, 2025	4,028,157	$ 4.99	7.58	$ 4,949

The aggregate intrinsic value of stock options vested during the nine-month fiscal period ended September 28, 2025 and September 29, 2024 was $1.8 million, and $2.0 million, respectively. The aggregate intrinsic value of the options is calculated as the difference between the exercise price of the stock options and the fair value of the Company's common stock for those options that had exercise prices lower than the fair value of the Company's common stock. The tax benefit for stock option exercises recognized during the nine-month fiscal period ended was $1.1 million, and $5.0 million during the nine-month periods ended September 28, 2025 and September 29, 2024, respectively.

Fair Value

The following table summarizes the assumptions that were used in determining the grant date fair value of each award granted:

	Nine-Month Fiscal Period Ended	
	September 28, 2025	September 29, 2024
Weighted-average grant date fair value per share of underlying common stock	$ 2.53	$ 2.66
Risk-free interest rate	3.69% - 4.24%	3.69% - 4.28%
Expected stock price volatility	40.00% - 45.00%	45.00% - 50.00%
Average expected life (in years)	4.5 - 6.5	4.8 - 6.5
Dividend yield	— %	— %

13. Income Taxes

The following table summarizes the effective income tax rate for the three and nine-month fiscal periods ended September 28, 2025 and September 29, 2024:

	Nine-Month Fiscal Period Ended	
	September 28, 2025	September 29, 2024
Effective Income Tax Rate	26.6 %	19.4 %

The effective income tax rate represents the combined federal and state tax effects attributable to pre-tax earnings for the period. The effective income tax rate for the nine-month fiscal period ended September 28, 2025 increased when compared to the corresponding rate in the prior year period due to an increase in state tax expense,

driven by higher income before taxes and a lower excess tax benefit from stock-based compensation in the current year. The volume of stock option exercises in the current period is at a more normalized level.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was signed into U.S. law, which contains broad tax reform language impacting businesses that apply beginning in 2025. The legislation is not expected to have a material impact on the Company's effective tax rate. However, the permanent reinstatement of 100% bonus depreciation and the repeal of the requirement to capitalize U.S. research and development expenditures is expected to reduce our cash taxes by approximately $10.0 million in 2025. The current year effects of the legislation are reflected in our financial statements beginning in the third quarter of 2025.

14. Restructuring

In the first quarter of fiscal year 2025, the Company identified efficiencies to optimize Selling, General and Administrative expenses related to workforce reductions at the corporate headquarters. In the nine-month fiscal period ended September 28, 2025, the Company recognized restructuring costs of $0.3 million in restructuring charges in the Company's Condensed Consolidated Statement of Operations and Comprehensive Income. All actions initiated in the first quarter of fiscal year 2025 were completed and the Company does not expect any costs attributable to these actions in subsequent periods. All payments associated with these actions were made prior to September 28, 2025. No significant restructuring actions were initiated in the second or third quarters of fiscal 2025 nor in fiscal year 2024.

The following table summarizes the accrual balances and utilization for the 2025 restructuring actions:

(in thousands)	
Balance at December 29, 2024	$ —
Pre-tax restructuring costs	292
Utilization	(292)
Balance at September 28, 2025	$ —

15. Subsequent Events

The Company has evaluated subsequent events through November 5, 2025, which is the date the financial statements were available to be issued. No material subsequent events were identified that require disclosure other than the items noted below.

Debt

On October 31, 2025, the Company entered a $350.0 million Term Loan (the "Term Loan") having a maturity date of October 31, 2032 and bearing interest of 4.00% plus the Secured Overnight Financing Rate ("SOFR"), with a SOFR floor of 0%. The Term Loan is subject to certain non-financial covenants, is collateralized by substantially all of the Company's assets, and is guaranteed by certain of the Company's subsidiaries. The Term Loan may become immediately due and payable upon certain events of default, including failure to comply with loan covenants, as set forth in the facility agreements. Contracted payments are 1% of the Term Loan annually, with 0.25% paid quarterly beginning in June 2026. The Company is required to prepay the Term Loan with any proceeds received from an Initial Public Offering of the Company's common shares.

In connection with the amendment, the Company incurred approximately $11.0 million of financing costs, which were deferred as a reduction to the carrying value of the long-term debt obligation. The amounts deferred will be amortized over the life of the Term Loan using the effective interest method and will be recognized as interest expense in the Company's consolidated statements of operations and comprehensive income.

Dividend

On October 31, 2025, the Company's Board of Directors declared a dividend of $2.45 per share on all outstanding shares of common stock (or an aggregate of approximately $423.3 million), which is payable on or before November 14, 2025, to stockholders of record on October 31, 2025. Pursuant to the Company's Management Incentive Plan, in the event of an extraordinary dividend or distribution, the Company is required to adjust the exercise price of outstanding vested and unvested options or take other good faith actions to be equitable to reflect such dividend or distribution. In connection with the dividend payment, the Board of Directors adjusted the exercise price of vested and unvested options outstanding under the Management Incentive Plan and approved a compensatory make-whole payment in an aggregate amount of $2.6 million to the holders of certain such options. The Company is currently evaluating the impact that these actions will have on the Company's consolidated financial statements.

Events subsequent to original issuance of condensed consolidated financial statements

DECD Direct Assistance/Loan Forgiveness Program

On December 3, 2025, the Company entered into an amendment to its agreement with the State of Connecticut DECD. Under the amended agreement, the Company: (1) will be entitled to prorated loan forgiveness so long as the Company has achieved at least 50% of its full-time Connecticut jobs creation requirement for twenty-four consecutive months, (2) is allowed to choose the twenty-four consecutive months with the highest average full-time employment in Connecticut during the period from December 14, 2016, through October 31, 2027, and (3) has agreed (i) to extend the existing non-relocation period for its Manchester, Connecticut corporate headquarters through December 14, 2038 and (ii) to create a new non-relocation obligation for its Norwich, Connecticut distribution center operations through December 3, 2035. The Company believes it will meet all the requirements for loan forgiveness and accordingly has not recognized the Forgivable Loan in the Company's consolidated balance sheets.

Shares

Bob's Discount Furniture, Inc.

Common Stock



Prospectus

J.P. Morgan
RBC Capital Markets
BofA Securities
Baird

Evercore ISI
KeyBanc Capital Markets

Morgan Stanley
UBS Investment Bank
Goldman Sachs & Co. LLC
Raymond James

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Through and including , 2026 (25 days after the commencement of this offering), all dealers that effect transactions in shares of our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to their unsold allotments or subscriptions.

Part II

Information Not Required in Prospectus

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth the costs and expenses, other than underwriting discounts payable by the Registrant in connection with the sale of the shares of our common stock being registered hereby. Except as otherwise noted, the Registrant will pay all of the costs and expenses set forth in the following table. All amounts shown below are estimates except for the SEC registration fee, the FINRA filing fee and the stock exchange listing fee.

Item	Amount to be paid
SEC registration fee	$ 13,810
FINRA filing fee	15,550
Stock exchange listing fee	*
Blue sky fees and expenses	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent and registrar fees and expenses	3,500
Miscellaneous expenses	*
Total	$ *

* To be completed by amendment.

Item 14. Indemnification of Directors and Officers

Section 145(a) of the DGCL grants each corporation organized thereunder the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that such person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

Section 145(b) of the DGCL grants each corporation organized thereunder the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or the court in which such action or

suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section 102(b)(7) of the DGCL enables a corporation in its certificate of incorporation or an amendment thereto to eliminate or limit the personal liability of a director to the corporation or its stockholders of monetary damages for violations of the director's fiduciary duty, except (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the DGCL (providing for liability of directors for unlawful payment of dividends or unlawful stock purchases or redemptions), or (iv) for any transaction from which a director derived an improper personal benefit. Our certificate of incorporation includes a provision that eliminates the personal liability of directors for monetary damages for actions taken as a director to the fullest extent authorized by the DGCL.

The underwriting agreement will provide that the underwriters are obligated, under certain circumstances, to indemnify our directors, officers, and controlling persons against certain liabilities, including liabilities under the Securities Act. Please see the form of underwriting agreement filed as Exhibit 1.1 hereto.

Our second amended and restated bylaws will indemnify the directors and officers to the full extent of the DGCL and also allow the Board of Directors to indemnify all other employees. Such right of indemnification is not exclusive of any right to which such officer or director may be entitled as a matter of law and shall extend and apply to the estates of deceased officers and directors. Section 145(f) of the DGCL further provides that a right to indemnification or to advancement of expenses arising under a provision of the bylaws shall not be eliminated or impaired by an amendment to such provision after the occurrence of the act or omission which is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought.

We have in effect insurance policies for general officers' and directors' liability insurance covering all of our officers and directors. In addition, upon the closing of this offering, we intend to enter into indemnification agreements with each of our executive officers and directors. These indemnification agreements will provide the indemnitees with contractual rights to indemnification, and expense advancement and reimbursement, to the fullest extent permitted under the DGCL, subject to certain exceptions contained in those agreements.

Item 15. Recent Sales of Unregistered Securities

In the three years preceding the filing of this registration statement, we have issued the following securities that were not registered under the Securities Act. No underwriters were involved in any of the following transactions and no commissions were paid in connection with the sale of any such securities.

Since September 19, 2022, we granted stock options to purchase an aggregate of 4,066,834 shares of common stock upon the exercise of options under our 2014 Stock Option Plan (the "2014 Plan") with a weighted-average per share exercise price of $5.51 (or $3.55 after being adjusted to reflect the dividend payment made as part of the Recapitalization), and issued 5,294,545 shares of our common stock upon exercise of stock options under the 2014 Plan.

Item 16. Exhibits and Financial Statement Schedules

(a) Exhibits

See the Exhibit Index immediately preceding the signature pages hereto, which is incorporated by reference as if fully set forth herein.

(b) Financial statement schedules

Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the audited consolidated financial statements or the notes thereto.

Item 17. Undertakings

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer, or controlling person of the Registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(A) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(B) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Exhibit Index

Exhibit number	Description of exhibit
1.1*	Form of Underwriting Agreement
3.1*	Form of Second Restated Certificate of Incorporation of Bob's Discount Furniture, Inc. (to be effective upon the closing of this offering)
3.2*	Form of Second Amended and Restated Bylaws of Bob's Discount Furniture, Inc. (to be effective upon the closing of this offering)
4.1*	Form of Amended and Restated Stockholders Agreement
5.1*	Opinion of Ropes & Gray LLP
10.1*+	Form of Indemnification Agreement between Bob's Discount Furniture, Inc. and each of its directors and executive officers
10.2*	Revolving Credit Agreement, dated February 12, 2014 among BDF Acquisition Corp., the lending institutions from time to time party thereto, Royal Bank of Canada, as administrative agent, and the other parties party thereto
10.3*	Amendment No. 1 to Revolving Credit Agreement, dated June 17, 2016 among BDF Acquisition Corp., the lending institutions from time to time party thereto, Royal Bank of Canada, as administrative agent, and the other parties party thereto
10.4*	Amendment No. 2 to Revolving Credit Agreement, dated June 18, 2018 among BDF Acquisition Corp., the lending institutions from time to time party thereto, Royal Bank of Canada, as administrative agent, and the other parties party thereto
10.5*	Joinder Agreement and Amendment No. 3 to Revolving Credit Agreement, dated September 18, 2019 among BDF Acquisition Corp., the lending institutions from time to time party thereto, Royal Bank of Canada, as administrative agent, and the other parties party thereto
10.6*	Joinder Agreement and Amendment No. 4 to Revolving Credit Agreement, dated May 12, 2021 among BDF Acquisition Corp., the lending institutions from time to time party thereto, Royal Bank of Canada, as administrative agent, and the other parties party thereto
10.7*	Amendment No. 5 to Revolving Credit Agreement, dated July 5, 2022 among BDF Acquisition Corp., the lending institutions from time to time party thereto, Royal Bank of Canada, as administrative agent, and the other parties party thereto
10.8*	Amendment No. 6 to Revolving Credit Agreement, dated August 24, 2022 among BDF Acquisition Corp., the lending institutions from time to time party thereto, Royal Bank of Canada, as administrative agent, and the other parties party thereto
10.9*	Amendment No. 7 to Revolving Credit Agreement, dated June 2, 2023 among BDF Acquisition Corp., the lending institutions from time to time party thereto, Royal Bank of Canada, as administrative agent, and the other parties party thereto
10.10*	Amendment No. 8 to Revolving Credit Agreement, dated July 1, 2024 among BDF Acquisition Corp., the lending institutions from time to time party thereto, Royal Bank of Canada, as administrative agent, and the other parties party thereto
10.11*	Amendment No. 9 to Revolving Credit Agreement, dated October 31, 2025 among BDF Acquisition Corp., the lending institutions from time to time party thereto, Royal Bank of Canada, as administrative agent, and the other parties party thereto
10.12	Term Loan Credit Agreement, dated October 31, 2025 among Bob's Discount Furniture, Inc., JPMorgan Chase Bank, N.A., as administrative agent and collateral agent, and the other agents, arrangers and lenders party thereto
10.13+	BDF Holding Corp. 2014 Stock Option Plan
10.14+	Form of Annual Non-Qualified Stock Option Award Agreement under the 2014 Stock Option Plan
10.15+	Form of Block Non-Qualified Stock Option Award Agreement under the 2014 Stock Option Plan
10.16*+	Amended and Restated Employment Agreement dated , 2026 by and between William G. Barton and Bob's Discount Furniture, Inc.
10.17*+	Amended and Restated Employment Agreement dated , 2026 by and between Carl Lukach and Bob's Discount Furniture, Inc.
10.18*+	Bob's Discount Furniture, Inc. 2026 Equity Incentive Plan
10.19*+	Form of Non-Statutory Stock Option Agreement under the 2026 Equity Incentive Plan

10.20*+	Form of Non-Statutory Stock Option Agreement for Non-Employee Directors under the 2026 Equity Incentive Plan
10.21*+	Bob's Discount Furniture, Inc. Cash Incentive Plan
10.22*	Termination Agreement dated , 2026 between Bob's Discount Furniture, Inc. and Bain Capital Partners, LLC
21.1	List of Subsidiaries
23.1	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm
23.2*	Consent of Ropes & Gray LLP (included in Exhibit 5.1)
24.1	Power of Attorney (included on signature page)
107	Filing fee table

* To be filed by amendment.
\+ Indicates management contract or compensatory plan.

Signatures

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Manchester, State of Connecticut, on January 9, 2026.

BOB'S DISCOUNT FURNITURE, INC.

By:	/s/ William G. Barton
Name:	William G. Barton
Title:	President & Chief Executive Officer

Power of Attorney

The undersigned directors and officers of Bob's Discount Furniture, Inc. hereby appoint each of William G. Barton and Carl Lukach as attorney-in-fact for the undersigned, with full power of substitution for, and in the name, place and stead of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933, any and all amendments (including post-effective amendments) and exhibits to this registration statement on Form S-1 (or any other registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933) and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to the registration of the securities covered hereby, with full power and authority to do and perform any and all acts and things whatsoever requisite and necessary or desirable, hereby ratifying and confirming all that said attorney-in-fact, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ William G. Barton William G. Barton	Chief Executive Officer, President and Director (Principal Executive Officer)	January 9, 2026
/s/ Carl Lukach Carl Lukach	Chief Financial Officer, Executive Vice President and Treasurer (Principal Financial and Principal Accounting Officer)	January 9, 2026
/s/ Edmond J. English Edmond J. English	Executive Chairman	January 9, 2026
/s/ Mir Aamir Mir Aamir	Director	January 9, 2026
/s/ Joshua Bekenstein Joshua Bekenstein	Director	January 9, 2026
/s/ Barbara Carbone Barbara Carbone	Director	January 9, 2026
/s/ Jennifer Davis Jennifer Davis	Director	January 9, 2026
/s/ Soyoung Kang Soyoung Kang	Director	January 9, 2026
/s/ John Kilgallon John Kilgallon	Director	January 9, 2026
/s/ Trevor Lang Trevor Lang	Director	January 9, 2026
/s/ Philip H. Loughlin Philip H. Loughlin	Director	January 9, 2026
/s/ Scott Williams Scott Williams	Director	January 9, 2026

Calculation of Filing Fee Tables

S-1

Bob's Discount Furniture, Inc.

Table 1: Newly Registered and Carry Forward Securities ☐Not Applicable

		Security Type	Security Class Title	Fee Calculation or Carry Forward Rule	Amount Registered	Proposed Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	Fee Rate	Amount of Registration Fee	Carry Forward Form Type	Carry Forward File Number	Carry Forward Initial Effective Date	Filing Fee Previously Paid in Connection with Unsold Securities to be Carried Forward
Newly Registered Securities													
Fees to be Paid	1	Equity	Ordinary Shares, par value $0.0001 per share	457(o)			$ 100,000,000.00	0.0001381	$ 13,810.00				
Fees Previously Paid													
Carry Forward Securities													
Carry Forward Securities													
				Total Offering Amounts:			$ 100,000,000.00		$ 13,810.00				
				Total Fees Previously Paid:					$ 0.00				
				Total Fee Offsets:					$ 0.00				
				Net Fee Due:					$ 13,810.00				

Offering Note

1

1a. Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended (the "Securities Act").

1b. Calculated pursuant to Rule 457(o) under the Securities Act based on an estimate of the proposed maximum aggregate offering price.

Table 2: Fee Offset Claims and Sources ☑Not Applicable

		Registrant or Filer Name	Form or Filing Type	File Number	Initial Filing Date	Filing Date	Fee Offset Claimed	Security Type Associated with Fee Offset Claimed	Security Title Associated with Fee Offset Claimed	Unsold Securities Associated with Fee Offset Claimed	Unsold Aggregate Offering Amount Associated with Fee Offset Claimed	Fee Paid with Fee Offset Source
Rules 457(b) and 0-11(a)(2)												
Fee Offset Claims	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fee Offset Sources	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rule 457(p)												
Fee Offset Claims	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fee Offset Sources	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Table 3: Combined Prospectuses ☑Not Applicable

	Security Type	Security Class Title	Amount of Securities Previously Registered	Maximum Aggregate Offering Price of Securities Previously Registered	Form Type	File Number	Initial Effective Date

N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Exhibit 10.12

CREDIT AGREEMENT

Dated as of October 31, 2025

by and among

BDF INTERMEDIATE, LLC,
as Holdings,

BDF ACQUISITION CORP.,
as the Borrower,

the several Lenders from time to time party hereto,

JPMorgan Chase Bank, N.A.
as the Administrative Agent and the Collateral Agent,

and

JPMorgan Chase Bank, N.A., Morgan Stanley Senior Funding, Inc., RBC Capital Markets[1] and UBS Securities LLC
as Lead Arrangers and Bookrunners

[1] RBC Capital Markets is a brand name for the capital markets activities of Royal Bank of Canada and its affiliates.

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CREDIT AGREEMENT

CREDIT AGREEMENT, dated as of October 31, 2025, by and among BDF Intermediate, LLC, a Delaware limited liability company ("**Holdings**"), BDF Acquisition Corp., a Delaware corporation (the "**Borrower**"), the lending institutions from time to time parties hereto as lenders (each, a "**Lender**" and, collectively, the "**Lenders**") and JPMorgan Chase Bank, N.A., as the Administrative Agent and the Collateral Agent (such terms and each other capitalized term used but not defined in this preamble or the recitals below having the meaning provided in Section 1.1).

WHEREAS, the Borrower has requested that the Lenders extend credit in the form of Initial Term Loans to the Borrower on the Closing Date, in an aggregate principal amount of $350,000,000;

WHEREAS, the Borrower shall use the proceeds of the Initial Term Loans on and after the Closing Date to (i) fund a distribution to its equityholders (the "**Closing Distribution**"), (ii) pay Transaction Expenses and (iii) fund cash to the Borrower's balance sheet and for other general corporate purposes;

WHEREAS, the Lenders are willing to make available to the Borrower the term loan facility described herein upon the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained herein, the parties hereto hereby agree as follows:

SECTION 1
Definitions

1.1 *Defined Terms*. As used herein, the following terms shall have the meanings specified in this Section 1.1 unless the context otherwise requires (it being understood that defined terms in this Agreement shall include in the singular number the plural and in the plural the singular):

"**ABL Administrative Agent**" shall have the meaning assigned to the term "Administrative Agent" (or similar term) in the ABL Credit Agreement.

"**ABL Collateral Agent**" shall have the meaning assigned to the term "Collateral Agent" (or similar term) in the ABL Credit Agreement.

"**ABL Commitments**" shall have the meaning assigned to the term "Commitments" (or similar term) in the ABL Credit Agreement.

"**ABL Credit Agreement**" shall mean that certain Revolving Credit Agreement, dated as of February 12, 2014 among BDF Intermediate, LLC, a Delaware limited liability company, BDF Acquisition Corp., a Delaware corporation, the Subsidiary Borrowers (as defined therein) party thereto, the lending institutions from time to time party thereto, and Royal Bank of Canada, as ABL Administrative Agent and ABL Collateral Agent (as amended by that certain Amendment No. 1 to Revolving Credit Agreement, dated as of June 17, 2016, Amendment No. 2 to Revolving Credit Agreement, dated as of June 18, 2018, Joinder Agreement and Amendment No. 3 to Revolving Credit Agreement, dated as of September 18, 2019, Joinder Agreement and Amendment No. 4 to Revolving Credit Agreement, dated as of May 12, 2021, Amendment No. 5 to Revolving Credit Agreement, dated as of July 5, 2022, Amendment No. 6 to Revolving Credit Agreement, dated as of August 24, 2022, Amendment No. 7 to Revolving Credit Agreement, dated as of June 2, 2023, Amendment No. 8 to

Revolving Credit Agreement, dated as of July 1, 2024, Amendment No. 9 to Revolving Credit Agreement, dated as of the Closing Date, and as such agreement may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time or refunded, refinanced, restructured, renewed, replaced, repaid, increased, extended or otherwise modified from time to time (whether in whole or in part, whether with the original agents and lenders or new agents and lenders or otherwise (including any combination thereof), and whether provided under the original credit agreement or one or more additional credit agreements, indentures, financing agreements or otherwise, including any agreement extending the maturity thereof, otherwise restructuring all or any portion of the Indebtedness thereunder, increasing the amount loaned or issued thereunder, altering the maturity thereof or providing for revolving credit loans, term loans, letters of credit or other Indebtedness), in each case as and to the extent permitted by this Agreement and the ABL Intercreditor Agreement, unless such agreement, instrument or document expressly provides that it is not intended to be and is not an ABL Credit Agreement.).

"**ABL Credit Documents**" shall mean the ABL Credit Agreement and the Credit Documents (or similar term) (as defined in the ABL Credit Agreement).

"**ABL Facility**" shall mean the asset-based revolving credit facility pursuant to the ABL Credit Documents (as refunded, refinanced, restructured, renewed, replaced, repaid, increased, extended or otherwise modified from time to time (whether in whole or in part, whether with the original agents and lenders or new agents and lenders or otherwise (including any combination thereof), and whether provided under the original credit agreement or one or more additional credit agreements, indentures, financing agreements or otherwise, including any agreement extending the maturity thereof, otherwise restructuring all or any portion of the Indebtedness thereunder, increasing the amount loaned or issued thereunder, altering the maturity thereof or providing for revolving credit loans, term loans, letters of credit or other Indebtedness), in each case as and to the extent permitted by this Agreement and the ABL Intercreditor Agreement, unless such agreement, instrument or document expressly provides that it is not intended to be and is not an ABL Credit Agreement).

"**ABL Financial Covenant**" shall mean the financial covenant described in Section 10.11 of the ABL Credit Agreement.

"**ABL Intercreditor Agreement**" shall mean that certain ABL Intercreditor Agreement, dated as of the Closing Date, by and among the Administrative Agent, the Collateral Agent, the ABL Administrative Agent, the ABL Collateral Agent and the Credit Parties, substantially in the form of Exhibit A-3, (ii) an intercreditor agreement substantially in the form of Exhibit A-3, duly completed pursuant to the terms thereof with such additional changes as may be reasonably acceptable to the Administrative Agent and the Borrower or (iii) a customary intercreditor agreement in form and substance reasonably acceptable to the Administrative Agent and the Borrower, which agreement, in each case of clauses (ii) and (iii), shall provide that the Obligations shall be secured by the ABL Priority Collateral on a junior basis and by the Term Priority Collateral on a senior basis, in each case, with respect to such other Indebtedness subject to such intercreditor agreement.

"**ABL Loans**" shall have the meaning provided to the term "Loans" (or similar term) in the ABL Credit Agreement.

"**ABL Priority Collateral**" shall have the meaning provided to the term "ABL Priority Collateral" in the ABL Intercreditor Agreement.

"**ABR**" shall mean, for any day, a fluctuating rate per annum equal to the highest of (a) the Federal Funds Effective Rate in effect for such day plus 0.50%, (b) the Prime Rate in effect on such day and (c) the Adjusted Term SOFR applicable to a Borrowing of Term SOFR Loans for a one-month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1.00%. Any change in such rate due to a change in the Prime Rate, the Federal Funds Effective Rate or Adjusted Term SOFR applicable to a Borrowing of Term SOFR Loans 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 applicable to a Borrowing of Term SOFR Loans denominated in Dollars, as the case may be. If ABR shall be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of this Agreement.

"**ABR Loan**" shall mean each Loan bearing interest based on the ABR.

"**Acquired Indebtedness**" shall mean, with respect to any specified Person, (i) Indebtedness of any other Person existing at the time such other Person is merged, consolidated, or amalgamated with or into or became a Restricted Subsidiary of such specified Person, including Indebtedness incurred in connection with, or in contemplation of, such other Person merging, consolidating, or amalgamating with or into or becoming a Restricted Subsidiary of such specified Person, and (ii) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"**Additional Borrower**" shall mean any Wholly-Owned Restricted Subsidiary of the Borrower incorporated under the laws of a Qualified Jurisdiction that becomes an additional co-borrower (together with one or more other borrowers) and/or a sole borrower of one or more Credit Facilities under this Agreement after the Closing Date pursuant to Section 2.17.

"**Additional Lender**" shall mean any Person (other than a natural Person) that is not an existing Lender and that has agreed to provide Refinancing Term Loan Commitments pursuant to Section 2.14(h) (including any Affiliated Lender).

"**Adjusted Term SOFR**" shall mean, for purposes of any calculation, the rate per annum equal to Term SOFR for such calculation; *provided* that, in no event shall the Adjusted Term SOFR be less than the applicable Floor.

"**Administrative Agent**" shall mean JPMorgan Chase Bank, N.A., as the administrative agent for the Lenders under this Agreement and the other Credit Documents, or any successor administrative agent pursuant to Section 12.9.

"**Administrative Agent's Office**" shall mean the Administrative Agent's address and, as appropriate, account as set forth on Schedule 13.2, or such other address or account as the Administrative Agent may from time to time notify the Borrower and the Lenders.

"**Administrative Questionnaire**" shall have the meaning provided in Section 13.6(b)(ii)(D).

"**Affected Financial Institution**" shall mean (a) any EEA Financial Institution or (b) any UK Financial Institution.

"**Affiliate**" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with such Person. A Person shall be deemed to control another Person if such Person possesses, directly or indirectly, the power to direct or

cause the direction of the management and policies of such other Person, whether through the ownership of voting securities or by contract.

"**Affiliated Lender**" shall mean a Lender that is the Sponsor or any Affiliate thereof (other than Holdings, the Borrower or any Restricted Subsidiary of the Borrower, or any Bona Fide Debt Fund).

"**Agent Parties**" shall have the meaning provided in Section 13.17(b).

"**Agents**" shall mean the Administrative Agent, the Collateral Agent and the Lead Arrangers.

"**Agreement**" shall mean this Credit Agreement, as amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"**Agreement Currency**" shall have the meaning provided in Section 13.21.

"**AHYDO Payment**" shall mean any mandatory prepayment or redemption pursuant to the terms of any Indebtedness in an amount that is intended or designed to cause such Indebtedness not to be treated as an "applicable high yield discount obligation" within the meaning of Code Section 163(i).

"**Alternative Currency**" shall mean currencies (other than Dollars) mutually agreed by the Borrower and the Lenders providing such Loans or Commitments in the applicable Credit Document, to the extent such currency is administratively feasible for the Administrative Agent.

"**Annual Cumulative Excess Asset Sale Proceeds**" shall have the meaning provided in the definition of "Asset Sale Prepayment Event".

"**Annual Cumulative Excess Casualty Proceeds**" shall have the meaning provided in the definition of "Casualty Prepayment Event".

"**Applicable Margin**" shall mean a percentage per annum equal to, for the Initial Term Loans (i) for Term SOFR Loans, 4.00% and (ii) for ABR Loans, 3.00%.

Notwithstanding the foregoing, (a) the Applicable Margin in respect of any Class of Extended Term Loans shall be the applicable percentages per annum set forth in the relevant Extension Amendment, (b) the Applicable Margin in respect of any Class of New Term Loans shall be the applicable percentages per annum set forth in the Incremental Amendment or other documentation establishing such Class of New Term Loans, (c) the Applicable Margin in respect of any Class of Replacement Term Loans shall be the applicable percentages per annum set forth in the relevant amendment agreement, (d) the Applicable Margin in respect of any Class of Refinancing Term Loans shall be the applicable percentages per annum set forth in the relevant Refinancing Amendment and (e) in the case of the Initial Term Loans (or any other Class of Term Loans to which the relevant provisions of Section 2.14 apply), the Applicable Margin shall be increased as, and to the extent, necessary to comply with the provisions of Section 2.14.

"**Applicable Period**" shall have the meaning provided in Section 1.15.

"**Approved Foreign Bank**" shall have the meaning provided in clause (x) of the definition of "Cash Equivalents."

"**Approved Fund**" shall mean any Fund that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender, or (iii) an entity or an Affiliate of an entity that administers, advises or manages a Lender.

"**Asset Sale**" shall mean:

(i) the sale, conveyance, transfer, or other disposition, whether in a single transaction or a series of related transactions, of property or assets (including by way of a Sale Leaseback) of the Borrower or any Restricted Subsidiary, or

(ii) the issuance or sale of Equity Interests of any Restricted Subsidiary (other than preferred Capital Stock of Restricted Subsidiaries issued in compliance with Section 10.1), whether in a single transaction or a series of related transactions (the transactions described in clause (i) or (ii) above, each, a "**disposition**"),

in each case under the foregoing clauses (i) and (ii), other than:

(a) (x) any disposition of (I) Cash Equivalents or Investment Grade Securities, (II) obsolete, negligible, uneconomical, worn out or surplus property or (III) other property (including any leasehold property interest) that is no longer (A) economically practical in its business, (B) commercially desirable to maintain or (C) used or useful in its business, (y) any disposition in the ordinary course of business of goods, inventory, or other assets and (z) any disposition of immaterial assets;

(b) (i) the incurrence of Liens that are permitted to be incurred pursuant to Section 10.2, (ii) any disposition that is permitted by Section 10.3 or (iii) any disposition that would constitute the making of (x) any Restricted Payment that is permitted to be made, and is made, pursuant to Section 10.5 or (y) any Permitted Investment;

(c) (i) any disposition in any transaction or series of related transactions with an aggregate Fair Market Value not in excess of the greater of (x) $24,000,000 and (y) 10% of the LTM Consolidated EBITDA at the time of such disposition and (ii) any other dispositions, in an aggregate Fair Market Value for all such dispositions not in excess of the greater of (x) $120,000,000 and (y) 50% of the LTM Consolidated EBITDA based on the Fair Market Value of any such disposition at the time of such disposition;

(d) any disposition (1) by a Restricted Subsidiary to the Borrower or (2) by the Borrower or a Restricted Subsidiary to a Restricted Subsidiary;

(e) to the extent allowable under Section 1031 of the Code, or any comparable or successor provision, any exchange of like property (excluding any boot thereon) for use in a Similar Business;

(f) any disposition of Equity Interests in, or Indebtedness, or other securities of, an Unrestricted Subsidiary;

(g) foreclosures, condemnation, expropriation or any similar action on assets or other dispositions required by a Governmental Authority or casualty or insured damage to assets (including, for the avoidance of doubt, any Casualty Prepayment Event);

(h) any disposition or discount of (i) Receivables Assets in connection with any Receivables Facility and (ii) Securitization Assets in connection with any Qualified Securitization Financing;

(i) any Permitted Sale Leaseback;

(j) the Borrower and any Restricted Subsidiary may: (i) terminate or otherwise collapse its cost sharing agreements with the Borrower or any Subsidiary and settle any crossing payments in connection therewith; (ii) convert any intercompany Indebtedness to Equity Interests or any Equity Interests to intercompany Indebtedness; (iii) transfer any intercompany Indebtedness to the Borrower or any Restricted Subsidiary; (iv) settle, discount, write off, forgive or cancel any intercompany Indebtedness or other obligation owing by the Borrower or any Restricted Subsidiary; (v) settle, discount, write off, forgive or cancel any Indebtedness owing by any present or former consultants, managers, directors, officers or employees of the Borrower, any direct or indirect parent thereof, or any Subsidiary thereof or any of their successors or assigns; or (vi) surrender or waive contractual rights and settle, release, surrender or waive contractual or litigation claims (or other disposition of assets in connection therewith);

(k) the disposition or discount of inventory, accounts receivable, or notes receivable in the ordinary course of business or the conversion of accounts receivable to notes receivable;

(l) (i) the sale, assignment, transfer, licensing, sub-licensing of, grant of other rights under, or other disposition of Intellectual Property or other general intangibles (1) in the ordinary course of business, (2) which do not materially interfere with the ordinary conduct of the business of the Borrower and the Restricted Subsidiaries taken as a whole, or (3) pursuant to any Intercompany License Agreement, or (ii) the statutory expiration of any Intellectual Property;

(m) the settlement or unwinding of any Hedging Obligations or obligations in respect of Cash Management Services;

(n) any sale, transfer or other disposition of Investments in any joint venture, or any sale, transfer or disposition to any joint ventures, in each case, to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(o) the lapse or abandonment of Intellectual Property rights (1) in the ordinary course of business or (2) which are not commercially desirable or economically practical to maintain and not material to the conduct of the business of the Borrower and the Restricted Subsidiaries taken as a whole;

(p) the issuance of directors' qualifying shares and shares issued to non-US nationals as required by applicable law;

(q) any disposition of property to the extent that (1) such property is exchanged for credit against the purchase price of similar replacement property (excluding any boot thereon) that is purchased within 270 days thereof or (2) the proceeds of such disposition are promptly applied to the purchase price of such replacement property (which replacement property is actually purchased within 270 days thereof);

(r) (i) leases, assignments, transfer, subleases, licenses, sublicenses, covenants not to sue, releases, consents and other forms of license and rights granted (and terminations thereof), in each

case, in the ordinary course of business and which do not materially interfere with the business of the Borrower and the Restricted Subsidiaries, taken as a whole and (ii) Intercompany License Agreements;

(s) (1) any disposition of non-core assets acquired in connection with the Transactions, any Permitted Acquisition or any other Investment permitted hereunder or (2) any disposition required to obtain anti-trust approval of a Permitted Acquisition or other Investment permitted hereunder;

(t) any disposition of assets that do not constitute Collateral;

(u) any disposition of any assets that are set forth on Schedule 1.1(c);

(v) any sale, transfer and other disposition of accounts receivable (including write-offs, discounts and compromises) in connection with the compromise, settlement or collection thereof;

(w) any swap of assets in exchange for services or other assets in the ordinary course of business of comparable or greater Fair Market Value or usefulness to the business of the Borrower and the Restricted Subsidiaries, taken as a whole, as determined in good faith by the Borrower;

(x) any disposition in connection with a Permitted Reorganization or a Permitted IPO Reorganization;

(y) any disposition in connection with any cash pooling arrangement in the ordinary course of business;

(z) samples provided to customers or prospective customers or *de minimis* amounts of equipment provided to employees;

(aa) any issuance or sale of additional Equity Interests by a Restricted Subsidiary that is a Non-Wholly Owned Subsidiary to a Person other than the Borrower or other Restricted Subsidiary so long as (i) such issuance or sale is made to existing holders of such Equity Interest on a pro rata basis such that after giving effect thereto, the Borrower's or another Restricted Subsidiary's percentage of ownership in such Restricted Subsidiary shall not decrease and (ii) any Investments made by the Borrower or other Restricted Subsidiary in such Restricted Subsidiary shall be permitted under Section 10.5 (including any Permitted Investment);

(bb) (i) bulk sales or other dispositions of inventory of the Borrower or a Restricted Subsidiary not in the ordinary course of business in connection with Store closings, at arm's length and (ii) sales or other dispositions by the Borrower or any Restricted Subsidiary of assets in connection with the closing or sale of a Store in the ordinary course of business of the Borrower and its Restricted Subsidiaries which consist of leasehold interests in the premises of such Store, the equipment and fixtures located at such premises and the books and records relating directly to the operations of such Store; provided that as to each and all such sales and closings, each such sale shall be on commercially reasonable prices and terms in a bona fide arm's length transaction; and

(cc) licenses for the conduct of licensed departments within Stores of the Borrower or any Restricted Subsidiary in the ordinary course of business.

"**Asset Sale Prepayment Event**" shall mean any Asset Sale made pursuant to the provisions of Section 10.4 outside the ordinary course of business or any Sale Leaseback incurred in reliance on clause

(i) of the definition of "Asset Sale", in each case, constituting Term Priority Collateral and generating Net Cash Proceeds in a single transaction or series of related transactions in excess of the Asset Sale/Casualty Individual De Minimis Amount; *provided* that with respect to any such Asset Sale Prepayment Event, the Borrower shall not be obligated to make any prepayment otherwise required by Section 5.2 unless and until the aggregate amount of the excess of the Net Cash Proceeds from each such Asset Sale Prepayment Event (after deducting the Asset Sale/Casualty Individual De Minimis Amount in each case) in any fiscal year of the Borrower (such aggregate excess amount, the "**Annual Cumulative Excess Asset Sale Proceeds**"), together with the Annual Cumulative Excess Casualty Proceeds at such time for such fiscal year, exceeds the Asset Sale/Casualty Annual De Minimis Amount, determined at the time of such Asset Sale Prepayment Event, at which time the sum of the Annual Cumulative Excess Asset Sale Proceeds and the Annual Cumulative Excess Casualty Proceeds in excess of the Asset Sale/Casualty Annual De Minimis Amount shall be applied in accordance with Section 5.2.

"**Asset Sale/Casualty Annual De Minimis Amount**" shall mean an amount equal to the greater of $72,000,000 and 30% of LTM Consolidated EBITDA.

"**Asset Sale/Casualty Individual De Minimis Amount**" shall mean an amount equal to the greater of $36,000,000 and 15% of LTM Consolidated EBITDA.

"**Assignment and Acceptance**" shall mean (i) an assignment and acceptance entered into by a Lender and an assignee that is not an Affiliated Lender (with the consent of any party whose consent is required by Section 13.6), in the form of Exhibit B-1 or any other form approved by the Administrative Agent and the Borrower, (ii) an assignment and acceptance entered into by a Lender and an assignee that is an Affiliated Lender (with the consent of any party whose consent is required by Section 13.6), in the form of Exhibit B-2 or any other form approved by the Administrative Agent and the Borrower and (iii) in the case of any assignment of Term Loans in connection with a Permitted Debt Exchange conducted in accordance with Section 2.15, such form of assignment (if any) as may be agreed by the Administrative Agent and the Borrower in accordance with Section 2.15(a).

"**Assignment/Participation Limitations**" shall mean (i) no Person and its Affiliates (*provided* that for purposes of this definition, Affiliates shall not include Persons that are subject to customary procedures to prevent the sharing of confidential information between such Lender and such Person and such Person is managed having independent fiduciary duties to the investors or other equity holders of such Person) shall, collectively, beneficially or on the record own, directly or indirectly, through assignment, participation, swap or other instruments, (x) more than 10% of the economic or voting interests in respect of all Term Loans at the time of acquisition unless such Person has delivered a written notice to the Borrower identifying such Person and its Affiliates and (y) more than 20% of such economic or voting interests in respect of all Term Loans at the time of acquisition unless such Person has received prior written consent from the Borrower and (ii) the limitation set forth in clause (i) above shall be included in any assignment (including the Assignment and Acceptance), participation, swap or other transaction documents in respect of all Term Loans and the Borrower shall be deemed a third party beneficiary thereof.

"**Auction Agent**" shall mean (i) the Administrative Agent or (ii) any other financial institution or advisor employed by the Borrower or any Subsidiary thereof (whether or not an Affiliate of the Administrative Agent) to act as an arranger in connection with any Permitted Debt Exchange pursuant to Section 2.15 or Dutch auction pursuant to Section 13.6(h); *provided* that the Borrower shall not designate the Administrative Agent as the Auction Agent without the written consent of the Administrative Agent

(it being understood that the Administrative Agent shall be under no obligation to agree to act as the Auction Agent).

"**Australian Dollars**" shall mean the lawful currency of Australia.

"**Authorized Officer**" shall mean, with respect to any Person, any individual holding the position of chairman of the board (if an officer of such Person), the Chief Executive Officer, the President, the Chief Financial Officer, the Treasurer, the Assistant Treasurer, the Controller, the General Counsel, a Senior Vice President, an Executive Vice President, a Vice President or other similar officer or agent with express authority to act on behalf of such Person and, as to any document delivered on the Closing Date, any secretary or assistant secretary of a Credit Party.

"**Available Additional Basket**" shall have the meaning provided in Section 10.5(a).

"**Available Additional Debt Basket**" shall have the meaning provided in Section 10.1(ii)(x).

"**Available Amount Growing Prong**" shall have the meaning provided in Section 10.5(a)(4)(A).

"**Available RP Capacity Basket**" shall mean, at any time of determination, the sum of the amount of Restricted Payments that may be made at such time pursuant to the Available Additional Basket, the General Restricted Payments Basket and Sections 10.5(b)(4), (9), (10) and (14). The Borrower may elect to allocate or reallocate from time to time the Available RP Capacity Basket Usage to each Basket set forth above, so long as after giving effect to such allocation or reallocation, the availability under each such Basket shall not then be less than zero.

"**Available RP Capacity Basket Usage**" shall mean, at any time of determination, the sum of (i) the amount of outstanding Indebtedness incurred pursuant to Section 10.1(ii)(z) and (ii) the amount of prepayments, redemptions, defeasances, repurchases or other acquisitions or retirements for value of Subordinated Indebtedness pursuant to Section 10.5(b)(19)(y)(2) and (iii) the aggregate outstanding amount of Investments made pursuant to clause (xxvii) of the definition of "Permitted Investments", in each case immediately prior to the time of such determination.

"**Available Tenor**" shall mean, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an Interest Period or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, pursuant to this Agreement as of such date.

"**Bail-In Action**" shall mean the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

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

"**Bain**" shall mean Bain Capital Private Equity, LP.

"**Bank Product Agreement**" shall mean any agreement or arrangement to provide Bank Products described in the definition thereof.

"**Bank Product Provider**" shall mean (i) any Person that, at the time it enters into a Bank Product Agreement, is an Agent or a Lender or an Affiliate or branch of an Agent or a Lender, (ii) with respect to any Bank Product Agreement entered into prior to the Closing Date, any Person that is an Agent or a Lender or an Affiliate or branch of an Agent or a Lender on the Closing Date or (iii) any other Person from time to time designated in writing by the Borrower to the Administrative Agent; *provided* that, if such Person is not an Agent or a Lender, such Person executes and delivers to the Administrative Agent and the Borrower a letter agreement in form reasonably acceptable to the Administrative Agent and the Borrower pursuant to which such Person (a) appoints the Administrative Agent as its agent under the applicable Credit Documents and (b) agrees to be bound by the provisions of Sections 11, 12, 13, 15 and 26 of the Pledge Agreement and Sections 5.4, 5.5, 5.7, 6.5, 7 and 8.1 of the Security Agreement, in each case, as if it were a Lender.

"**Bank Products**" shall mean, collectively, any services or facilities (other than Cash Management Services or any Borrowing under this Agreement) on account of (i) credit and debit cards, including "commercial credit cards" and (ii) purchase cards, stored value cards and other card payment products.

"**Bankruptcy Code**" shall mean, Title 11 of the United States Code entitled "Bankruptcy", as may be amended and any successor replacement statute.

"**Bankruptcy Law**" shall mean the Bankruptcy Code, or any other US or other foreign law relating to bankruptcy, judicial management, insolvency, liquidation, receivership, winding-up, dissolution, reorganization, administration or relief of debtors in effect in its jurisdiction of organization or incorporation, in each case as now or hereafter in effect, or any successor thereto.

"**Base Rate Term SOFR Determination Day**" shall have the meaning provided in the definition of "Term SOFR".

"**Basket**" shall mean any "basket", amount, threshold, exception, condition or value (including by reference to the First Lien Net Leverage Ratio, the Secured Net Leverage Ratio, the Total Net Leverage Ratio, the Interest Coverage Ratio, LTM Consolidated EBITDA or Consolidated Total Assets) permitted or prescribed with respect to any Lien, Indebtedness, disposition or other sale of property or assets, Investment, Restricted Payment, prepayment or redemption of Indebtedness, Affiliate transaction or any other transaction or action under any provision in this Agreement or any other Credit Document.

"**Benchmark**" shall mean, initially, the Term SOFR Reference Rate; *provided* that if a Benchmark Transition Event or an Early Opt-in Election, as applicable, 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 2.10(d).

"**Benchmark Replacement**" shall mean, with respect to any Benchmark Transition Event or an Early Opt-in Election, as applicable, 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 in no event shall the Benchmark Replacement be less than the Floor.

"**Benchmark Replacement Adjustment**" shall mean, 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.

"**Benchmark Replacement Date**" shall mean the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event", the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(2) in the case of clause (3) of the definition of "Benchmark Transition Event", the first date on which all Available Tenors of such Benchmark (or the published component used in the calculation thereof) have 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 (3) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date; or

(3) in the case of an Early Opt-in Election, the date jointly elected by the Administrative Agent and the Borrower and specified by the Administrative Agent by notice to the Borrower and Lenders.

For the avoidance of doubt, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"**Benchmark Transition Event**" shall mean the occurrence of one or more of the following events with respect to the then-current Benchmark:

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

(2) a public statement or publication of information by or on behalf of the administrator of the then current Benchmark (or the published component used in the calculation thereof), the regulatory supervisor for the administrator of such Benchmark (or such component), the Board of Governors of the Federal Reserve System, 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

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) 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 Unavailability Period**" shall mean 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 Credit Document in accordance with Section 2.10 and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Credit Document in accordance with Section 2.10.

"**Beneficial Ownership Certification**" shall mean a certification regarding beneficial ownership as contemplated by the Beneficial Ownership Regulation.

"**Beneficial Ownership Regulation**" shall mean 31 C.F.R. § 1010.230.

"**Benefit Plan**" shall mean 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".

"**Benefited Lender**" shall have the meaning provided in Section 13.8(a).

"**BHC Act Affiliate**" shall have the meaning provided in Section 13.23(b).

"**Board**" shall mean the Board of Governors of the Federal Reserve System of the United States (or any successor).

"**Bona Fide Debt Fund**" shall mean any debt fund or other Person that is engaged in, or advises funds or other investment vehicles that are engaged in, making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course and whose managers have fiduciary duties to the third-party investors in such fund or investment vehicle independent

of their duties to Holdings or Bain; *provided* that in no event shall (x) any natural Person or (y) Holdings, the Borrower or any Subsidiary thereof be a "Bona Fide Debt Fund."

"**Borrower**" shall have the meaning provided in the preamble to this Agreement; *provided* that, as the context requires, the term "Borrower" shall include any Additional Borrower.

"**Borrower Materials**" shall have the meaning provided in Section 13.17(b).

"**Borrowing**" shall mean Loans of the same Class and Type, made, converted, or continued on the same date and, in the case of Term SOFR Loans, as to which a single Interest Period is in effect.

"**Broker-Dealer Subsidiary**" shall mean any Subsidiary that is registered as a broker-dealer under the Exchange Act or any other applicable law requiring similar registration.

"**Business Day**" shall mean any day excluding Saturday, Sunday, and any other day on which banking institutions in New York City are authorized by law or other governmental actions to close, and, if such day relates to any interest rate settings as to a Term SOFR Loan, any fundings, disbursements, settlements, and payments in respect of any such Term SOFR Loan, or any other dealings to be carried out pursuant to this Agreement in respect of any such Term SOFR Loan, such day shall be a day which is a US Government Securities Business Day.

"**Canadian Dollars**" shall mean the lawful currency of Canada.

"**Capital Expenditures**" shall mean, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities and including in all events all amounts expended or capitalized under Finance Leases) by the Borrower and the Restricted Subsidiaries during such period that, in conformity with GAAP, are or are required to be included as additions during such period to property, plant, or equipment reflected in the consolidated balance sheet of the Borrower and the Restricted Subsidiaries (including capital expenditures relating to license and Intellectual Property payments, customer acquisition costs and incentive payments, conversion costs, and contract acquisition costs).

"**Capital Stock**" shall mean (i) in the case of a corporation, corporate stock, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights, or other equivalents (however designated) of corporate stock, (iii) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited), and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person (it being understood and agreed, for the avoidance of doubt, that "cash-settled phantom appreciation programs" in connection with employee benefits that do not require a dividend or distribution shall not constitute Capital Stock).

"**Capitalized Software Expenditures**" shall mean, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities) by a Person and its Restricted Subsidiaries during such period in respect of purchased software or internally developed software and software enhancements that, in conformity with GAAP, are or are required to be reflected as capitalized costs on the consolidated balance sheet of a Person and its Restricted Subsidiaries.

"**Captive Insurance Subsidiary**" shall mean a Subsidiary of the Borrower established for the purpose of, and to be engaged solely in the business of, insuring the businesses or facilities owned or operated by the Borrower or any of its Subsidiaries or joint ventures or to insure related or unrelated businesses and conducting any activities or business incidental thereto (it being understood and agreed

that activities which are relevant or appropriate to qualify as an insurance company for US federal or state tax purposes or other national, regional or local tax purposes shall be considered "activities or business incidental thereto").

"**Cash Equivalents**" shall mean:

(i) Dollars,

(ii) (a) Euros, Pounds Sterling, Canadian Dollars, Australian Dollars or any national currency of any Participating Member State in the European Union or (b) local currencies held from time to time in the ordinary course of business,

(iii) securities issued or directly and fully and unconditionally guaranteed or insured by the United States government, Canada, the United Kingdom or any country that is a member state of the European Union or any agency or instrumentality thereof the securities of which are unconditionally guaranteed as a full faith and credit obligation of such government with maturities of 24 months or less from the date of acquisition,

(iv) certificates of deposit, time deposits, and eurodollar time deposits with maturities of one year or less from the date of acquisition, demand deposits, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case with any commercial bank having capital and surplus of not less than $250,000,000 in the case of US banks and $100,000,000 (or the equivalent thereof as of the date of determination) in the case of non-US banks,

(v) repurchase obligations for underlying securities of the types described in clauses (iii) and (iv) above and clause (ix) below entered into with any financial institution meeting the qualifications specified in clause (iv) above,

(vi) commercial paper rated at least P-2 (or the equivalent thereof) by Moody's or at least A-2 (or the equivalent thereof) by S&P and in each case maturing within 24 months after the date of creation thereof,

(vii) marketable short-term money market and similar securities having a rating of at least P-2 or A-2 (or, in either case, the equivalent thereof) from either Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another nationally recognized ratings agency) and in each case maturing within 24 months after the date of creation or acquisition thereof,

(viii) readily marketable direct obligations issued by any state, commonwealth, or territory of the United States, Canada, the United Kingdom, the European Union or any political subdivision or taxing authority of the foregoing having one of the two highest rating categories obtainable from either Moody's or S&P with maturities of 24 months or less from the date of acquisition,

(ix) Indebtedness or preferred Capital Stock issued by Persons with a rating of "A" (or the equivalent thereof) or higher from S&P or "A2" (or the equivalent thereof) or higher from Moody's with maturities of 24 months or less from the date of acquisition,

(x) solely with respect to any Foreign Subsidiary: (a) obligations of the national government of the country in which such Foreign Subsidiary maintains its chief executive office and principal place of business provided such country is a member of the Organization for Economic Cooperation and

Development, in each case maturing within one year after the date of investment therein, (b) certificates of deposit of, bankers acceptances of, or time deposits with, any commercial bank which is organized and existing under the laws of the country in which such Foreign Subsidiary maintains its chief executive office and principal place of business provided such country is a member of the Organization for Economic Cooperation and Development, and whose short-term commercial paper rating from S&P is at least "A-2" or the equivalent thereof or from Moody's is at least "P-2" or the equivalent thereof (any such bank being an "**Approved Foreign Bank**"), and in each case with maturities of not more than 24 months from the date of acquisition, and (c) the equivalent of demand deposit accounts which are maintained with an Approved Foreign Bank, in each case, customarily used by entities for cash management purposes in any jurisdiction outside the United States to the extent reasonably required in connection with any business conducted by such Foreign Subsidiary organized in such jurisdiction,

(xi) in the case of investments by any Foreign Subsidiary or investments made in a country outside the United States, Cash Equivalents shall also include investments of the type and maturity described in clauses (i) through (ix) above of non-US obligors, which investments have ratings described in such clauses or equivalent ratings from comparable non-US rating agencies,

(xii) credit card receivables and debit card receivables so long as the same are payable by a financial institution and are considered "cash equivalents" in accordance with GAAP and are so reflected on the Borrower's balance sheet, and

(xiii) investment funds investing all or substantially all of their assets in securities of the types described in clauses (i) through (xi) above.

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than those set forth in clauses (i) and (ii) above; *provided* that such amounts are converted into any currency listed in clauses (i) and (ii) as promptly as practicable and in any event within fifteen (15) Business Days following the receipt of such amounts.

"**Cash Management Agreement**" shall mean any agreement or arrangement to provide Cash Management Services.

"**Cash Management Bank**" shall mean (i) any Person that, at the time it enters into a Cash Management Agreement, is an Agent or a Lender or an Affiliate or branch of an Agent or a Lender, (ii) with respect to any Cash Management Agreement entered into prior to the Closing Date, any Person that is an Agent or a Lender or an Affiliate or branch of an Agent or a Lender on the Closing Date or (iii) any other Person from time to time designated by the Borrower in writing to the Administrative Agent; *provided* that, if such Person is not an Agent or a Lender, such Person executes and delivers to the Administrative Agent and the Borrower a letter agreement in form and substance reasonably acceptable to the Administrative Agent and the Borrower pursuant to which such Person (a) appoints the Administrative Agent as its agent under the applicable Credit Documents and (b) agrees to be bound by the provisions of Sections 11, 12, 13, 15 and 26 of the Pledge Agreement and Sections 5.4, 5.5, 5.7, 6.5, 7 and 8.1 of the Security Agreement, in each case, as if it were a Lender.

"**Cash Management Services**" shall mean any one or more of the following types of services or facilities: (a) ACH transactions, (b) treasury and/or cash management services, including controlled disbursement services, depository, overdraft and electronic funds transfer services, (c) non-US exchange facilities, (d) deposit and other accounts, (e) merchant services (other than those constituting a line of

credit) and (f) supply chain finance services. For the avoidance of doubt, Cash Management Services do not include Hedging Obligations.

"**Casualty Prepayment Event**" shall mean, with respect to any property constituting Term Priority Collateral of any Person, any loss of or damage to, or any condemnation or other taking by a Governmental Authority of, such property for which such Person or any of its Restricted Subsidiaries receives insurance proceeds or proceeds of a condemnation award in respect of any equipment or other fixed assets (including any improvements thereon) generating in one loss event or related events Net Cash Proceeds in excess of the Asset Sale/Casualty Individual De Minimis Amount; *provided* that, with respect to any such Casualty Prepayment Event, the Borrower shall not be obligated to make any prepayment otherwise required by Section 5.2 unless and until the aggregate amount of the excess of the Net Cash Proceeds from each such Casualty Prepayment Event (in each case after deducting the Asset Sale/Casualty Individual De Minimis Amount) in any fiscal year of the Borrower (such aggregate excess amount, the "**Annual Cumulative Excess Casualty Proceeds**"), together with the Annual Cumulative Excess Asset Sale Proceeds at such time for such fiscal year, exceeds the Asset Sale/Casualty Annual De Minimis Amount, determined at the time of such Casualty Prepayment Event, at which time the sum of the Annual Cumulative Excess Asset Sale Proceeds and the Annual Cumulative Excess Casualty Proceeds in excess of the Asset Sale/Casualty Annual De Minimis Amount shall be applied in accordance with Section 5.2.

"**CFC**" shall mean a Subsidiary of the Borrower that is a "controlled foreign corporation" within the meaning of Section 957 of the Code.

"**CFC Holding Company**" shall mean a Domestic Subsidiary of the Borrower that has no material assets (as determined by the Borrower in good faith) other than (i) the equity interests (including, for this purpose, any debt or other instrument treated as equity for US federal income tax purposes) in one or more (x) Foreign Subsidiaries that are CFCs or (y) other CFC Holding Companies, (ii) debt issued by one or more (x) Foreign Subsidiaries that are CFCs or (y) other CFC Holding Companies and (iii) cash and Cash Equivalents and other assets being held on a temporary basis incidental to the holding of assets described in clauses (i) and (ii) of this definition; *provided* that, for the avoidance of doubt, a Subsidiary that would otherwise qualify as a CFC Holding Company will not fail to so qualify due to the temporary receipt of cash payments in respect of equity interests or debt in a CFC or other CFC Holding Company so long as such Subsidiary promptly distributes such cash.

"**Change in Law**" shall mean (i) the adoption of any law, treaty, order, policy, rule, or regulation after the Closing Date, (ii) any change in any law, treaty, order, policy, rule, or regulation or in the interpretation or application thereof by any Governmental Authority after the Closing Date or (iii) compliance by any Lender with any guideline, request, directive, or order issued or made after the Closing Date by any central bank or other Governmental Authority or quasi-Governmental Authority (whether or not having the force of law), including, for avoidance of doubt, any such adoption, change or compliance in respect of (a) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines, or directives thereunder or issued in connection therewith and (b) all requests, rules, guidelines, requirements, or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority), or the United States or non-US regulatory authorities pursuant to Basel III, in each case solely to the extent adopted, issued, promulgated or implemented after the Closing Date and otherwise satisfying the requirements of clauses (i), (ii) or (iii) above.

"**Change of Control**" shall mean and be deemed to have occurred if, at any time after the Closing Date,

(a) at any time:

(i) prior to the consummation of a Qualifying IPO, the Permitted Holders shall at any time not own, in the aggregate, directly or indirectly, beneficially, at least 50% of the aggregate voting power of the outstanding Voting Stock of the Borrower, or

(ii) upon and after the consummation of a Qualifying IPO, (1) any Person (other than a Permitted Holder) or (2) Persons (other than one or more Permitted Holders) constituting a "group" (as such term is used in Section 13(d) and Section 14(d) of the Exchange Act), but excluding any employee benefit plan of such Person or "group" and any Person acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan, becomes the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of Voting Stock representing more than 50% of the aggregate voting power of the outstanding Voting Stock of the Borrower, unless, in the case of clause (a)(i) or this clause (a)(ii) of this definition of "Change of Control", the Permitted Holders have, at such time, directly or indirectly, the right or the ability by voting power, contract, or otherwise to elect or designate for election at least a majority of the board of directors (or analogous governing body) of the Borrower; or

(b) at any time prior to the consummation of a Qualifying IPO, Holdings shall cease to beneficially directly own 100% of the issued and outstanding Capital Stock of the Borrower;

provided that (x) for purposes of this definition the phrase "Person" or "group" shall exclude any employee benefit plan of such "Person" or "group" and its subsidiaries and any Person acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan and (y) notwithstanding anything to the contrary in this definition or any provision of the Exchange Act, (A) if any group includes one or more Permitted Holders, the issued and outstanding Capital Stock of the Borrower directly or indirectly owned by Permitted Holders that are part of such group shall not be treated as being beneficially owned by such group or any other member of such group for purposes of this definition, (B) a Person or group shall be deemed not to beneficially own securities subject to an equity or asset purchase agreement, merger agreement, option agreement, warrant agreement or similar agreement (or voting or option or similar agreement related thereto) until the consummation of the acquisition of the securities in connection with the transactions contemplated by such agreement, (C) a Person or group will be deemed not to beneficially own the Capital Stock of another Person as a result of its ownership of Capital Stock or other securities of such other Person's parent (or related contractual rights) unless it owns 50% or more of the Voting Stock of such Person's parent (*provided* that this clause (C) shall not apply to any Permitted Holder) and (D) the right to acquire Voting Stock (so long as such Person does not have the right to direct the voting of the Voting Stock subject to such right) or any veto power in connection with the acquisition or disposition of Voting Stock or specified transactions or events will not cause a party to be a beneficial owner of Voting Stock prior to the acquisition of the applicable Voting Stock.

"**Claims**" shall have the meaning provided in the definition of "Environmental Claims."

"**Class**" (i) when used in reference to any Loan or Borrowing, shall refer to whether such Loan, or the Loans comprising such Borrowing, are Term Loans of a given Class, (ii) when used in reference to any Commitments, refers to whether such Commitments are of a given Class and (iii) when used in reference to any Lender, refer to whether such Lender has a Loan or Commitment with respect to a

particular Class of Loans or Commitments. Commitments or Loans that have identical terms and conditions as determined by the Borrower and the Administrative Agent in good faith shall be construed to be in the same Classes regardless of whether or not such Commitments or Loans are incurred at the same time and whether or not they are incurred under the same provisions hereunder; *provided* that, unless otherwise elected by the Borrower, Loans that are not deemed to be "fungible" for US federal tax purposes shall not be deemed to have different terms and conditions except that the Administrative Agent and the Borrower may implement procedures requiring such Loans to retain separate CUSIP numbers and be treated separately for purpose of Section 13.6. Term Loan Commitments and the Term Loans funded thereunder shall constitute different Classes. Term Loans funded under any Term Loan Commitments, once funded, may constitute the same Class as any other Class of then-existing Term Loans hereunder.

"**Closing Date**" shall mean October 31, 2025.

"**Closing Distribution**" shall have the meaning provided in the recitals to this Agreement.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended.

"**Collateral**" shall mean all property and interests in property and proceeds thereof now owned or hereafter acquired, pledged or mortgaged or purported to be pledged or mortgaged pursuant to the Security Documents, excluding in all events Excluded Property.

"**Collateral Agent**" shall mean JPMorgan Chase Bank, N.A., as collateral agent under the Security Documents, or any successor collateral agent pursuant to Section 12.9 and any Affiliate or designee of JPMorgan Chase Bank, N.A. that acts as the Collateral Agent under any Security Document.

"**Commitments**" shall mean, with respect to each Lender (to the extent applicable), such Lender's Initial Term Loan Commitment, New Term Loan Commitment, Replacement Term Loan Commitment, Refinancing Term Loan Commitment, or commitment in respect of Extended Term Loans.

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

"**Communications**" shall have the meaning provided in Section 13.17.

"**Compliance Certificate**" shall mean a certificate of an Authorized Officer of the Borrower delivered pursuant to Section 9.1(d) for the applicable Test Period.

"**Confidential Information**" shall have the meaning provided in Section 13.16.

"**Conforming Changes**" shall mean, with respect to the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "ABR," the definition of "Business Day," the definition of "US 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 breakage provisions and other technical, administrative or operational matters) that the Administrative Agent decides, in consultation with the Borrower, 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,

in consultation with the Borrower, that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides, in consultation with the Borrower, is reasonably necessary in connection with the administration of this Agreement and the other Credit Documents).

"**Connection Income Tax**" shall mean Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"**Consolidated Depreciation and Amortization Expense**" shall mean with respect to any Person for any period, the total amount of depreciation and amortization expense, including the amortization of deferred financing fees or costs, debt issuance costs, commissions, fees, and expenses, Capital Expenditures, Capitalized Software Expenditures or costs, amortization of expenditures relating to software, license and Intellectual Property payments, amortization of any lease related assets recorded in purchase accounting, customer acquisition costs, unrecognized prior service costs and actuarial gains and losses related to pensions and other post-employment benefits, the amortization of original issue discount resulting from the issuance of Indebtedness at less than par and incentive payments, conversion costs, and contract acquisition costs of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP.

"**Consolidated EBITDA**" shall mean, with respect to any Person for any period, the Consolidated Net Income of such Person and its Restricted Subsidiaries for such period:

(i) *increased by* (without duplication):

(a) (1) provision for taxes based on income or profits or capital, including US federal, state, non-US, franchise, excise, property, value added, and similar taxes and non-US withholding taxes of such Person and its Restricted Subsidiaries paid, expected to be paid or accrued during such period, including any penalties and interest related to such taxes or arising from any tax examinations, deducted (and not added back) in computing Consolidated Net Income, (2) an amount equal to the amount of tax distributions actually made to the holders of Capital Stock of such Person in respect of such period in accordance with Section 10.5(b)(15) (which, for purposes of this clause (a), shall be included as though such amounts had been paid as income taxes directly by such Person) and (3) the net tax expense associated with any adjustments made pursuant to the definition of "Consolidated Net Income", to the extent such adjustment is made on an after-tax basis, *plus*

(b) Consolidated Interest Expense of such Person and its Restricted Subsidiaries for such period (including (1) net payments and losses on Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate risk and (2) costs of surety bonds incurred in such period in connection with financing activities), together with items excluded from the definition of "Consolidated Interest Expense" (other than pursuant to clause (o) thereof) and any non-cash interest expense, to the extent the same were deducted (and not added back) in calculating such Consolidated Net Income, *plus*

(c) Consolidated Depreciation and Amortization Expense of such Person and its Restricted Subsidiaries for such period to the extent the same were deducted in computing Consolidated Net Income, *plus*

(d) any non-cash increase in expenses resulting from the revaluation of inventory (including any impact of changes to inventory valuation policy methods including changes in capitalization of variances) or other inventory adjustments, *plus*

(e) any other non-cash charges, expenses or losses, including any non-cash expense relating to the vesting of warrants, non-cash contributions or accruals to or with respect to pension plans, deferred profit sharing or compensation plans, non-cash compensation charges, non-cash translation loss, non-cash asset retirement costs and any write offs, write downs, expenses, losses, or items to the extent the same were deducted (and not added back) in computing Consolidated Net Income (*provided* that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, (1) the Borrower may determine not to add back such non-cash charge in the current period and (2) to the extent the Borrower does decide to add back such non-cash charge, the cash payment in respect thereof in such future period shall be deducted from Consolidated EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period), *plus*

(f) the amount of any minority interest expense consisting of Subsidiary income attributable to minority equity interests of third parties in any Non-Wholly-Owned Subsidiary deducted (and not added back) in such period in calculating Consolidated Net Income, *plus*

(g) the amount of (x) board fees, management, monitoring, consulting, transaction, advisory and other fees (including termination, guaranty and transaction fees) and indemnities, costs and expenses paid or accrued in such period to any of the Permitted Holders or otherwise to any member of the board of directors (or similar body) of Holdings, the Borrower, any Permitted Holder or any Affiliate of a Permitted Holder, in each case, to the extent permitted under Section 9.10 and (y) the amount of any fees and other compensation paid to the members of the board of directors (or similar body) of the Borrower or any of its parent entities, *plus*

(h) losses, charges and expenses related to internal software development that are expensed (and therefore reduce Consolidated Net Income) but could have been capitalized under alternative accounting policies in accordance with GAAP, *plus*

(i) the amount of "run-rate" cost savings, operating expense reductions and synergies (including cost, revenue and product margin synergies) resulting from, or related to, mergers and other business combinations, acquisitions, Investments, dispositions or other sales of assets, discontinuance of activities or operations and other Specified Transactions, restructurings, cost savings initiatives, and operating and other initiatives and improvements (including, for the avoidance of doubt, any such actions or transactions occurring prior to the Closing Date) that are projected by the Borrower in good faith to result from actions either taken, or with respect to which substantial steps have been taken or are expected to be taken, no later than 24 months after the Test Period in which such merger or other business combination, acquisition, Investment, disposition or other sale of assets, discontinuance of activities or operations or other Specified Transaction, restructuring, cost savings initiative, or operating or other initiative or improvement is consummated or occurs, in each case under this clause (i), calculated (1) net of the amount of actual benefits realized prior to, or during, such period from such actions and (2) on a Pro Forma Basis as though such cost savings, operating expense reductions and synergies (including cost, revenue and product margin synergies) had been realized on the first day of such period and for the entirety of such period; *provided* that in the good faith judgment of an Authorized Officer of the Borrower, such cost savings, operating expense reductions and synergies (including cost, revenue and product margin synergies) are reasonably identifiable and factually supportable; *provided further* that it is understood and agreed that "run-rate" means the full recurring benefit for a period that is associated with any action or transactions either taken, or with respect to which substantial steps have been taken or are expected to be taken; *provided*, *further*, that such "run-rate" cost savings, operating expense reductions and synergies (including cost, revenue and product margin synergies) added pursuant to this clause (i) in any Test Period (other than any such adjustments permitted to be made pursuant to clause (w) below of

the definition of "Consolidated EBITDA", which shall not count against this cap), when aggregated with the amount of any increase for such period in Consolidated EBITDA as a result of any "run-rate" cost savings, operating expense reductions and synergies (including cost, revenue and product margin synergies) pursuant to Section 1.12(c) in such Test Period (other than any such adjustments permitted to be made pursuant to clause (w) below of the definition of "Consolidated EBITDA", which shall not count against this cap), shall not exceed an aggregate amount equal to 25% of LTM Consolidated EBITDA (calculated after giving effect to all add-backs and adjustments (including all add-backs and adjustments subject to this cap)), *plus*

(j) the amount of loss or discount on sale of (x) Receivables Assets and related assets in connection with a Receivables Facility and (y) Securitization Assets and related assets in connection with a Qualified Securitization Financing, *plus*

(k) any costs, expenses, or charges incurred by the Borrower or any Restricted Subsidiary pursuant to any management equity plan or equity option plan or any other management or employee benefit plan or agreement or any equity subscription or equityholder agreement, to the extent that such cost or expenses are funded with cash proceeds contributed to the capital of the Borrower or net cash proceeds of an issuance of Equity Interests of the Borrower (or any direct or indirect parent company thereof) (other than Disqualified Stock) solely to the extent that such net cash proceeds are excluded from the calculation set forth in clauses (A) through (H) of Section 10.5(a) and have not been relied on for purposes of any outstanding incurrence of Indebtedness pursuant to the Contribution Debt Basket, *plus*

(l) the amount of costs, charges and expenses relating to payments made to option holders of any direct or indirect parent of the Borrower in connection with, or as a result of, any distribution being made to equityholders of such Person, which payments are being made to compensate such option holders as though they were equityholders at the time of, and entitled to share in, such distribution, in each case to the extent permitted under this Agreement, *plus*

(m) with respect to any joint venture that is not a Restricted Subsidiary, an amount equal to the proportion of those items described in clauses (a), (b) and (c) above relating to such joint venture corresponding to the Borrower's and the Restricted Subsidiaries' proportionate share of such joint venture's Consolidated Net Income (determined as if such joint venture were a Restricted Subsidiary), *plus*

(n) costs associated with, or in anticipation of, or preparation for, compliance with the requirements of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith or other enhanced accounting functions and Public Company Costs, *plus*

(o) cash receipts (or any netting arrangements resulting in reduced cash expenses) not included in Consolidated EBITDA in any period solely to the extent that the corresponding non-cash gains relating to such receipts were deducted in the calculation of Consolidated EBITDA pursuant to paragraph (ii) below for any previous period and not added back, *plus*

(p) to the extent not already included in the Consolidated Net Income of such Person and its Restricted Subsidiaries, charges, losses or expenses to the extent paid for, reimbursed, indemnified or reimbursed through insurance or a third party, in each case, by a Person other than the Borrower and the Restricted Subsidiaries (or reasonably expected to be so paid, reimbursed, indemnified or reimbursed through insurance or a third party), but with respect to charges, losses or expenses reimbursable through insurance or a third party or indemnified charges, losses or expenses, only to the extent that such amount

is in fact reimbursed within one (1) year after the end of such period (with a deduction for any amount so added back to the extent not so paid or reimbursed within one (1) year), *plus*

(q) payments by the Borrower and the Restricted Subsidiaries paid or accrued during such period in respect of purchase price holdbacks, earn-outs and other contingent obligations and long-term liabilities of the Borrower and the Restricted Subsidiaries (other than Indebtedness), *plus*

(r) the "run-rate" Consolidated EBITDA increase or contribution that is projected by the Borrower in good faith to result from (i) new contracts signed during the applicable Test Period, (ii) increased pricing in existing contracts and/or reduced pricing in supplier arrangements effected or committed during the applicable Test Period (or that is projected by the Borrower in good faith to result no later than 36 months after the end of the applicable Test Period), (iii) increased volume in existing contracts or projects during the applicable Test Period or that is projected by the Borrower in good faith to result no later than 36 months after the end of the applicable Test Period and (iv) projects and initiatives commenced prior to, or during, the applicable Test Period (or as to which substantial steps have been taken or are expected to be taken (in the good faith determination of the Borrower) no later than 36 months after the end of the applicable Test Period), in each case under this clause (r), (1) calculated net of the amount of actual benefits realized during such Test Period from such actions, (2) calculated on a pro forma basis as though such Consolidated EBITDA increase or contribution had been realized for the entirety of the Test Period and (3) "run-rate" means the full recurring benefit for a period that is associated with any action or transaction either taken, or with respect to which substantial steps have been taken or are expected to be taken, *plus*

(s) letter of credit fees, *plus*

(t) any net loss from disposed, abandoned, transferred, closed or discontinued operations or assets (or from facilities no longer used or useful in the conduct of the business of the Borrower or its Restricted Subsidiaries) (subject to Section 1.12(h), excluding held for sale discontinued operations or assets until actually disposed of), *plus*

(u) the amount of any noncash foreign currency losses (or gains) attributable to intercompany loans, accounts receivable and accounts payable, to the extent the same were deducted (and not added back) in calculating such Consolidated Net Income, *plus*

(v) any fees, costs and expenses incurred in connection with the implementation of ASC 606 (or similar revenue recognition rules) or ASC 842 and any non-cash losses or charges resulting from the application of ASC 606 (or similar revenue recognition rules) or ASC 842, *plus*

(w) positive adjustments (A) [reserved], (B) evidenced by or contained in (or of the type contained in) a due diligence quality of earnings report made available to the Administrative Agent prepared by (x) a "big four" accounting firm or any other nationally recognized accounting or financial advisory firm or (y) any other accounting or financial advisory firm that shall be reasonably acceptable to the Administrative Agent, (C) contained in (or of the type contained in) the Sponsor Model and (D) consistent with Regulation S-X of the Securities Act or (E) approved by the Administrative Agent, *plus*

(x) to the extent not already included in Consolidated Net Income, the amount by which sales of gift cards and gift certificates exceeded redemptions of such items,

(ii) *decreased by* (without duplication):

(a) non-cash gains increasing Consolidated Net Income of such Person for such period, excluding any non-cash gains which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges that reduced Consolidated EBITDA in any prior period; *provided* that, to the extent non-cash gains are deducted pursuant to this clause (ii)(a) for any previous period and not otherwise added back to Consolidated EBITDA, Consolidated EBITDA shall be increased by the amount of any cash receipts (or any netting arrangements resulting in reduced cash expenses) in respect of such non-cash gains received in subsequent periods to the extent not already included therein, *plus*

(b) any net income from disposed, abandoned, transferred, closed or discontinued operations (subject to Section 1.12(h), excluding held for sale discontinued operations or assets until actually disposed of), *plus*

(c) the amount of gain on sale of (x) Receivables Assets and related assets in connection with a Receivables Facility and (y) Securitization Assets and related assets in connection with a Qualified Securitization Financing.

For the avoidance of doubt: (i) to the extent included in Consolidated Net Income, there shall be excluded in determining Consolidated EBITDA for any period any adjustments resulting from the application of ASC 815 and its related pronouncements and interpretation, or the equivalent accounting standard under GAAP or an alternative basis of accounting applied in lieu of GAAP, (ii) to the extent any add-backs or deductions are reflected in the calculation of Consolidated Net Income, such add-backs and deductions shall not be duplicated in determining Consolidated EBITDA and (iii) Consolidated EBITDA shall be calculated, including *pro forma* adjustments, in accordance with Section 1.12.

Unless otherwise stated or context clearly dictates otherwise, references to Consolidated EBITDA and Consolidated Net Income shall refer to the Consolidated EBITDA or Consolidated Net Income, as applicable, of the Borrower and the Restricted Subsidiaries.

"**Consolidated First Lien Secured Debt**" shall mean, as at any time of determination, Consolidated Total Debt that as of such time constitutes First Lien Obligations, including Consolidated Total Debt outstanding under the ABL Facility.

"**Consolidated Interest Expense**" shall mean, with respect to any Person and its Restricted Subsidiaries for any period, the sum, without duplication, of:

(1) consolidated cash interest expense (including attributable to Finance Lease Obligations) of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted (and not added back) in computing Consolidated Net Income (including (x) all commissions, discounts, and other fees and charges owed with respect to letters of credit or bankers acceptances, (y) capitalized interest to the extent paid in cash, and (z) net payments (over payments received), if any, made pursuant to interest rate Hedging Obligations with respect to Indebtedness); *plus*

(2) any cash payments made during such period in respect of the accretion or accrual of discounted liabilities referred to in clause (i) of the proviso below relating to Funded Debt that were amortized or accrued in a previous period; *less*

(3) cash interest income for such period (other than interest income on customer deposits and other restricted cash);

provided that the following shall in all cases be excluded from Consolidated Interest Expense:

(a) any one-time cash costs associated with breakage in respect of Hedge Agreements to the extent such costs would be otherwise included in Consolidated Interest Expense;

(b) all non-recurring cash interest expense consisting of liquidated damages for failure to timely comply with registration rights obligations, all as calculated on a consolidated basis in accordance with GAAP;

(c) any "additional interest" owing pursuant to a registration rights agreement;

(d) non-cash interest expense attributable to a parent entity resulting from push-down accounting, but solely to the extent not reducing consolidated cash interest expense in any prior period;

(e) any non-cash expensing of bridge, commitment, and other financing fees that have been previously paid in cash, but solely to the extent not reducing consolidated cash interest expense in any prior period;

(f) deferred financing costs, debt issuance costs, commissions, fees (including amendment and contract fees) and expenses and, in each case, the amortization and write-off thereof, and any amounts of non-cash interest;

(g) agency or trustee fees paid to any administrative agent, collateral agent, trustee or Person acting in any similar capacity under any credit facilities or other debt instruments or documents;

(h) costs associated with obtaining Hedge Agreements;

(i) the accretion or accrual of discounted liabilities;

(j) non-cash interest expense attributable to the movement of the mark-to-market valuation of obligations under Hedge Agreements or other derivative instruments pursuant to FASB Accounting Standards Codification 815;

(k) any non-cash expense resulting from the discounting of any Indebtedness in connection with the application of recapitalization accounting or, if applicable, purchase accounting in connection with the Transactions or any acquisition;

(l) commissions, discounts, yield, and other fees and charges (including any interest expense) related to any Receivables Facility or any Securitization Facility;

(m) any prepayment premium or penalty;

(n) any interest expense or other fees or charges incurred with respect to any Escrowed Obligations (for the avoidance of doubt, so long as such Escrowed Obligations are held in escrow); and

(o) any lease, rental or other expense in connection with a Non-Finance Lease Obligation.

For purposes of this definition, interest on a Finance Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest deemed applicable to such Finance Lease Obligation in accordance with GAAP.

"**Consolidated Net Income**" shall mean, with respect to any Person for any period, the aggregate amount of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, and otherwise determined in accordance with GAAP; *provided* that, without duplication,

(i) any after-tax effect of (a) extraordinary, exceptional, infrequently occurring, non-recurring, or unusual gains or losses (less all fees and expenses relating thereto), charges or expenses (including relating to the Transactions) or special items, (b) director fees and expenses, severance, recruiting, retention and relocation costs, charges and expenses, (c) signing, completion and stay bonuses (including management bonus pools) and related costs, charges and expenses, including payments made to employees or producers who are subject to non-compete agreements, stock options and other equity-based compensation expenses, costs incurred in connection with any strategic or cost savings initiatives, transition costs, contract termination costs, expenses in connection with one-time rate changes, management transition costs and advertising costs, (d) costs, expenses and charges incurred in connection with curtailments or modifications to pension and post-employment employee benefits plans, (e) start-up, transition, strategic initiative (including any multi-year strategic initiative and one-time technology licensing and setup costs and overlapping replacement costs with respect to replacing or exiting transitional services), separation costs (including all costs associated with establishing standalone operations), consolidation and closing costs for facilities, integration costs (including any rebranding costs) and duplicative costs, charges or expenses and costs, charges and expenses of consolidation or closing of stores or other facilities or existing lines of business, (f) restructuring costs, charges, reserves or expenses, (g) costs, charges and expenses related to acquisitions and investments prior to, on or after the Closing Date and to the start-up, pre-opening, opening, closure, and/or consolidation of operations, offices and facilities and contract termination costs, facility or property disruptions or shutdowns (including due to work stoppages, natural disasters and epidemics), including the cost of feasibility studies, staff training, recruiting and travel, and pre-opening rent costs, store renovation and refurbishment costs, expenses and charges, (h) business optimization costs, charges or expenses (including relating to systems design, upgrade and implementation costs), (i) costs, charges and expenses incurred in connection with new product design, development and introductions, (j) costs and expenses incurred in connection with Intellectual Property development and new systems design, (k) costs and expenses incurred in connection with implementation, replacement, development or upgrade of operational, reporting and information technology systems and technology initiatives, (l) any costs, expenses or charges relating to any governmental investigation or any litigation, arbitration or other dispute (including all judgments, settlements, liabilities, obligations, liquidated damages or other damages of any kind, settlement amounts, losses, fines, costs, fees, expenses, penalties and interest and other charges or expenses in connection with any actual or threatened investigation, lawsuit or other proceeding against such Person and its Restricted Subsidiaries (including legal fees and expenses)), (m) any exit, separation, transition and stand-alone charges, expenses, losses or special items associated with the separation of facilities disposed of (or to be disposed of), directly or indirectly, by the Borrower or any Restricted Subsidiary in a transaction outside the ordinary course of business (as determined in good faith by the Borrower) from the consolidated business of the Borrower and its Restricted Subsidiaries, (n) Transaction Expenses, (o) write-downs of receivables initially recorded on the balance sheet prior to such

Test Period (and increases in allowances for doubtful accounts for such receivables) and (p) one-time compensation charges, in each case, shall be excluded,

(ii) the Net Income for such period shall not include the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies during such period and any out-of-period adjustments,

(iii) any net after-tax gains or losses on disposal, abandonment or discontinuance of disposed, abandoned, transferred, closed, or discontinued operations or assets shall be excluded,

(iv) any after-tax effect of gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions or abandonments other than in the ordinary course of business, as determined in good faith by the board of directors (or analogous governing body) of the Borrower, shall be excluded,

(v) the Net Income for such period of any Person that is not a Subsidiary, or is an Unrestricted Subsidiary, or that is accounted for by the equity method of accounting, shall be excluded; *provided* that Consolidated Net Income of the Borrower shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash or Cash Equivalents (or to the extent converted into cash or Cash Equivalents of the Borrower or any of its Restricted Subsidiaries) to the Borrower or a Restricted Subsidiary thereof in respect of such period,

(vi) solely for the purpose of determining Excess Cash Flow, the Net Income for such period of any Restricted Subsidiary (other than any Credit Party) shall be excluded to the extent the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of its Net Income is not at the date of determination permitted without any prior governmental approval (which has not been obtained) or, by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule, or governmental regulation applicable to that Restricted Subsidiary or its equityholders, unless such restriction with respect to the payment of dividends or similar distributions (i) has been legally waived or otherwise released or (ii) is imposed pursuant to this Agreement, the ABL Credit Agreement, the other ABL Credit Documents or any other Credit Documents, Permitted Debt Exchange Notes, New Term Loans, Permitted Other Indebtedness, or any other permitted Indebtedness secured by a Lien on the Collateral that ranks on a pari passu or senior basis to the Lien on the Collateral securing the Obligations (without regard to control of remedies); *provided* that Consolidated Net Income of the referent Person will be increased by the amount of dividends or other distributions or other payments actually paid in cash (or to the extent converted into cash) or Cash Equivalents to such Person or a Restricted Subsidiary in respect of such period, to the extent not already included therein,

(vii) effects of adjustments (including the effects of such adjustments pushed down to the Borrower and the Restricted Subsidiaries) in any line item in such Person's consolidated financial statements resulting from the application of purchase accounting, acquisition method accounting or recapitalization accounting (including adjustments required or permitted by Financial Accounting Standards Codification No. 805 – Business Combinations and No. 350 – Intangibles-Goodwill and Other (ASC 805 and ASC 350) (formerly Financial Accounting Standards Board Statement Nos. 141 and 142, respectively) (and related pronouncements)), including in relation to the Transactions and any acquisition or investment that is consummated prior to or after the Closing Date or the amortization or write-off of any amounts thereof, in either case net of taxes, shall be excluded,

(viii) (a) any after-tax effect of any income (loss) from the early extinguishment or conversion of Indebtedness or Hedging Obligations or other derivative instruments (including deferred financing costs written off and premiums paid), (b) any income (or loss) related to currency gains or losses related to Indebtedness, intercompany balances, and other balance sheet items and any net gain or loss resulting in such period from Hedging Obligations pursuant to Financial Accounting Standards Codification Topic No. 815—Derivatives and Hedging (ASC 815) (or any successor provision) and its related pronouncements and interpretations, or the equivalent accounting standard under GAAP or an alternative basis of accounting applied in lieu of GAAP, and (c) any non-cash expense, income, or loss attributable to the movement in mark to market valuation of non-US currencies, Indebtedness, or derivative instruments pursuant to GAAP shall be excluded,

(ix) any impairment charge or asset write-off or write-down, or any bad debt expense, including impairment charges or asset write-offs or write-downs related to intangible assets, long-lived assets, investments in debt and equity securities or inventory or as a result of a change in law or regulation or in connection with any disposition of assets, in each case, pursuant to GAAP, and the amortization of intangibles arising pursuant to GAAP shall be excluded,

(x) (a) any non-cash compensation expense recorded from grants of equity appreciation, profit interests or similar rights, phantom equity, equity options units, restricted equity, or other rights to officers, directors, managers, or employees, (b) non-cash income (loss) attributable to deferred compensation plans or trusts and (c) any non-cash compensation expense resulting from the application of Accounting Standards Codification Topic No. 718, Compensation —Stock Compensation or Accounting Standards Codification Topic No. 505-50, Equity-Based Payments to Non-Employees, in each case shall be excluded,

(xi) any fees, charges, losses, costs and expenses incurred during such period, or any amortization thereof for such period, in connection with or related to any acquisition (including any Permitted Acquisition), Restricted Payment, Investment, recapitalization, asset sale, issuance, incurrence, registration or repayment or modification of Indebtedness, issuance or offering of Equity Interests, Qualifying IPO, Change of Control, refinancing transaction or amendment, negotiation, forbearance, extension, modification or waiver in respect of the documentation relating to any such transaction (whether or not such transaction is consummated and whether or not permitted under this Agreement), in the case of each such transaction described in this clause (xi), including any such transaction undertaken or consummated prior to the Closing Date, the Transactions and any such transaction undertaken but not completed and including, for the avoidance of doubt, (1) the effects of expensing all transaction-related expenses in accordance with Accounting Standards Codification Topic No. 805—Business Combinations, (2) such fees, expenses, or charges related to the incurrence or issuance, as applicable, of the Credit Facilities and the Loans hereunder, any other First Lien Obligations, the ABL Facility and the ABL Loans thereunder and all Transaction Expenses, (3) such fees, expenses, or charges related to the entering into or offering of the Credit Documents, any ABL Credit Documents and any other credit facilities or debt issuances or the entering into of any Hedge Agreement, and (4) any amendment, modification or waiver in respect of any Credit Facility, the Credit Documents, any ABL Loans, the ABL Credit Documents or other Indebtedness and any charges or non-recurring merger costs incurred during such period as a result of any such transaction shall be excluded,

(xii) (a) accruals and reserves (including contingent liabilities) that are (x) established or adjusted within 24 months after the Closing Date that are so required to be established as a result of the Transactions or (y) established or adjusted within 24 months after the closing of any Permitted Acquisition or any other acquisition or Investment (other than any such other acquisition or Investment in

the ordinary course of business) that are so required to be established or adjusted as a result of such Permitted Acquisition or such other acquisition or Investment, in each case, in accordance with GAAP, or (b) charges, accruals, expenses and reserves as a result of adoption or modification of accounting policies, rules and standards, shall be excluded,

(xiii) charges, losses or expenses to the extent paid for, reimbursed (including through insurance) or indemnified, in each case, by a Person other than the Borrower and the Restricted Subsidiaries (or reasonably expected to be so paid, reimbursed or indemnified), but only with respect to charges, losses or expenses reimbursable through insurance or indemnified charges, losses or expenses to the extent that such amount is (a) not denied by the applicable carrier or indemnifying party in writing within 180 days and (b) in fact reimbursed within one (1) year after the end of such period (with a deduction for any amount so added back to the extent not so paid or reimbursed within one (1) year), shall be excluded,

(xiv) any deferred tax expense associated with tax deductions or net operating losses arising as a result of the Transactions, or the release of any valuation allowance related to such items, shall be excluded,

(xv) [reserved],

(xvi) any net pension or other post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of the unrecognized net obligation (and loss or cost) existing at the date of initial application of Statement of Financial Accounting Standards Nos. 87, 106 and 112, and any other items of a similar nature, shall be excluded,

(xvii) any non-cash adjustments resulting from the application of Accounting Standards Codification Topic No. 460, *Guarantees*, or any comparable regulation, shall be excluded, and

(xviii) earn-out obligations and other contingent consideration obligations (including to the extent accounted for as bonuses, compensation or otherwise (and including deferred performance incentives in connection with Permitted Acquisitions or other Investment permitted hereunder whether or not a service component is required from the transferor or its related party)) and adjustments thereof and purchase price adjustments, shall be excluded.

In addition, to the extent not already included in the Consolidated Net Income of such Person and its Restricted Subsidiaries in any period, notwithstanding anything to the contrary in the foregoing, Consolidated Net Income shall include the amount of proceeds received from business interruption insurance (or third party or governmental payments of a similar nature or replacing lost revenue) or government support payments (other than loans, to the extent not forgivable).

Unless otherwise stated or context clearly dictates otherwise, references to Consolidated Net Income shall refer to the Consolidated Net Income of the Borrower and the Restricted Subsidiaries.

"**Consolidated Total Assets**" shall mean, as of any time of determination, the amount that would, in conformity with GAAP, be set forth opposite the caption "total assets" (or any like caption) on the most recent consolidated balance sheet of the Borrower and the Restricted Subsidiaries at such date (or, if such date of determination is a date prior to the time any such consolidated balance sheet has been so

delivered pursuant to Section 9.1, on the latest balance sheet delivered pursuant to Section 6.1(d) (and, in the case of any determination relating to any Specified Transaction, on a Pro Forma Basis including any property or assets being acquired in connection therewith)).

"**Consolidated Total Debt**" shall mean, as at any time of determination, an amount equal to the aggregate principal amount of all outstanding Indebtedness of the Borrower and the Restricted Subsidiaries that would be reflected on a consolidated balance sheet (but excluding the notes thereto) prepared as of such date on a consolidated basis in accordance with GAAP (but excluding the effects of (x) any discounting of Indebtedness resulting from the application of purchase accounting in connection with the Transactions or any Permitted Acquisition or any other acquisition or Investment permitted under this Agreement and (y) any provisions allowing for any debt or liabilities to be valued at "fair value") consisting solely of Indebtedness for borrowed money (and excluding, for the avoidance of doubt, Finance Lease Obligations, Hedging Obligations, Bank Products, and Cash Management Services and intercompany debt owed by the Borrower to a Restricted Subsidiary, by a Restricted Subsidiary to the Borrower or by a Restricted Subsidiary to another Restricted Subsidiary, obligations in respect of surety bonds, performance bonds and similar instruments or obligations under any Qualified Securitization Financing or Receivables Facility); *provided* that Consolidated Total Debt shall not include Letters of Credit (as defined in the ABL Credit Agreement) or any other letter of credit, except, solely with respect to any standby Letter of Credit (as defined in the ABL Credit Agreement) or other standby letter of credit, to the extent of unreimbursed obligations in respect of any such drawn standby Letter of Credit (as defined in the ABL Credit Agreement) or other drawn standby letter of credit (*provided* that any unreimbursed obligations in respect of any such drawn standby Letter of Credit (as defined in the ABL Credit Agreement) or other drawn standby letter of credit shall not be included as Consolidated Total Debt until three (3) Business Days after such amount is due and payable by the Borrower or any of its Restricted Subsidiaries).

"**Consolidated Working Capital**" shall mean, with respect to the Borrower and the Restricted Subsidiaries on a consolidated basis at any date of determination, Current Assets at such date of determination *minus* Current Liabilities at such date of determination.

"**Contingent Obligations**" shall mean, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends, or other payment obligations that do not constitute Indebtedness ("**primary obligations**") of any other Person (the "**primary obligor**") in any manner, whether directly or indirectly, including any obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (a) for the purchase or payment of any such primary obligation or (b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, or (iii) to purchase property, securities, or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"**Contract Consideration**" shall have the meaning provided in Section 5.2(a)(ii)(VII).

"**Contractual Requirement**" shall mean, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"**Contribution Debt Basket**" shall have the meaning provided in Section 10.1(l)(i).

"**Covered Entity**" shall have the meaning provided in Section 13.23(b).

"**Covered Party**" shall have the meaning provided in Section 13.23(a).

"**Credit Documents**" shall mean this Agreement, each Extension Amendment, each Refinancing Amendment, each Incremental Amendment, the Guarantee, the Security Documents, any promissory notes issued by the Borrower pursuant hereto, the Fee Letter and any other document, agreement or letter agreed in writing by the Borrower and the Administrative Agent to be a Credit Document; *provided* that in no event shall Bank Product Agreements, Cash Management Agreements and Hedge Agreements be Credit Documents.

"**Credit Event**" shall mean and include the making (but not the conversion or continuation) of a Loan.

"**Credit Facility**" shall mean a category of Commitments and extensions of credit thereunder.

"**Credit Party**" shall mean any of Holdings, the Borrower and any other Guarantors.

"**Cumulative Retained Excess Cash Flow Amount**" shall mean, at any date, an amount equal to (x) the cumulative amount of Excess Cash Flow (which shall not be less than zero in any Excess Cash Flow Period and which shall not include Retained Declined Proceeds) of the Borrower and the Restricted Subsidiaries, *minus* (y) the amount that has been (or is required to be) applied to the prepayment of Term Loans in accordance with Section 5.2(a)(ii) (*provided* that such amount in this clause (y) shall be determined without giving effect to any reduction in the ECF Payment Amount on account of prepayments or redemptions of Indebtedness pursuant to clauses (y)(I) through (III) of Section 5.2(a)(ii) (but, for the avoidance of doubt, this clause (y) shall be determined after giving effect to any reduction in the ECF Payment Percentage and all other deductions and exceptions (other than as set forth in this proviso)).

"**Current Assets**" shall mean, with respect to the Borrower and the Restricted Subsidiaries on a consolidated basis, at any date of determination, all assets (other than cash and Cash Equivalents) that would, in accordance with GAAP, be classified on a consolidated balance sheet of the Borrower and the Restricted Subsidiaries as "current assets" (or similar term) at such date of determination, other than amounts related to current or deferred Taxes based on income, profits or capital gains, assets held for sale, loans (permitted) to third parties, pension assets, deferred bank fees and derivative financial instruments, and excluding the effects of adjustments pursuant to GAAP resulting from the application of recapitalization accounting or purchase accounting, as the case may be, in relation to any consummated acquisition or Investment.

"**Current Liabilities**" shall mean, with respect to the Borrower and the Restricted Subsidiaries on a consolidated basis, at any date of determination, all liabilities that would, in accordance with GAAP, be classified on a consolidated balance sheet of the Borrower and the Restricted Subsidiaries as "current liabilities" at such date of determination (including the amount of short-term deferred revenue of the Borrower and the Restricted Subsidiaries in accordance with GAAP), other than (a) the current portion of any Funded Debt and derivative financial instruments, (b) the current portion of accrued interest, (c) liabilities relating to current or deferred Taxes based on income or profits, (d) accruals of any costs or expenses related to restructuring reserves or severance, (e) any liabilities in respect of revolving loans, swingline loans or letter of credit obligations under any revolving credit facility (including ABL Loans), (f) the current portion of any Finance Lease Obligation, (g) the current portion of any other long-term liabilities, (h) liabilities in respect of unpaid earn-outs, (i) amounts related to derivative financial

instruments and assets held for sale, (j) gift card liabilities, (k) any deferred management, monitoring, consulting, advisory and other fees payable to the Sponsor, and (l) any current liabilities related to items covered by clause (i) of the definition of "Consolidated Net Income," and excluding the effects of adjustments pursuant to GAAP resulting from the application of recapitalization accounting or purchase accounting, as the case may be, in relation to any consummated acquisition or Investment.

"**Customary Bridge Loans**" shall mean (i) any bridge loans that are exchanged or converted into long-term Indebtedness upon its maturity, (ii) any interim facilities entered into concurrently with the receipt of committed financing for long-term Indebtedness or (iii) any long-term Indebtedness being held in escrow subject to Customary Escrow Provisions, in each case, so long as: (A) the Weighted Average Life to Maturity of such long-term Indebtedness would satisfy the applicable Weighted Average Life to Maturity requirement and (B) the final maturity date of such long-term Indebtedness would satisfy the applicable maturity requirement, in each case above, as determined by the Borrower in good faith.

"**Customary Escrow Provisions**" shall mean customary prepayment or redemption terms relating to Escrowed Proceeds under escrow arrangements.

"**Debt Fund Affiliate**" shall mean any affiliate of a Disqualified Lender that is a bona fide debt fund or an investment vehicle that is engaged in the making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course which is managed, sponsored or advised by any Person controlling, controlled by or under common control with such Disqualified Lender, and for which no personnel involved with the investment of such Disqualified Lender (i) makes any investment decisions or (ii) has access to any information (other than information publicly available) relating to the Borrower or any entity that forms a part of the Borrower's business (including subsidiaries of the Borrower); it being understood and agreed that the term "Debt Fund Affiliate" shall not include any Person that is separately identified to the Lead Arrangers or the Administrative Agent in accordance with clause (i) of the definition of "Disqualified Lenders".

"**Debt Incurrence Prepayment Event**" shall mean any issuance or incurrence by the Borrower or any of the Restricted Subsidiaries of any Indebtedness (excluding any Indebtedness permitted to be issued or incurred under Section 10.1).

"**Declined Proceeds**" shall have the meaning provided in Section 5.2(f).

"**Default**" shall mean any event, act, or condition set forth in Section 11 that with notice or lapse of time, or both, as set forth in such Section 11 would (unless cured or waived hereunder) constitute an Event of Default.

"**Default Rate**" shall have the meaning provided in Section 2.8(c).

"**Default Right**" shall have the meaning provided in Section 13.23(b).

"**Defaulting Lender**" shall mean any Lender whose acts or failure to act, whether directly or indirectly, cause it to meet any part of the definition of "Lender Default."

"**Deferred Net Cash Proceeds Amount**" shall have the meaning provided in Section 5.2(a)(i)(II).

"**Deferred Net Cash Proceeds Election**" shall have the meaning provided in Section 5.2(a)(i)(II).

"**Deferred Net Cash Proceeds Payment Date**" shall have the meaning provided in Section 5.2(a)(i)(II).

"**Derivative Counterparties**" shall have the meaning provided in Section 13.16.

"**Designated Alternative Security Indebtedness**" shall mean any Indebtedness that is guaranteed or incurred by any Subsidiary of the Borrower that is not a Credit Party and/or being secured by assets of the Borrower or its Subsidiaries that do not constitute Collateral, in each case, in addition to being guaranteed by all or some of the Credit Parties and/or secured by all or a portion of the Collateral, in an aggregate outstanding principal amount not to exceed the greater of (A) $96,000,000 and (B) 40% of LTM Consolidated EBITDA, in each case determined at the time of incurrence of such Designated Alternative Security Indebtedness.

"**Designated Non-Cash Consideration**" shall mean the Fair Market Value of non-cash consideration received by the Borrower or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-Cash Consideration pursuant to a certificate of an Authorized Officer of the Borrower, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of, or collection on, or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with this Agreement.

"**Designated Preferred Stock**" shall mean preferred stock of the Borrower or any direct or indirect parent of the Borrower (in each case other than Disqualified Stock) that is issued for cash (other than to the Borrower or a Restricted Subsidiary or an employee stock ownership plan or trust established by any Restricted Subsidiary) and is so designated as Designated Preferred Stock pursuant to an officer's certificate executed by an Authorized Officer of the Borrower or the parent company thereof, as the case may be, on the issuance date thereof, the cash proceeds of which are excluded from the calculation set forth in clauses (A) through (H) of Section 10.5(a).

"**disposition**" shall have the meaning assigned such term in the definition of "Asset Sale".

"**Disqualified Lenders**" shall mean (i) those banks, financial institutions or other Persons separately identified in writing by the Borrower or the Sponsor to the Lead Arrangers on or prior to the Closing Date, or as otherwise mutually agreed in writing by the Borrower and the Administrative Agent from time to time on or after the Closing Date, and any Affiliates of such banks, financial institutions or other Persons that are readily identifiable as Affiliates by virtue of their names or that are identified to the Administrative Agent in writing by the Borrower or the Sponsor from time to time; (ii) competitors of the Borrower or any of its Subsidiaries identified to the Administrative Agent in writing by the Borrower or the Sponsor from time to time, and any Affiliates (other than Debt Fund Affiliates) of such competitors that are readily identifiable as Affiliates by virtue of their names or that are identified to the Administrative Agent from time to time in writing by the Borrower or the Sponsor from time to time and (iii) Excluded Affiliates; *provided* that no such identification after the Closing Date pursuant to clause (i) or clause (ii) above shall (A) be effective until two (2) Business Days following delivery of such identification to the Administrative Agent by email to JPMDQ_Contact@jpmorgan.com or (B) apply retroactively to disqualify any Person that has previously acquired, or entered into a trade to acquire, a valid assignment or participation of an interest in any of the Credit Facilities with respect to amounts of Commitments, Loans and participations previously acquired by such Person or with respect to which such Person has entered into a trade to acquire.

"**Disqualified Stock**" shall mean, with respect to any Person, any Capital Stock of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is putable or exchangeable, or upon the happening of any event (i) matures or is mandatorily redeemable (other than solely for Qualified Stock), other than as a result of a change of control, asset sale, or similar event, pursuant to a sinking fund obligation or otherwise, or (ii) is redeemable at the option of the holder thereof (other than solely for Qualified Stock), other than as a result of a change of control, asset sale, or similar event, in whole or in part, in each case, prior to the Latest Term Loan Maturity Date hereunder as of the date of issuance of such Capital Stock; *provided* that if such Capital Stock is issued to any plan for the benefit of any employee, officer, director, manager or consultant of the Borrower or its Subsidiaries or by any such plan to such employee, officer, director, manager or consultant, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Borrower, any of its direct or indirect parent companies or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of the termination, death or disability of such employee, director, manager or consultant.

"**Distressed Person**" shall have the meaning provided in the definition of the term "Lender-Related Distress Event."

"**Dollars**" and "$" shall mean dollars in lawful currency of the United States.

"**Domestic Subsidiary**" shall mean each Subsidiary of the Borrower that is organized under the laws of the United States, any state thereof, or the District of Columbia.

"**Early Opt-in Election**" shall mean the delivery of a notification by the Administrative Agent (at the request of the Borrower) to each of the other parties hereto that (a) US dollar-denominated syndicated credit facilities are being executed or amended, as applicable, at such time, to incorporate or adopt a new benchmark interest rate to replace Term SOFR (and such syndicated credit facilities are identified in such notice and are publicly available for review) and (b) the joint election by the Administrative Agent and the Borrower to trigger a fallback from Term SOFR; *provided* that upon such joint election to trigger a fallback from Term SOFR, the Administrative Agent shall deliver a written notice of such election to the Lenders.

"**ECF Payment Amount**" shall have the meaning provided in Section 5.2(a)(ii).

"**ECF Payment Percentage**" shall have the meaning provided in Section 5.2(a)(ii).

"**ECF Threshold**" shall have the meaning provided in Section 5.2(a)(ii).

"**EEA Financial Institution**" shall mean (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**" shall mean any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"**EEA Resolution Authority**" shall mean any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"**Effective Yield**" shall mean, as to any Indebtedness, the effective yield determined in accordance with generally accepted financial practices, taking into account the applicable interest rate margins (which interest rate margins, if subject to a pricing grid, shall be determined based on the applicable pricing level in effect on such date of determination after giving effect to the transactions), any benchmark rate, any interest rate floors, any credit spread adjustments or similar devices and all fees, including upfront or similar fees or original issue discount (amortized over the shorter of (1) the remaining Weighted Average Life to Maturity of such Indebtedness and (2) four years following the date of incurrence thereof) payable generally to Lenders or other institutions providing such Indebtedness, but excluding (i) any arrangement, syndication, underwriting, structuring, unused line, consent, amendment, success, advisory, prepayment premium, exit fees, ticking and commitment fees payable in connection therewith (regardless of whether shared or paid, in whole or in part, with or to any or all lenders), (ii) other fees payable in connection therewith that are not generally paid to all relevant lenders providing such Indebtedness of such type and (iii) if applicable, consent or waiver fees for an amendment paid generally to consenting or waiving lenders. With respect to any benchmark rate that includes a "credit spread adjustment" component or a "floor", (A) to the extent that the applicable benchmark rate (together with any "credit spread adjustment") on the date that the Effective Yield is being calculated is less than the "floor", the amount of such difference shall be deemed added to the effective yield for such Indebtedness for the purpose of calculating the Effective Yield and (B) to the extent that the applicable benchmark rate (together with any credit spread adjustment) on the date that the Effective Yield is being calculated is greater than such floor, then the floor shall be disregarded in calculating the Effective Yield. To the extent any Indebtedness includes any "payment in kind" option that would permit the applicable borrower to elect to pay all or any portion of accrued interest in the form of additional Indebtedness (which option may require the borrower to pay interest at a higher rate), for purpose of calculating the Effective Yield of such Indebtedness, the applicable borrower shall be deemed to have elected to pay such interest in cash. With respect to any series of Indebtedness and any fungible increase in such series of Indebtedness that result in there not being a uniform amount of OID or upfront fees across one or more fungible increases thereof after the initial incurrence, the amount of OID and upfront fees shall be determined on a weighted average basis in respect thereof. Any determination by the Administrative Agent and the Borrower of the Effective Yield shall be conclusive and binding on all Lenders, and neither the Administrative Agent nor the Borrower shall have any liability to any Person with respect to such determination absent bad faith, gross negligence or willful misconduct.

"**Election to Participate**" shall have the meaning provided in Section 2.17(a)(i).

"**Engagement Letter**" shall mean that certain Engagement Letter, dated as of October 31, 2025, by and among JPMorgan Chase Bank, N.A., Morgan Stanley Senior Funding, Inc., RBC Capital Markets, UBS Securities LLC and the Borrower.

"**Environmental Claims**" shall mean any and all actions, suits, orders, decrees, demand letters, claims, notices of noncompliance or potential responsibility or violation, or proceedings pursuant to any Environmental Law or any permit issued, or any approval given, under any such Environmental Law (hereinafter, "**Claims**"), including (i) any and all Claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial, or other actions or damages pursuant to any Environmental Law and (ii) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation, or injunctive relief relating to the presence, Release or

threatened Release of Hazardous Materials or arising from alleged injury or threat of injury to health or safety (to the extent relating to human exposure to Hazardous Materials), or the environment including ambient air, indoor air, surface water, groundwater, soil, land surface and subsurface strata, and natural resources such as wetlands.

"**Environmental Law**" shall mean any applicable federal, state, foreign, or local statute, law, rule, regulation, ordinance, code, and rule of common law now or hereafter in effect, and any binding judicial or administrative interpretation thereof, including any binding judicial or administrative order, consent decree, or judgment, relating to pollution or protection of the environment, including ambient air, indoor air, surface water, groundwater, soil, land surface and subsurface strata and natural resources such as flora, fauna, or wetlands, or protection of human health or safety (to the extent relating to human exposure to Hazardous Materials) and including those relating to the generation, storage, treatment, transport, Release, or threat of Release of Hazardous Materials.

"**Equity Interest**" shall mean Capital Stock and all warrants, options, or other rights to acquire Capital Stock, but excluding any debt security or instrument that is convertible into, or exchangeable for, Capital Stock.

"**ERISA**" shall mean the Employee Retirement Income Security Act of 1974, and the rules and regulations promulgated thereunder.

"**ERISA Affiliate**" shall mean any trade or business (whether or not incorporated) that, together with any Credit Party, is treated as a single employer under Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"**ERISA Event**" shall mean (i) the failure of any Plan to comply with any provisions of ERISA and/or the Code or with the terms of such Plan; (ii) any Reportable Event; (iii) the existence with respect to any Plan of a non-exempt Prohibited Transaction; (iv) any failure by any Pension Plan to satisfy the minimum funding standards (within the meaning of Section 412 or 430 of the Code or Section 302 of ERISA) applicable to such Pension Plan, whether or not waived; (v) 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 Pension Plan; (vi) the occurrence of any event or condition which would reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or the incurrence by any Credit Party or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Pension Plan, including but not limited to the imposition of any Lien on the assets of any Credit Party in favor of the PBGC or any Pension Plan; (vii) the receipt by any Credit Party or any of its ERISA Affiliates from the PBGC or a plan administrator of any written notice to terminate any Pension Plan under Section 4042(a) of ERISA or to appoint a trustee to administer any Pension Plan under Section 4042(b)(1) of ERISA; (viii) the incurrence by any Credit Party or any of its ERISA Affiliates of any liability with respect to its withdrawal or partial withdrawal from any Pension Plan (or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA) or Multiemployer Plan; or (ix) the receipt by any Credit Party or any of its ERISA Affiliates of any notice concerning the imposition on it of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, Insolvent, or terminated (within the meaning of Section 4041A of ERISA).

"**Erroneous Payment**" shall have the meaning provided in Section 12.15(a).

"**Erroneous Payment Deficiency Assignment**" shall have the meaning provided in Section 12.15(d).

"**Erroneous Payment Impacted Class**" shall have the meaning provided in Section 12.15(d).

"**Erroneous Payment Return Deficiency**" shall have the meaning provided in Section 12.15(d).

"**Erroneous Payment Subrogation Rights**" shall have the meaning provided in Section 12.15(d).

"**Escrow**" shall have the meaning provided in the definition of "Indebtedness."

"**Escrowed Obligations**" shall have the meaning provided in the definition of "Indebtedness."

"**Escrowed Proceeds**" shall mean the proceeds from the offering of any debt securities or other Indebtedness paid into an escrow account with an escrow agent on the date of the applicable offering or incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow account upon satisfaction of certain conditions or the occurrence of certain events. The term "Escrowed Proceeds" shall include any interest earned on the amounts held in escrow.

"**EU Bail-In Legislation Schedule**" shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"**Euro**" shall mean the lawful single currency of the Participating Member States.

"**Event of Default**" shall have the meaning provided in Section 11.

"**Excess Cash Flow**" shall mean, for any period, an amount equal to:

(i) the sum, without duplication, of:

(a) Consolidated Net Income for such period,

(b) an amount equal to the amount of all non-cash charges to the extent deducted in arriving at such Consolidated Net Income, but excluding any non-cash charges representing an accrual or reserve for potential cash items in any future period and excluding amortization of a prepaid cash item that was paid in a prior period,

(c) decreases in Consolidated Working Capital for such period (other than (1) reclassification of items from short-term to long-term or vice versa in accordance with GAAP and (2) any such decreases arising from acquisitions (outside of the ordinary course of business) or asset sales (other than in the ordinary course of business) by the Borrower and the Restricted Subsidiaries completed during such period or the application of purchase accounting),

(d) an amount equal to the aggregate net non-cash loss on asset sales by the Borrower and the Restricted Subsidiaries during such period (other than asset sales in the ordinary course of business) to the extent deducted in arriving at such Consolidated Net Income, and

(e) cash receipts in respect of Hedge Agreements during such period to the extent not otherwise included in Consolidated Net Income; *minus*

(ii) the sum, without duplication, of:

(a) an amount equal to the amount of all non-cash gains or credits (including, to the extent constituting non-cash credits, amortization of deferred revenue acquired as a result of any acquisition or Investment permitted hereunder) included in arriving at such Consolidated Net Income in such period (but excluding any non-cash credit to the extent representing the reversal of an accrual or reserve described in clause (i)(b) above), cash charges, losses, costs, fees or expenses to the extent excluded in arriving at such Consolidated Net Income during such period, and Transaction Expenses to the extent not deducted in arriving at such Consolidated Net Income and paid in cash during such period,

(b) the aggregate amount of all principal payments of Indebtedness of the Borrower and the Restricted Subsidiaries, including (1) the principal component of payments in respect of Finance Lease Obligations, (2) the amount of any scheduled repayment of Term Loans pursuant to Section 2.5 or other First Lien Obligations permitted hereunder, and (3) the amount of a mandatory prepayment of Term Loans pursuant to Section 5.2(a) (or mandatory prepayment of other First Lien Obligations pursuant to a similar provisions) permitted hereunder to the extent required due to an Asset Sale that resulted in an increase to Consolidated Net Income and not in excess of the amount of such increase, but excluding (A) all prepayments of ABL Loans and any other revolving loans made during such period (unless there is an equivalent permanent reduction in the commitments thereunder) and (B) any prepayments of principal amounts that would reduce the ECF Payment Amount pursuant to Section 5.2(a)(ii), except to the extent financed with the proceeds of other long-term Indebtedness (other than revolving Indebtedness) of the Borrower or the Restricted Subsidiaries (unless such Indebtedness has been repaid), other than intercompany loans made to effect the underlying transaction,

(c) an amount equal to the aggregate net non-cash gain on asset sales by the Borrower and the Restricted Subsidiaries during such period (other than asset sales in the ordinary course of business) to the extent included in arriving at such Consolidated Net Income,

(d) increases in Consolidated Working Capital for such period (other than (1) reclassification of items from short-term to long-term or vice versa in accordance with GAAP and (2) any such increases arising from acquisitions (outside of the ordinary course of business) or asset sales (other than in the ordinary course of business) by the Borrower and the Restricted Subsidiaries completed during such period or the application of purchase accounting),

(e) [reserved],

(f) [reserved],

(g) the aggregate amount of expenditures (1) actually made by the Borrower and the Restricted Subsidiaries in cash during such period (including expenditures for the payment of financing fees) to the extent that such expenditures are not expensed during such period or are not deducted in calculating Consolidated Net Income or (2) paid by the Borrower or a Restricted Subsidiary during such period that is reimbursable by a seller or other transaction party in a Permitted Acquisition or other Investment permitted hereunder but which has not been so reimbursed as of the end of such period to the extent the same is not deducted in determining the Consolidated Net Income for such period,

(h) the aggregate amount of any premium, make-whole, or penalty payments actually paid in cash by the Borrower and the Restricted Subsidiaries during such period that are made in connection with any prepayment of Indebtedness to the extent that such payments are not deducted in calculating Consolidated Net Income,

(i) [reserved],

(j) the amount of taxes (including penalties and interest) paid in cash or tax reserves set aside or payable (without duplication) in such period *plus* the amount of distributions with respect to taxes made in such period under Section 10.5(b)(15) to the extent they exceed the amount of tax expense deducted in determining Consolidated Net Income for such period,

(k) cash expenditures in respect of Hedge Agreements during such fiscal year to the extent not deducted in arriving at such Consolidated Net Income; and

(l) any cash fees, costs and expenses incurred in connection with the implementation of ASC 606 or ASC 842 during such fiscal year to the extent not deducted in arriving at Consolidated Net Income.

"**Excess Cash Flow Period**" shall mean (a) the fiscal year of the Borrower ending on or about January 3, 2027 and (b) each fiscal year of the Borrower ended thereafter.

"**Exchange Act**" shall mean the Securities Exchange Act of 1934.

"**Excluded Affiliates**" shall have the meaning provided in Section 13.16.

"**Excluded Contribution**" shall mean net cash proceeds, the Fair Market Value of marketable securities, or the Fair Market Value of Qualified Proceeds received by the Borrower from (i) contributions to its common equity capital and (ii) the sale (other than to a Restricted Subsidiary of the Borrower or to any management equity plan or equity option plan or any other management or employee benefit plan or agreement of the Borrower) of Capital Stock (other than Disqualified Stock or Designated Preferred Stock) of the Borrower, in each case designated from time to time as Excluded Contributions, which are excluded from the calculation set forth in Section 10.5(a)(B).

"**Excluded Information**" shall have the meaning provided in Section 13.6.

"**Excluded Property**" shall mean, unless otherwise elected by the Borrower in its sole discretion, (i) any property of a Credit Party with respect to which the creation of a security interest or Lien therein by such Credit Party pursuant to the applicable Security Agreement or any other Security Document in such Credit Party's right, title or interest therein could result in adverse tax, regulatory or accounting consequences (that are not de minimis) to the Borrower or its Subsidiaries or any direct or indirect parent thereof, as reasonably determined by the Borrower (in consultation with the Administrative Agent); (ii) any vehicles, airplanes and other assets subject to certificates of title; (iii) Letter-of-Credit Rights (as defined in the UCC) except to the extent constituting Supporting Obligations (as defined in the UCC); (iv) any property subject to a purchase money security interests, Finance Lease (or any capital lease), Sale Leaseback or similar arrangement permitted under this Agreement to the extent the creation of a security interest therein is prohibited thereby or creates a right of termination or payment in favor of any other party thereto or otherwise requires third party consent thereunder (other than from a Credit Party or any other Restricted Subsidiary); (v) (x) all leasehold interests in real property (including, for the avoidance of doubt, any requirement to obtain any landlord or other third party waivers, estoppels, consents or collateral access letters in respect of such leasehold interests) and (y) all fee interests in real property; (vi) any "intent-to-use" trademark or service mark application filed in the United States Patent and Trademark Office unless and until an amendment to allege use or a statement of use has been filed with, and accepted by, the United States Patent and Trademark Office to the extent, if any, that, and solely during the period, if any, in which the grant of a security interest therein would impair the validity or enforceability of such

"intent-to-use" trademark or service mark application or any registration issuing therefrom under federal law; (vii) any charter, permit, franchise, authorization, lease, license or agreement (and the assets subject thereto, to the extent applicable, at the time of the acquisition of such assets), in each case, only to the extent that the grant of a security interest therein by the applicable Credit Party (x) would violate, or would invalidate, such charter, permit, franchise, authorization, lease, license, or agreement or result in the creation of a security interest thereunder or (y) would give any party (other than a Credit Party or other Restricted Subsidiary of the Borrower) to any such charter, permit, franchise, authorization, lease, license or agreement the right to terminate its obligations or (z) is permitted under such charter, permit, franchise, lease, license or agreement only with consent of the parties thereto (other than consent of a Credit Party or other Subsidiary of the Borrower) and such necessary consents to such grant of a security interest have not been obtained (it being understood and agreed that the applicable Security Agreement does not create any obligation to obtain such consents) other than, in each case referred to in clauses (x) and (y) and (z), as would be rendered ineffective pursuant to Section 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code of any relevant jurisdiction (or other similar law, rule or regulation); (viii) any Commercial Tort Claim (as defined in the UCC); (ix) other than to the extent constituting ABL Priority Collateral, (A) cash and Cash Equivalents and Deposit Accounts, Commodities Accounts and Securities Accounts (including securities entitlements and related assets credited thereto) (each as defined in the UCC) held in any payroll, healthcare, employee wage and benefits accounts, tax accounts (including sales tax accounts), any tax benefits accounts, any escrow accounts, fiduciary and trust accounts and any account holding solely cash collateral subject to a Permitted Lien (including cash collateral with respect to any letter of credit (including any Letters of Credit (as defined in the ABL Credit Agreement))) and (B) all other cash and Cash Equivalents and Deposit Accounts, Commodities Accounts and Securities Accounts (including securities entitlements and related assets credited thereto) except, in the case of this clause (B), to the extent constituting proceeds of Collateral that are not otherwise Excluded Property; (x) any Excluded Stock and Stock Equivalents; (xi) any assets with respect to which, the Borrower and the Administrative Agent reasonably determines the burden or cost (including adverse tax, regulatory, accounting or other consequences (that are not de minimis)) of granting or perfecting a security interest in favor of the Secured Parties under the Security Documents outweighs the benefits to be obtained by the Secured Parties therefrom; (xii) [reserved]; (xiii) without limitation of the Excluded Subsidiary Joinder Exception and except as set forth in this Agreement with respect to any Foreign Subsidiary that becomes an Additional Borrower pursuant to Section 2.17, as applicable, any assets located or titled outside of the United States or assets that require action under the law of any non-US jurisdiction to create or perfect a security interest in such assets, including any Intellectual Property registered in any non-US jurisdiction (and no security agreements or pledge agreements governed under the laws of any non-US jurisdiction shall be required with respect to any Credit Party); and (xiv) any property or assets with respect to which granting a security interest in such assets (x) is prohibited by (A) law (including all applicable laws and regulations restricting assignments of, and security interests in, government receivables) or (B) agreement binding on, or relating to, such property or asset (*provided* that with respect to this subclause (B) such prohibition existed on the Closing Date or at the time of acquisition of such asset and was not incurred in contemplation thereof (other than in respect of property subject to a purchase money security interest, Finance Lease (or any capital lease) or similar arrangement permitted under this Agreement), or which would require obtaining the consent, approval, license or authorization of any Governmental Authority or other third party pursuant to such agreement (unless such consent, approval, license or authorization has been received; *provided* that there shall be no obligation to obtain such consent) or create a right of termination or payment in favor of any such governmental or third party, in each case after giving effect to Section 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code of any relevant jurisdiction (or other similar law, rule or regulation) or (y) could result in adverse accounting or regulatory consequences, as reasonably determined by the Borrower; *provided* that with respect to clauses (vii) and (xiv), such property shall be Excluded Property only to the extent and for so long as such prohibition, violation,

invalidation or consent right, as applicable, is in effect; *provided further* that the Proceeds (as defined in the Security Agreement) of and products from any and all of the foregoing that would otherwise constitute Excluded Property shall also not be deemed Collateral and the Proceeds (as defined in the applicable Security Agreement) and products from any and all of the foregoing that do not otherwise constitute Excluded Property shall be deemed Collateral*; provided, further*, that Excluded Property shall not include any asset or property of a Credit Party that is subject to a Lien securing Indebtedness under the ABL Credit Agreement.

"**Excluded Stock and Stock Equivalents**" shall, unless otherwise elected by the Borrower in its sole discretion, mean (i) any Capital Stock or Stock Equivalents with respect to which, in the reasonable judgment of the Administrative Agent and the Borrower, the burden or cost or other consequences (including adverse tax, regulatory or accounting consequences (that are not de minimis)) of pledging such Capital Stock or Stock Equivalents in favor of the Secured Parties under the Security Documents outweighs the benefits to be obtained by the Lenders therefrom as reasonably determined by the Borrower and the Administrative Agent, (ii) (A) solely in the case of any pledge of Capital Stock and Stock Equivalents of any CFC or any CFC Holding Company, in each case, owned directly by a Credit Party, any Capital Stock or Stock Equivalents of any class of such CFC or such CFC Holding Company in excess of 65% of the outstanding Capital Stock of such class and (B) any Capital Stock or Stock Equivalents of any CFC or CFC Holding Company not directly owned by a Credit Party, (iii) any Capital Stock or Stock Equivalents to the extent and for so long as the pledge thereof would violate any applicable Requirement of Law (including any legally effective requirement to obtain the consent or approval of, or a license from, any Governmental Authority or any other third party unless such consent, approval or license has been obtained (it being understood that the foregoing shall not be deemed to obligate the Borrower or any Subsidiary to obtain any such consent, approval or license)), in each case, after giving effect to the applicable anti-non-assignment provisions of the Uniform Commercial Code of any applicable jurisdiction and other applicable law, (iv) in the case of any Capital Stock or Stock Equivalents of any Subsidiary subject to a Lien permitted by clause (viii) or clause (ix) of the definition of "Permitted Liens," any Capital Stock or Stock Equivalents of each such Subsidiary to the extent (A) that a pledge thereof to secure the Obligations is prohibited by any applicable Contractual Requirement, (B) any Contractual Requirement prohibits such a pledge without the consent of any other party and for so long as such Contractual Requirement or replacement or renewal thereof is in effect (*provided* that this clause (B) shall not apply if (I) such other party is a Credit Party or Wholly-Owned Subsidiary or (II) consent has been obtained to consummate such pledge (it being understood that the foregoing shall not be deemed to obligate the Borrower or any Subsidiary to obtain any such consent)), or (C) a pledge thereof to secure the Obligations would give any other party (other than a Credit Party or Wholly-Owned Subsidiary) to any contract, agreement, instrument, or indenture governing such Capital Stock or Stock Equivalents the right to terminate its obligations thereunder (in each case, other than customary anti-nonassignment provisions which are ineffective under the Uniform Commercial Code or other applicable law), (v) any Capital Stock or Stock Equivalents of any Subsidiary to the extent that the pledge of such Capital Stock or Stock Equivalents could result in adverse tax, regulatory or accounting consequences (that are not de minimis) (including as a result of the operation of Section 956 of the Code) to the Borrower or any Subsidiary or any direct or indirect parent thereof as reasonably determined by the Borrower in consultation with the Administrative Agent, (vi) any Capital Stock or Stock Equivalents that are margin stock, (vii) any Capital Stock and Stock Equivalents of any Subsidiary (other than a Credit Party) that is not a Material Subsidiary, (viii) any Capital Stock and Stock Equivalents of any Unrestricted Subsidiary, any Captive Insurance Subsidiary, any Broker-Dealer Subsidiary, any not-for-profit Subsidiary and any special purpose entity (including any Receivables Subsidiary and any Securitization Subsidiary), (ix) any Capital Stock and Stock Equivalents of any Subsidiary or other Person that is not a Restricted Subsidiary and (x) any Capital Stock and Stock Equivalents of any Non-Wholly Owned Subsidiary of the Borrower;

provided that Excluded Stock and Stock Equivalents shall not include the Proceeds (as defined in the Security Agreement) of the foregoing property to the extent otherwise constituting Collateral*; provided further* that the Credit Party holding such Excluded Stock and Stock Equivalents, as applicable, in its sole discretion, may elect to cause (A) one or more shares, units or equivalent or issuances of Excluded Stock and Stock Equivalents to become Collateral and (B) any Collateral that is Excluded Stock and Stock Equivalents (including any Excluded Stock and Stock Equivalents that became Collateral pursuant to the foregoing clause (A)) to be released from such security interest or pledge thereof in accordance with the terms of this Agreement.

"**Excluded Subsidiary**" shall mean each (a) Unrestricted Subsidiary, (b) Subsidiary that is not a Material Subsidiary, (c) Foreign Subsidiary other than any Foreign Subsidiary that is or becomes a Guarantor pursuant to the definition of "Guarantor," (d) direct or indirect Domestic Subsidiary of (i) a Foreign Subsidiary or (ii) a CFC Holding Company, (e) CFC Holding Company, (f) Domestic Subsidiary of a Credit Party with respect to which a Guarantee could result in adverse tax, regulatory or accounting consequences (that are not de minimis) to Holdings or any of its Subsidiaries or any direct or indirect parent thereof (including as a result of the operation of Section 956 of the Code) as reasonably determined by the Borrower in consultation with the Administrative Agent, (g) Captive Insurance Subsidiary, (h) non-profit Subsidiary, (i) joint venture and Subsidiary that is not a Wholly-Owned Subsidiary (for so long as such Subsidiary remains a Non-Wholly-Owned Restricted Subsidiary), (j) special purpose entity, including any Receivables Subsidiary and any Securitization Subsidiary, (k) Broker-Dealer Subsidiary, (l) Subsidiary for which Guarantees or granting Liens to secure the Obligations are (I) prohibited by law (including as a result of applicable financial assistance, directors' duties or corporate benefit requirements (subject to clause (m) below, to the extent that such limitations cannot be addressed through "whitewash" or similar procedures)) or require consent, approval, license or authorization of a Governmental Authority (unless such consent, approval, license or authorization has been received; *provided* that there shall be no obligation to obtain such consent) or (II) contractually prohibited on the Closing Date or, following the Closing Date, the date of acquisition (so long as such prohibition was in effect on the date of such acquisition and was not created in contemplation of such acquisition), (m) Subsidiary of the Borrower where the burden or cost of obtaining a Guarantee (including any adverse tax, regulatory or accounting consequences (that are not de minimis to the Borrower or any of its direct or indirect parent companies or Subsidiaries or any of its or their respective equity holders)) outweighs the benefit to the Lenders, as determined by the Administrative Agent and the Borrower, (n) Subsidiary acquired pursuant to a Permitted Acquisition or other Investment permitted under this Agreement with assumed Indebtedness (that is not incurred in contemplation of such Permitted Acquisition or other Investment permitted hereunder), and each Restricted Subsidiary acquired in such Permitted Acquisition or other Investment permitted hereunder that guarantees such Indebtedness, in each case to the extent that, and for so long as, the documentation relating to such Indebtedness to which such Subsidiary is a party prohibits such Subsidiary from guaranteeing the Obligations, (o) any Subsidiary that is an obligor with respect to any Sale Leaseback, so long as such Subsidiary holds no material assets other than the properties that are the subject of such Sale Leaseback and (p) Subsidiary listed on Schedule 1.1(d); *provided further* that the Borrower in its sole discretion and in accordance with the provisions of the definition of "Guarantors", may elect to cause (A) one or more Excluded Subsidiaries organized or existing under the laws of the United States, any state thereof or the District of Columbia or any other jurisdiction reasonably acceptable to the Administrative Agent to be designated as not being Excluded Subsidiaries by written notice to the Administrative Agent and, following such designation, may (so long as at such time no Event of Default shall have occurred and be continuing or would result therefrom and such Subsidiary otherwise qualifies as an Excluded Subsidiary) re-designate such Subsidiary as an Excluded Subsidiary by written notice to the Administrative Agent and (B) any Guarantor that becomes an Excluded Subsidiary (including any

Excluded Subsidiary that became a Guarantor pursuant to the foregoing clause (A)) to be released from its Guarantee (the "**Excluded Subsidiary Joinder Exception**").

"**Excluded Subsidiary Joinder Exception**" shall have the meaning provided in the definition of "Excluded Subsidiary."

"**Excluded Swap Obligation**" shall mean, with respect to any Credit Party, (i) any Swap Obligation if, and to the extent that, all or a portion of the Obligations of such Credit Party of, or the grant by any such Credit Party of a security interest to secure, such Swap Obligation (or any Obligations thereof) is or becomes illegal or unlawful 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) or (ii) any other Swap Obligation designated as an "Excluded Swap Obligation" of such Credit Party as specified in any agreement between the relevant Credit Parties and Hedge Bank counterparty to such Swap Obligation. If a Swap Obligation arises under a Master Agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Obligation or security interest is or becomes illegal or unlawful.

"**Excluded Taxes**" shall mean, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of any Credit Party hereunder or under any other Credit Document, (i) Taxes imposed on or measured by its net income (however denominated), net profits, or branch profits (in each case, however denominated and including (for the avoidance of doubt) any backup withholding in respect thereof under Section 3406 of the Code or any similar provision of US state or local law), and franchise (and similar) Taxes, in each case (A) imposed by a jurisdiction (including any political subdivision thereof) as a result of such recipient being organized in, having its principal office in, or in the case of any Lender, having its applicable lending office in, such jurisdiction, or (B) that are Other Connection Taxes, (ii) in the case of a Lender other than an assignee pursuant to a request by the Borrower under Section 13.7 (or that designates a new lending office pursuant to a request by the Borrower), any US federal withholding Tax imposed on any payment by or on account of any obligation of any Credit Party hereunder or under any other Credit Document that is required to be imposed on amounts payable to or for the account of a recipient pursuant to applicable Requirements of Law in effect at the time such recipient acquires an interest in the applicable Commitment or, if such recipient did not fund an applicable Loan pursuant to a prior Commitment, at the time such recipient acquires the applicable interest in such Loan (or designates a new lending office), except to the extent that such Lender was entitled, immediately prior to the designation of such new lending office, or such Lender's assignor (if any) was entitled immediately prior to the assignment to such Lender, to receive additional amounts from the Credit Parties with respect to such withholding Tax pursuant to Section 5.4, (iii) any Taxes attributable to a recipient's failure to comply with Section 5.4 (e), (iv) any withholding Taxes imposed under FATCA or (v) penalties, interest and additions to Tax relating to any of the foregoing.

"**Existing Term Loan Class**" shall have the meaning provided in Section 2.14(g)(i).

"**Extended Term Loans**" shall have the meaning provided in Section 2.14(g)(i).

"**Extending Lender**" shall have the meaning provided in Section 2.14(g)(iii).

"**Extension**" shall mean the extension of a Loan or a Commitment pursuant to Section 2.14(g) and the applicable Extension Amendment.

"**Extension Amendment**" shall have the meaning provided in Section 2.14(g)(iv).

"**Extension Date**" shall have the meaning provided in Section 2.14(g)(v).

"**Extension Election**" shall have the meaning provided in Section 2.14(g)(iii).

"**Extension Minimum Condition**" shall mean a condition to consummating any Extension that a minimum amount (to be determined and specified in the relevant Term Loan Extension Request, in the Borrower's sole discretion) of any or all applicable Classes be submitted for Extension.

"**Fair Market Value**" shall mean with respect to any asset or group of assets on any date of determination, the value of the consideration obtainable in a sale of such asset at such date of determination assuming a sale by a willing seller to a willing purchaser dealing at arm's length and arranged in an orderly manner over a reasonable period of time having regard to the nature and characteristics of such asset, as determined in good faith by the Borrower.

"**FATCA**" shall mean (a) 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, (b) any agreements entered into pursuant to Section 1471(b)(1) of the Code as of the date of this Agreement (or any amended or successor version described above) and (c) any intergovernmental agreements (and related legislation, rules or official administrative guidance) implementing the foregoing.

"**Federal Funds Effective Rate**" shall mean, for any day, the rate calculated by the Federal Reserve Bank of New York based on such day's federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the federal funds effective rate; *provided* that if the Federal Funds Effective Rate for any day is less than zero, the Federal Funds Effective Rate for such day will be deemed to be zero.

"**Fee Letter**" shall mean that certain Fee Letter, dated as of October 31, 2025, by and among JPMorgan Chase Bank, N.A., Morgan Stanley Senior Funding, Inc., RBC Capital Markets, UBS Securities LLC and the Borrower.

"**Fees**" shall mean all amounts payable pursuant to, or referred to in, Section 4.1.

"**Finance Lease**" shall mean, as applied to any Person, any lease of any property (whether real, personal, or mixed) by that Person as lessee that, in conformity with GAAP (for the avoidance of doubt, subject to Section 1.3(c)), is, or is required to be, accounted for as a finance lease on the balance sheet of that Person.

"**Finance Lease Obligation**" shall mean, at the time any determination thereof is to be made, the amount of the liability in respect of a Finance Lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) prepared in accordance with GAAP; *provided* that Finance Lease Obligations shall, for the avoidance of doubt, exclude all Non-Finance Lease Obligations.

"**Financial Incurrence Test**" shall have the meaning provided in Section 1.11(b).

"**First Lien Net Leverage Ratio**" shall mean, as of any time of determination, the ratio of (i) Consolidated First Lien Secured Debt as of the last day of the most recent Test Period, *minus* Unrestricted

Cash and Cash Equivalents as of the last day of the most recent Test Period to (ii) the LTM Consolidated EBITDA.

"**First Lien Obligations**" shall mean any Indebtedness that is secured by all or a portion of the Collateral on a *pari passu* basis (but without regard to the control of remedies) with the Lien on the Collateral securing the Initial Term Loans or any Obligations that are secured by the Collateral on a *pari passu* basis with the Initial Term Loans, in addition to any other collateral (if any).

"**Fixed Amounts**" shall have the meaning provided in Section 1.11(b).

"**Fixed Basket**" shall have the meaning provided in Section 1.11(b).

"**Floor**" shall mean 0.00% per annum.

"**Foreign Benefit Arrangement**" shall mean any employee benefit arrangement mandated by non-US law that is contributed to, but not sponsored or maintained, by any Credit Party or any of its Subsidiaries, other than an arrangement that is maintained by or to which contributions are mandated by a Governmental Authority.

"**Foreign Plan**" shall mean each employee benefit plan (within the meaning of Section 3(3) of ERISA, but that is not subject to ERISA) that is not subject to US law and is maintained or sponsored by any Credit Party or any of its Subsidiaries, other than a plan that is maintained by or to which contributions are mandated by a Governmental Authority.

"**Foreign Plan Event**" shall mean (i) the failure to register or loss of good standing (if applicable) with applicable regulatory authorities of any such Foreign Plan or any Foreign Benefit Arrangement required to be registered, or (ii) the failure of any Foreign Plan to comply in any material respect with any provisions of applicable law or regulations or with the terms of such Foreign Plan.

"**Foreign Prepayment Event**" shall have the meaning provided in Section 5.2(a)(iv).

"**Foreign Subsidiary**" shall mean each Subsidiary of the Borrower that is not a Domestic Subsidiary.

"**Fund**" shall mean any Person (other than a natural Person) that is engaged or advises funds or other investment vehicles that are engaged in making, purchasing, holding, or investing in commercial loans and similar extensions of credit in the ordinary course.

"**Funded Debt**" shall mean all Indebtedness of the Borrower and the Restricted Subsidiaries for borrowed money that matures more than one year from the date of its creation or matures within one year from such date that is renewable or extendable, at the sole option of the Borrower or any Restricted Subsidiary, to a date more than one year from the date of its creation or arises under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year from such date (including all amounts of such Funded Debt required to be paid or prepaid within one year from the date of its creation), and, in the case of the Credit Parties, Indebtedness in respect of the Loans.

"**GAAP**" shall mean generally accepted accounting principles in the United States, as in effect from time to time; *provided*, *however*, that if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring

after the Closing Date in GAAP or in the application thereof (including through conforming changes made consistent with IFRS) on the operation of such provision, regardless of whether any such notice is given before or after such change in GAAP or in the application thereof (including through conforming changes made consistent with IFRS), 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. Furthermore, at any time after the Closing Date, the Borrower may elect to apply for all purposes of this Agreement, in lieu of GAAP, IFRS and, upon such election, references to GAAP herein will be construed to mean IFRS as in effect from time to time (and all references herein to an applicable ASC provision shall be construed to mean the corresponding IFRS provision); *provided* that (1) all financial statements and reports to be provided, after such election, pursuant to this Agreement shall be prepared on the basis of IFRS as in effect from time to time and (2) from and after such election, all ratios, computations, and other determinations based on GAAP contained in this Agreement shall still be required to be computed in conformity with GAAP. The Borrower shall give written notice of any such election made in accordance with this definition to the Administrative Agent. For the avoidance of doubt, solely making an election (without any other action) referred to in this definition will not be treated as an incurrence of Indebtedness.

"**General Debt Basket**" shall have the meaning provided in Section 10.1(l)(ii).

"**General Debt Basket Reallocated Amount**" shall mean any amount that, at the sole option of the Borrower, has then been reallocated from the General Debt Basket to increase the Non-Ratio Based Incremental Basket of the Maximum Incremental Facilities Amount (subject to reallocation back to the General Debt Basket from the Maximum Incremental Facilities Amount from time to time at the sole option of the Borrower); *provided* that the outstanding amount of Indebtedness incurred under the General Debt Basket Reallocated Amount shall be deemed to utilize capacity under the General Debt Basket on a dollar for dollar basis.

"**General Investments Basket**" shall have the meaning provided in clause (xii) of the definition of "Permitted Investments."

"**General Restricted Payments Basket**" shall have the meaning provided in Section 10.5(b)(11).

"**General Restricted Payments Basket Reallocated Amount"** shall mean any amount that, at the sole option of the Borrower, has then been reallocated from the General Restricted Payments Basket to increase the Non-Ratio Based Incremental Basket of the Maximum Incremental Facilities Amount (subject to reallocation back to the General Restricted Payments Basket from the Maximum Incremental Facilities Amount from time to time at the sole option of the Borrower); *provided* that the outstanding amount of Indebtedness incurred under the General Restricted Payments Basket Reallocated Amount shall be deemed to utilize capacity under the General Restricted Payments Basket on a dollar for dollar basis.

"**General Subordinated Payments Basket**" shall have the meaning provided in Section 10.5(b)(19).

"**Governmental Authority**" shall mean any nation, sovereign, or government, any state, province, territory, or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, taxing, regulatory, or administrative functions of or pertaining to government, including a central bank or stock exchange.

"**Granting Lender**" shall have the meaning provided in Section 13.6(g).

"**Guarantee**" shall mean (i) the Guarantee entered into by Holdings, the Borrower, the other Credit Parties party thereto and the Collateral Agent for the benefit of the Secured Parties, substantially in the form of Exhibit C and (ii) with respect to any guarantee provided by any Foreign Subsidiary, at the option of the Borrower and the Administrative Agent, separate guarantee agreement customary for the applicable jurisdiction.

"**guarantee obligations**" shall mean, as to any Person, any obligation of such Person guaranteeing or intended to guarantee any Indebtedness of any primary obligor in any manner, whether directly or indirectly, including any obligation of such Person, whether or not contingent, (i) to purchase any such Indebtedness or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (a) for the purchase or payment of any such Indebtedness or (b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities, or services primarily for the purpose of assuring the owner of any such Indebtedness of the ability of the primary obligor to make payment of such Indebtedness, or (iv) otherwise to assure or hold harmless the owner of such Indebtedness against loss in respect thereof; *provided*, *however*, that the term "guarantee obligations" shall not include endorsements of instruments for deposit or collection in the ordinary course of business or customary and reasonable indemnity obligations or product warranties in effect on the Closing Date or entered into in connection with any acquisition or disposition or other conveyance of assets permitted under this Agreement (other than such obligations with respect to Indebtedness). The amount of any guarantee obligation shall be deemed to be an amount equal to the stated or determinable amount of the Indebtedness in respect of which such guarantee obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

"**Guarantors**" shall mean Holdings, the Borrower and each Subsidiary of the Borrower that becomes a party to the Guarantee on the Closing Date or pursuant to Section 9.11 or otherwise; *provided*, for the avoidance of doubt, (x) unless otherwise expressly agreed by the Borrower, no Subsidiary that is an Excluded Subsidiary shall be a Guarantor until and unless it ceases to be an Excluded Subsidiary (including by means of designation as such by the Borrower pursuant to the definition of "**Excluded Subsidiary**"), and (y) the Borrower may cause any Restricted Subsidiary that is not a Guarantor to guarantee the Obligations by causing such Restricted Subsidiary to become a Guarantor under the Guarantee and a grantor under the applicable Security Documents (including, in the case of a Foreign Subsidiary that has been designated as a Guarantor pursuant to this clause (y), Security Documents governed by applicable foreign law and reasonably acceptable to the Collateral Agent) in accordance with Section 9.11 (so long as, in the case of a Foreign Subsidiary, the jurisdiction of such Subsidiary shall be reasonably satisfactory to the Administrative Agent and such Foreign Subsidiary shall have entered into Security Documents governed by the applicable foreign law reasonably acceptable to the Collateral Agent), and any such Restricted Subsidiary shall be a Guarantor hereunder and under the other Credit Documents for all purposes until such Restricted Subsidiary is released as a Guarantor in accordance herewith. Notwithstanding anything set forth above, with respect to any New Term Loans, Refinancing Term Loans and Extended Term Loans constituting Designated Alternative Security Indebtedness, the Borrower and the Administrative Agent shall be entitled to enter into any Guarantee and Security Document to the extent contemplated under the applicable Incremental Amendment, Refinancing Amendment or Extension Amendment, without offering such benefit to the other Obligations.

"**Hazardous Materials**" shall mean (i) any petroleum or petroleum products, radioactive materials, friable asbestos, polychlorinated biphenyls, per-or polyfluoroalkyl substances and radon gas; (ii) any chemicals, materials, or substances defined as or included in the definition of "hazardous

substances," "hazardous waste," "hazardous materials," "extremely hazardous waste," "restricted hazardous waste," "toxic substances," "toxic pollutants," "contaminants," or "pollutants," or words of similar import, under any Environmental Law; and (iii) any other chemical, material, or substance, which is prohibited, limited, or regulated due to its dangerous or deleterious properties or characteristics by, any Environmental Law.

"**Hedge Agreements**" shall mean (i) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (ii) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "**Master Agreement**"), including any such obligations or liabilities under any Master Agreement.

"**Hedge Bank**" shall mean (i) any Person that, at the time it enters into a Hedge Agreement, is a Lender, an Agent or an Affiliate or branch of a Lender or an Agent, (ii) with respect to any Hedge Agreement entered into prior to the Closing Date, any Person that is a Lender or an Agent or an Affiliate or branch of a Lender or an Agent on the Closing Date, and (iii) any other Person from time to time designated in writing by the Borrower to the Administrative Agent; *provided* that, if such Person is not an Agent or a Lender, such Person executes and delivers to the Administrative Agent and the Borrower a letter agreement in form and substance reasonably acceptable to the Administrative Agent and the Borrower pursuant to which such Person (a) appoints the Administrative Agent as its agent under the applicable Credit Documents and (b) agrees to be bound by the provisions of Sections 11, 12, 13, 15 and 26 of the Pledge Agreement and Sections 5.4, 5.5, 5.7, 6.5, 7 and 8.1 of the Security Agreement, in each case, as if it were a Lender.

"**Hedging Obligations**" shall mean, with respect to any Person, the obligations of such Person under any Hedge Agreements.

"**Historical Financial Statements**" shall mean (i) the audited consolidated balance sheet and related audited consolidated statements of income or operations and cash flows of BDF Holding Corp. for the fiscal years ended December 31, 2023 and December 29, 2024 and (ii) the unaudited consolidated balance sheet and the related unaudited consolidated statements of income or operations and cash flows of Holdings, the Borrower and its Subsidiaries for the fiscal quarters ended March 30, 2025 and June 29, 2025.

"**Holdings**" shall mean (i) Holdings (as defined in the preamble to this Agreement) or (ii) after the Closing Date any other Person or Persons ("**New Holdings**") that is a Subsidiary of (or are Subsidiaries of) Holdings or of any direct or indirect parent of Holdings (or the previous New Holdings, as the case may be) but not the Borrower ("**Previous Holdings**"); *provided* that (a) such New Holdings directly owns 100% of the Capital Stock of the Borrower, (b) New Holdings shall expressly assume all the obligations of Previous Holdings under this Agreement and the other Credit Documents pursuant to a supplement hereto or thereto in form and substance reasonably satisfactory to the Administrative Agent

and the Borrower, (c) if reasonably requested by the Administrative Agent, a customary opinion of counsel shall be delivered on behalf of the Borrower to the Administrative Agent, (d) [reserved], (e) (x) subject to Section 1.12(f), no Event of Default has occurred and is continuing at the time of such substitution and such substitution does not result in any Event of Default and (y) such substitution does not result in any adverse tax consequences to any Lender (unless reimbursed hereunder) or to the Administrative Agent (unless reimbursed hereunder), (f) no Change of Control shall occur, (g) the Administrative Agent shall have received at least five (5) Business Days' prior written notice (or such shorter period as the Administrative Agent may agree) of the proposed transaction and Previous Holdings, New Holdings and the Borrower shall promptly and in any event at least two (2) Business Days' prior to the consummation of the transaction provide all information any Lender or any Agent may reasonably request to satisfy its "know your customer" and other similar requirements necessary for such Person to comply with its internal compliance and regulatory requirements with respect to the proposed successor New Holdings, (h) New Holdings shall be an entity organized or existing under the laws of the United States, any state thereof or the District of Columbia, (i) if reasonably requested by the Administrative Agent, the Credit Parties shall execute and deliver amendments, supplements and other modifications to all applicable Credit Documents necessary for such New Holdings to be made a party to this Agreement and to guarantee the Obligations pursuant to the Guarantee, in each case in form and substance substantially consistent with the applicable agreements previously delivered in respect thereof or reasonably satisfactory to the Administrative Agent; *provided* that, with the consent of the Administrative Agent (such consent not to be unreasonably withheld, conditioned, delayed or denied), such amendments, supplements, modifications, instruments and/or agreements may be executed and delivered following such substitution and shall not constitute a condition to the effectiveness of New Holdings' substitution for Holdings and (j) the security interest of the Secured Parties in the Collateral granted by the Credit Parties under the Security Documents shall not be materially impaired as a result of such substitution; *provided further* that if each of the foregoing is satisfied, Previous Holdings shall be automatically released of all its obligations under the Credit Documents and any reference to "Holdings" in the Credit Documents shall refer to New Holdings.

"**IFRS**" shall mean International Financial Reporting Standards, as adopted by the International Accounting Standards Board and/or the European Union, as in effect from time to time.

"**Impacted Loans**" shall have the meaning provided in Section 2.10(a).

"**Increased Amount Date**" shall have the meaning provided in Section 2.14(a).

"**Incremental Amendment**" shall have the meaning provided in Section 2.14(a).

"**Incremental Amounts**" shall have the meaning provided in Section 10.1(m).

"**Incremental Delayed Draw Term Loan Commitment**" shall have the meaning provided in Section 1.11(d).

"**Incremental Delayed Draw Term Loan Commitment Incurrence Election Provision**" shall have the meaning provided in Section 1.11(d).

"**Incremental Ratio Basket**" shall have the meaning provided in clause (iv) of the definition of "Maximum Incremental Facilities Amount."

"**Indebtedness**" shall mean, with respect to any Person,

(i) any indebtedness of such Person (a) in respect of borrowed money, (b) evidenced by bonds, notes or debentures, (c) constituting all reimbursement obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (the amount of such reimbursement obligations being equal, for purposes of this clause (c), to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments, *plus* the aggregate amount of drawings thereunder that have not been reimbursed) (except reimbursement obligations under trade payables or trade or commercial letters of credit), (d) representing the balance of deferred and unpaid purchase price of any property (including Finance Lease Obligations), or (e) representing any Hedging Obligations, if and to the extent that any of the foregoing indebtedness under this clause (i) (other than letters of credit and Hedging Obligations) would appear as a net liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP; *provided* that Indebtedness of any direct or indirect parent company appearing upon the balance sheet of the Borrower solely by reason of push-down accounting under GAAP shall be excluded,

(ii) to the extent not otherwise included, any obligation by such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the obligations of the type referred to in clause (i) above of another Person (whether or not such items would appear upon the balance sheet of such obligor or guarantor), other than by endorsement of negotiable instruments for collection in the ordinary course of business, and

(iii) to the extent not otherwise included, the obligations of the type referred to in clause (i) above of another Person secured by a Lien on any asset owned by such Person, whether or not such Indebtedness is assumed by such Person;

provided that notwithstanding the foregoing, Indebtedness shall be deemed not to include:

(1) Contingent Obligations incurred in the ordinary course of business,

(2) obligations under or in respect of Receivables Facilities and Securitization Facilities,

(3) prepaid or deferred revenue arising in the ordinary course of business,

(4) purchase price holdbacks arising in the ordinary course of business in respect of a portion of the purchase price of an asset to satisfy warranties or other unperformed obligations of the seller of such asset,

(5) trade accounts and accrued expenses payable in the ordinary course of business and accruals for payroll and other liabilities accrued in the ordinary course of business,

(6) any earn-out obligation until 60 days after such obligation has become due and payable in cash and has not been paid and such obligation is reflected as a liability on the balance sheet of such Person in accordance with GAAP,

(7) customary obligations under employment agreements and deferred compensation,

(8) Non-Finance Lease Obligations or

(9) any liabilities in respect of appraisal and dissenter rights of current or former equity holders at such time.

The amount of Indebtedness of any Person for purposes of clause (iii) above shall (unless such Indebtedness has been assumed by such Person) be deemed to be equal to the lesser of (x) the aggregate unpaid amount of such Indebtedness and (y) the Fair Market Value of the property encumbered thereby as determined by such Person in good faith.

For all purposes hereof, (A) the Indebtedness of the Borrower and the Restricted Subsidiaries shall exclude all intercompany Indebtedness having a term not exceeding 365 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business and (B) obligations constituting non-recourse Indebtedness of the Borrower and the Restricted Subsidiaries shall only constitute "Indebtedness" for purposes of Section 10.1 and not for any other purpose hereunder.

Notwithstanding the foregoing, other than in connection with making an LCT Election, Indebtedness will be deemed not to include obligations ("**Escrowed Obligations**") incurred or otherwise outstanding in advance of, and the proceeds of which are to be applied in connection with, a transaction (including any repayment, prepayment or redemption as to which a notice thereof has been delivered to the applicable holders thereof), solely to the extent that the proceeds thereof are and continue to be held in an escrow, trust, collateral or similar account or arrangement (collectively, an "**Escrow**") and are not otherwise made available for any other purpose (it being understood that in any event, any such proceeds held in such Escrow shall be not deemed to represent unrestricted cash for purposes of calculating the First Lien Net Leverage Ratio, Secured Net Leverage Ratio or Total Net Leverage Ratio); *provided* that upon the release of the proceeds of Escrowed Obligations from such Escrow such obligations, to the extent outstanding after such release, shall constitute Indebtedness that is incurred on such date.

"**Indemnified Liabilities**" shall have the meaning provided in Section 13.5.

"**Indemnified Persons**" shall have the meaning provided in Section 13.5.

"**Indemnified Taxes**" shall mean all Taxes imposed on or with respect to any payment made by or on account of any obligation of any Credit Party hereunder or under any other Credit Document, other than Excluded Taxes or Other Taxes.

"**Independent Financial Advisor**" shall mean an accounting firm, appraisal firm, investment banking firm or consultant of nationally recognized standing that is, in the good faith judgment of the Borrower, qualified to perform the task for which it has been engaged and that is disinterested with respect to the applicable transaction.

"**Initial Term Loan**" shall have the meaning provided in Section 2.1(a).

"**Initial Term Loan Commitment**" shall mean, in the case of each Lender that is a Lender on the Closing Date, the amount set forth opposite such Lender's name on Schedule 1.1(b) as such Lender's Initial Term Loan Commitment. The aggregate amount of the Initial Term Loan Commitments as of the Closing Date is $350,000,000.

"**Initial Term Loan Lenders**" shall mean a Lender with an Initial Term Loan Commitment or an outstanding Initial Term Loan.

"**Initial Term Loan Maturity Date**" shall mean the date that is the seventh anniversary of the Closing Date, or, if such date is not a Business Day, the immediately preceding Business Day.

"**Inside Maturity Basket**" shall mean, (a) at the option of the Borrower (in its sole discretion), Indebtedness incurred in reliance on this clause (a) with a final maturity date prior to the earliest maturity date otherwise expressly required under this Agreement with respect to such Indebtedness and/or a Weighted Average Life to Maturity shorter than the minimum Weighted Average Life to Maturity otherwise expressly required under this Agreement with respect to such Indebtedness in an aggregate outstanding principal amount not to exceed the greater of (x) $240,000,000 and (y) 100% of the LTM Consolidated EBITDA, (b) such Indebtedness constitutes a customary term "A" loan facility as reasonably determined by the Borrower in good faith or (c) such Indebtedness that constitutes Customary Bridge Loans.

"**Insolvent**" shall mean, with respect to any Multiemployer Plan, the condition that such Multiemployer Plan is insolvent within the meaning of Section 4245 of ERISA.

"**Intellectual Property**" shall mean any and all intellectual property arising under applicable law, including (i) (a) patents, inventions, industrial designs, processes, developments, technology, and know-how; (b) copyrights and works of authorship in any media, including graphics, advertising materials, labels, package designs, and photographs; (c) trademarks, service marks, trade names, brand names, corporate names, domain names, logos, trade dress, and other source indicators, and the goodwill of any business symbolized thereby; and (d) trade secrets, confidential, proprietary, or non-public information and (ii) all registrations, issuances, applications, renewals, extensions, substitutions, continuations, continuations-in-part, divisions, re-issues, and re-examinations.

"**Intercompany License Agreement**" shall mean any cost sharing agreement, commission or royalty agreement, license or sub-license agreement, distribution agreement, marketing agreement, development agreement, services agreement, Intellectual Property rights transfer agreement or any related agreements, in each case where all the parties to such agreement are one or more of the Borrower and any Restricted Subsidiary thereof.

"**Intercompany Note**" shall mean any intercompany note substantially in the form of Exhibit D.

"**Interest Coverage Ratio**" shall mean, as of any time of determination, the ratio of (i) Consolidated EBITDA of the Borrower and its Restricted Subsidiaries for the Test Period then last ended to (ii) the Consolidated Interest Expense of the Borrower and its Restricted Subsidiaries in respect of any Indebtedness that would be included in Consolidated Total Debt (net of cash interest income) for such Test Period.

"**Interest Period**" shall mean, with respect to any Loan, the interest period applicable thereto, as determined pursuant to Section 2.9.

"**Interested Creditors**" shall have the meaning provided in Section 13.20(b).

"**Investment**" shall mean, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantee obligations), advances, or capital contributions, purchases or other acquisitions for consideration of Indebtedness, Equity Interests, or other securities issued by any other Person, investments that are required by GAAP to be classified on the balance sheet (excluding the footnotes) of such Person in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property or

the purchase or other acquisition, in one transaction or a series of related transactions, of all or substantially all of the assets of another Person or assets constituting a business unit, line of business or division of such Person; *provided* that Investments shall not include, in the case of the Borrower and the Restricted Subsidiaries, (i) accounts receivable, credit card and debit card receivables, trade credit, advances to customers, commission, travel, and similar advances to officers, directors, managers and employees, in each case made in the ordinary course of business and (ii) intercompany loans, advances, or Indebtedness made to or owing by the Borrower or a Restricted Subsidiary having a term not exceeding 365 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business; *provided further* that, in the event that any Investment is made by the Borrower or any Restricted Subsidiary in any Person through substantially concurrent interim transfers of any amount through the Borrower or any Restricted Subsidiaries, then such other substantially concurrent interim transfers shall be disregarded for purposes of Section 10.5.

For purposes of the definition of "Unrestricted Subsidiary" and Section 10.5,

(i) Investments shall include the portion (proportionate to the Borrower's equity interest in such Subsidiary) of the Fair Market Value of the net assets of a Subsidiary of the Borrower at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided* that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Borrower shall be deemed to continue to have a permanent Investment in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Borrower's "Investment" in such Subsidiary at the time of such redesignation *less* (b) the portion (proportionate to the Borrower's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation; and

(ii) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced by any dividend, distribution, interest payment, return of capital, repayment, or other amount received by the Borrower or a Restricted Subsidiary in respect of such Investment, including, with respect to a disposition of any Investment, the amount of Net Cash Proceeds (without giving effect to clause (a)(ii)(C) of the definition thereof) received by the Borrower or a Restricted Subsidiary in respect of such Investment (*provided* that, with respect to amounts received other than in the form of cash or Cash Equivalents, such amount shall be equal to the Fair Market Value of such consideration). An Investment will be deemed to have been made at the time of making any such loans, advance or capital contribution, purchase or other acquisition for consideration of Indebtedness, Equity Interests or other securities.

"**Investment Grade Rating**" shall mean a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, or an equivalent rating by any other rating agency.

"**Investment Grade Securities**" shall mean:

(i) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (other than Cash Equivalents),

(ii) debt securities or debt instruments with an Investment Grade Rating, but excluding any debt securities or instruments constituting loans or advances among the Borrower and its Subsidiaries,

(iii) investments in any fund that invests all or substantially all of its assets in investments of the type described in clauses (i) and (ii) above which fund may also hold immaterial amounts of cash pending investment or distribution, and

(iv) corresponding instruments in countries other than the United States customarily utilized for high-quality investments.

"**IP Security Agreement**" shall mean one or more Intellectual Property security agreements by and among one or more of the Credit Parties and the Collateral Agent executed in accordance with the Security Agreement, in substantially the form set forth as Annex B to the Security Agreement.

"**ISDA CDS Definitions**" shall have the meaning provided in Section 13.1.

"**Judgment Currency**" shall have the meaning provided in Section 13.21.

"**Junior Lien Intercreditor Agreement**" shall mean (i) an intercreditor agreement substantially in the form of Exhibit A-1, duly completed pursuant to the terms thereof with such additional changes as may be reasonably acceptable to the Administrative Agent and the Borrower or (ii) a customary intercreditor agreement in form and substance reasonably acceptable to the Administrative Agent and the Borrower, in each case of clauses (i) and (ii), which agreement shall provide that the Liens on the Collateral securing such Indebtedness shall rank junior in priority to the Liens on the Collateral securing the First Lien Obligations under this Agreement.

"**Junior Lien Obligations**" shall mean any Indebtedness (other than Indebtedness incurred under the ABL Facility, including the ABL Loans) that is secured by all or a portion of the Collateral on a junior basis to the Liens on the Collateral securing the Initial Term Loans or any Obligations that are secured by the Collateral on a *pari passu* basis with the Initial Term Loans, in addition to any other collateral (if any), excluding any Third Lien Obligations.

"**Latest Term Loan Maturity Date**" shall mean, at any date of determination, the latest maturity or expiration date applicable to any Term Loan hereunder at such time, including the latest maturity or expiration date of any Initial Term Loan, any New Term Loan, any Extended Term Loan, any Refinancing Term Loan or any Replacement Term Loan, in each case as extended in accordance with this Agreement from time to time.

"**LCT Election**" shall have the meaning provided in Section 1.12(f).

"**LCT Test Date**" shall have the meaning provided in Section 1.12(f).

"**Lead Arrangers**" shall mean the institutions named as Lead Arrangers and Bookrunners on the cover page of this Agreement.

"**Lender**" shall have the meaning provided in the preamble to this Agreement.

"**Lender Default**" shall mean (i) the refusal or failure of any Lender to make available its portion of any incurrence of Loans, which refusal or failure is not cured within one (1) Business Day after the date of such refusal or failure, (ii) the failure of any Lender to pay over to the Administrative Agent or any Lender any other amount required to be paid by it hereunder within one (1) Business Day of the date when due, unless the subject of a good faith dispute, (iii) a Lender has notified the Borrower and the

Administrative Agent that it does not intend to comply with its funding obligations under this Agreement or has made a public statement to that effect with respect to its funding obligations under this Agreement, (iv) a Lender has failed to confirm in a manner reasonably satisfactory to the Administrative Agent and the Borrower that it will comply with its funding obligations under this Agreement, (v) a Distressed Person has admitted in writing that it is insolvent or such Distressed Person becomes subject to a Lender-Related Distress Event or (vi) or failure of any Lender to comply with the Assignment/Participation Limitations.

"**Lender-Related Distress Event**" shall mean, with respect to any Lender or any other Person that directly or indirectly controls such Lender (each, a "**Distressed Person**"), (a) that such Distressed Person is or becomes subject to a voluntary or involuntary case with respect to such Distressed Person under any debt relief law, (b) a custodian, conservator, receiver, or similar official is appointed for such Distressed Person or any substantial part of such Distressed Person's assets, (c) such Distressed Person is subject to a forced liquidation, makes a general assignment for the benefit of creditors or is otherwise adjudicated as, or determined by any Governmental Authority having regulatory authority over such Distressed Person or its assets to be, insolvent or bankrupt or (d) that such Distressed Person becomes the subject of a Bail-In Action; *provided* that a Lender-Related Distress Event shall not be deemed to have occurred solely by virtue of the ownership or acquisition of any equity interests in any Lender or any Person that directly or indirectly controls such Lender by a Governmental Authority or an instrumentality thereof.

"**Lender-Related Person**" has the meaning specified in Section 13.5.

"**Lien**" shall mean with respect to any asset, any mortgage, lien, pledge, hypothecation, charge, security interest, preference, priority, or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, and any lease in the nature thereof; *provided* that in no event shall an operating lease (or other lease in respect of a Non-Finance Lease Obligation) or a license to use Intellectual Property be deemed to constitute a Lien.

"**Limited Condition Transaction**" shall mean (i) any Permitted Acquisition, other permitted acquisition or permitted Investment (in each case including any such transaction that is subject to a letter of intent or purchase agreement) whose consummation is not conditioned on the availability of, or on obtaining, third party financing, (ii) any redemption, repurchase, defeasance, satisfaction and discharge or repayment of Indebtedness requiring irrevocable notice in advance of such redemption, repurchase, defeasance, satisfaction and discharge or repayment, (iii) any disposition or other sale or conveyance of assets or property and (iv) any Restricted Payment.

"**Loan**" shall mean any Term Loan or any other loan made by any Lender hereunder.

"**LTM Consolidated EBITDA**" shall mean Consolidated EBITDA of the Borrower and its Restricted Subsidiaries for the most recently ended Test Period prior to the applicable time of determination, calculated on a Pro Forma Basis.

"**LTM Determination Notification**" shall mean a written notification delivered to the Administrative Agent, at the Borrower's option, no later than three (3) Business Days (or such shorter period of time as agreed by the Administrative Agent in its reasonable discretion) prior to any LCT Test Date (a) informing the Administrative Agent that the Borrower intends to make the calculations of the ratios, tests or baskets set forth in Section 1.12(f) on the basis of the Borrower's financial performance

over the last twelve fiscal months and not on the basis of the Borrower's financial performance over the last four fiscal quarters and (b) if not previously delivered to the Administrative Agent, including monthly financials for each fiscal month in such twelve month period.

"**Management Equityholders**" shall mean any current or former director, officer, employee or member of management of the Borrower or any of its Subsidiaries or any direct or indirect parent company thereof who is an equityholder (including with respect to warrants and options) in the Borrower or any direct or indirect parent thereof and, in each case, any Related Person of such Person.

"**Market Capitalization**" shall mean an amount equal to the product of (i) the total number of issued and outstanding shares of common Equity Interests of the Borrower or the applicable direct or indirect parent company thereof, as applicable, on the date of the declaration of a Restricted Payment permitted pursuant to Section 10.5(b)(9) *multiplied by* (ii) the arithmetic mean of the closing prices per share of such common Equity Interests on the principal securities exchange on which such common Equity Interests are traded for the thirty (30) consecutive trading days immediately preceding the date of declaration of such Restricted Payment.

"**Master Agreement**" shall have the meaning provided in the definition of "Hedge Agreement."

"**Material Adverse Effect**" shall mean a material and adverse effect on (i) the business, results of operations or financial condition of the Borrower and the Restricted Subsidiaries, taken as a whole, or (ii) the material remedies (taken as a whole) of the Administrative Agent and the Lenders under the Credit Documents.

"**Material Intellectual Property**" shall mean Intellectual Property owned by the Borrower or its Restricted Subsidiaries as of the Closing Date and the loss of which would have a material and adverse effect on the business of the Borrower and its Restricted Subsidiaries (taken as a whole).

"**Material Subsidiary**" shall mean, at any date of determination, each Wholly-Owned Restricted Subsidiary (together with its Restricted Subsidiaries) (i) whose total assets at the last day of the Test Period ending on the last day of the most recent fiscal period for which Section 9.1 Financials have been delivered were greater than 5.00% of the Consolidated Total Assets of the Borrower and the Restricted Subsidiaries at such date or (ii) whose revenues during such Test Period were greater than 5.00% of the consolidated revenues of the Borrower and the Restricted Subsidiaries for such period (in the case of any determination relating to any Specified Transaction, on a Pro Forma Basis including the revenues of any Person being acquired in connection therewith), in each case determined in accordance with GAAP; *provided* that if, at any time and from time to time after the Closing Date, Restricted Subsidiaries that are not Material Subsidiaries (other than Restricted Subsidiaries that are Excluded Subsidiaries other than by virtue of clause (b) of the definition of "Excluded Subsidiary") have, in the aggregate, (a) total assets at the last day of such Test Period greater than 10.00% of the Consolidated Total Assets of the Borrower and the Restricted Subsidiaries at such date or (b) revenues during such Test Period greater than 10.00% of the consolidated revenues of the Borrower and the Restricted Subsidiaries for such period, in each case determined in accordance with GAAP, then the Borrower shall, within 45 days after the date on which Section 9.1 Financials for the last quarter of such Test Period are delivered pursuant to this Agreement (or such longer period as the Administrative Agent agrees in its reasonable discretion), designate in writing to the Administrative Agent one or more of such Restricted Subsidiaries as Material Subsidiaries for each fiscal period until this proviso is no longer applicable; *provided further* that any such Wholly-Owned Restricted Subsidiary so designated that constitutes a Material Subsidiary shall become a Guarantor solely to the extent required by Section 9.11.

"**Maturity Date**" shall mean the Initial Term Loan Maturity Date or the maturity date of a New Term Loan, an Extended Term Loan, a Replacement Term Loan or a Refinancing Term Loan, as applicable.

"**Maximum Incremental Facilities Amount**" shall mean, at any time of determination, an aggregate principal amount equal to the sum of:

(i) the sum of (A)(1) the greater of (x) $240,000,000 and (y) 100% of the LTM Consolidated EBITDA, *plus* (2) the General Debt Basket Reallocated Amount, *plus* (3) the General Restricted Payment Basket Reallocated Amount, *minus* (B) in each case, subject to the last sentence in the last paragraph of this definition, and without duplication, the sum of (1) the aggregate principal amount of New Term Loans and/or New Term Loan Commitments incurred pursuant to Section 2.14(a) prior to such date in reliance on this clause (i) *plus* (2) the aggregate principal amount of Indebtedness (or commitments in respect thereof) issued or incurred pursuant to Section 10.1(x)(a) prior to such date in reliance on this clause (i), *plus*

(ii) the sum of (I) the aggregate principal amount of (x) voluntary prepayments, redemptions, repurchases and buybacks of Initial Term Loans (including pro rata and non-pro rata purchases of Initial Term Loans at or below par and payments through Dutch auction procedures) and payments of Initial Term Loans utilizing Section 13.7 or any other analogous "yank-a-bank" provision (in each case under this clause (x), in the principal amount of the Initial Term Loans subject thereto) by Holdings or any of its Subsidiaries, (y) permanent commitment reductions in respect of (A) ABL Commitments and (B) revolving credit commitments established in reliance on clause (i) above or this clause (ii) or otherwise constituting First Lien Obligations (in each case under this clause (y), other than permanent commitment reductions in respect of delayed draw term loan commitments occurring as result of drawing loans thereunder) and (z) voluntary prepayments, redemptions, repurchases and buybacks (including pro rata and non-pro rata purchases (in the principal amount of the Indebtedness subject thereto)) by Holdings or any of its Subsidiaries at or below par and payments through Dutch auction procedures (in the principal amount of the Indebtedness subject thereto) and payments utilizing Section 13.7 (or any other "yank-a-bank" provisions hereunder), as applicable, of New Term Loans and/or New Term Loan Commitments that constitute First Lien Obligations, any Indebtedness issued or incurred pursuant to Section 10.1(x)(a) that constitutes First Lien Obligations and any other First Lien Obligations and, without duplication, any New Term Loans and/or New Term Loan Commitments incurred under the Non-Ratio Based Incremental Basket and any Indebtedness issued or incurred pursuant to Section 10.1(x)(a) incurred under the Non-Ratio Based Incremental Basket, in the case of each of clauses (x), (y) and (z) above, other than from proceeds of incurrences of long-term Indebtedness (other than (X) any Indebtedness under any revolving credit facility or any intercompany loans made to effect the underlying transaction or (Y) without duplication, any Indebtedness or commitment then being incurred in reliance on the Prepayment Incremental Basket), *minus* (II) subject to the last sentence in the last paragraph of this definition, and without duplication, the sum of (1) the aggregate principal amount of New Term Loans and New Term Loan Commitments incurred pursuant to Section 2.14(a) prior to such time in reliance on this clause (ii) and (2) the aggregate principal amount of Indebtedness (or commitments in respect thereof) issued or incurred pursuant to Section 10.1(x)(a) prior to such time in reliance on this clause (ii) *plus*

(iii) the sum of (I) the aggregate principal amount of voluntary prepayments, redemptions, repurchases and buybacks (including pro rata or non-pro rata purchases at or below par and payments through Dutch auction procedures and payments utilizing Section 13.7 or any other analogous "yank-a-bank" provision (in each case, in the principal amount of the Indebtedness subject thereto)) (or, solely with respect to revolving credit commitments, the aggregate principal amount of permanent commitment

reductions effected thereunder) by Holdings or any of its Subsidiaries of any Refinancing Indebtedness, Refinancing Term Loans or Term Loan Refinancing Indebtedness, as applicable, previously applied, directly or indirectly, to the prepayment, redemption, repurchase, buyback or permanent commitment reduction, as applicable, of any Indebtedness or revolving credit commitment, as applicable, described in clause (i) or (ii) above, in each case under this clause (iii), to the extent such voluntary prepayment, redemption, repurchase or buyback was not financed with the proceeds of long-term Indebtedness (other than (X) any Indebtedness under any revolving credit facility or any intercompany loans made to effect the underlying transaction or (Y) without duplication, any Indebtedness or commitment then being incurred in reliance on the Prepayment Incremental Basket) of the Borrower or the Restricted Subsidiaries, *minus* (II) subject to the last sentence in the last paragraph of this definition, and without duplication, the sum of (1) the aggregate principal amount of New Term Loans and New Term Loan Commitments incurred pursuant to Section 2.14(a) prior to such time in reliance on this clause (iii) and (2) the aggregate principal amount of Indebtedness (or commitments in respect thereof) issued or incurred pursuant to Section 10.1(x)(a) prior to such time in reliance on this clause (iii) (this clause (iii), together with clause (ii) above, the "**Prepayment Incremental Basket**"; clauses (i), (ii) and (iii) of the Maximum Incremental Facilities Amount, collectively, the "**Non-Ratio Based Incremental Basket**"), *plus*

(iv) an unlimited amount, so long as in the case of this clause (iv) only, such amount at such time of determination can be incurred or issued without causing:

(x) in the case of the incurrence of Indebtedness constituting First Lien Obligations, the First Lien Net Leverage Ratio to exceed the greater of (A) 1.75 to 1.00 and (B) the First Lien Net Leverage Ratio as of immediately prior to the incurrence of such Indebtedness, or

(y) in the case of the incurrence of Indebtedness constituting Junior Lien Obligations (other than Third Lien Obligations), either, at the Borrower's election, the Secured Net Leverage Ratio to exceed the greater of (A) 2.75 to 1.00 and (B) the Secured Net Leverage Ratio as of immediately prior to the incurrence of such Indebtedness, or

(z) in the case of the incurrence of Indebtedness that is (1) secured solely by Liens on assets that do not constitute Collateral, (2) a Third Lien Obligation or (3) unsecured, either, at the Borrower's election, (I) the Total Net Leverage Ratio to exceed the greater of (A) 3.75 to 1.00 and (B) the Total Net Leverage Ratio as of immediately prior to the incurrence of such Indebtedness or (II) the Interest Coverage Ratio to be less than the lesser of (A) 2.00 to 1.00 and (B) the Interest Coverage Ratio for the most recently ended Test Period as of immediately prior to the incurrence of such Indebtedness (this clause (iv), the "**Incremental Ratio Basket**");

in each case of the immediately preceding clauses (x), (y) and (z), calculated on a Pro Forma Basis and assuming for purposes of this calculation that (1) the full committed amount of any new Incremental Revolving Credit Commitments and/or any other Indebtedness constituting a revolving credit commitment then being incurred or issued shall be treated as outstanding (for the avoidance of doubt, the incurrence of any debt under such revolving credit commitments thereafter shall not be subject to any ratio test and the amount of such revolving credit commitments shall not be deemed to be outstanding in any subsequent ratio tests other than with respect to any amount of loans actually drawn thereunder (to the extent such drawn amount would otherwise be required to be included in such ratio calculations)) and (2) any cash proceeds of any New Term Loans and/or other Indebtedness then being incurred or issued shall not be netted from the numerator in the First Lien Net Leverage Ratio, the Secured Net Leverage Ratio and the Total Net Leverage Ratio, as applicable, for purposes of calculating the First Lien Net Leverage Ratio, Secured Net Leverage Ratio or the Total Net Leverage Ratio, as applicable, under this

clause (iv) for purposes of then determining whether such New Term Loans and other Indebtedness could be incurred ; provided further that for the avoidance of doubt, to the extent the proceeds of any New Term Loans or other Indebtedness are being utilized to repay Indebtedness, such calculations shall give Pro Forma Effect to such repayments regardless of whether such New Term Loans or other Indebtedness are being incurred pursuant to a Fixed Basket subject to Section 1.11(b).

The Borrower may elect to use clause (iv) above regardless of whether the Borrower has capacity under clause (i), clause (ii) or clause (iii) above. Further, the Borrower may elect to use clause (iv) above prior to using clause (i), clause (ii) or clause (iii) above, and if both clause (iv), on the one hand, and clause (i) and/or clause (ii) and/or clause (iii), on the other hand, are available and the Borrower does not make an election, then the Borrower will be deemed to have elected to use clause (iv) above. Notwithstanding the foregoing, the Borrower may re-designate (which re-designation shall be automatic unless the Borrower elects otherwise) any Indebtedness originally designated as incurred or issued under clause (i) and/or clause (ii) and/or clause (iii) above as having been incurred or issued under clause (iv), so long as at the time of such re-designation, the Borrower would be permitted to incur or issue under clause (iv) the aggregate principal amount of Indebtedness being so re-designated (for purposes of clarity, with any such re-designation having the effect of increasing the Borrower's ability to incur or issue Indebtedness under clause (i) and/or clause (ii) and/or clause (iii) on and after the date of such re-designation by the amount of Indebtedness so re-designated).

"**Maximum Rate**" shall have the meaning provided in Section 5.6(c).

"**MFN Adjustment**" shall have the meaning provided in Section 2.14(d)(iv).

"**MFN Exceptions**" shall have the meaning provided in Section 2.14(d)(iv).

"**MFN Trigger Amount**" shall mean, at any time of determination, an original principal amount of Indebtedness that exceeds the greater of $120,000,000 and 50% of LTM Consolidated EBITDA.

"**Minimum Borrowing Amount**" shall mean (i) with respect to a Borrowing of Term SOFR Loans, $500,000 (or if less, the entire remaining applicable Commitments at the time of such Borrowing), and (ii) with respect to a Borrowing of ABR Loans, $250,000 (or if less, the entire remaining applicable Commitments at the time of such Borrowing).

"**Minimum Tender Condition**" shall have the meaning provided in Section 2.15(b).

"**MNPI**" shall mean, with respect to any Person, information and documentation that is (a) of a type that would not be publicly available (as reasonably determined by the Borrower) and could not be derived from publicly available information if such Person and its Subsidiaries were public reporting companies and (b) if such Person and its Subsidiaries were public reporting companies, material (as reasonably determined by the Borrower) with respect to such Person, its Subsidiaries or the respective securities of such Person and its Subsidiaries for purposes of United States Federal and state securities laws, in each case, assuming such laws were applicable to such Person and its Subsidiaries (as reasonably determined by the Borrower).

"**Moody's**" shall mean Moody's Investors Service, Inc. or any successor by merger or consolidation to its business.

"**Multiemployer Plan**" shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA to which any Credit Party or ERISA Affiliate makes or is obligated to make contributions, or during the five preceding calendar years, has made or been obligated to make contributions.

"**Net Cash Proceeds**" shall mean:

(a) with respect to any Asset Sale Prepayment Event, Casualty Prepayment Event or Qualifying IPO,

(i) the gross cash proceeds (including payments from time to time in respect of installment obligations, if applicable, but only as and when received) received by or on behalf of the Borrower or any of the Restricted Subsidiaries in respect of such Prepayment Event or Qualifying IPO, as the case may be, *less*

(ii) the sum of:

(A) the amount, if any, of all Taxes (including, in each case, (x) in connection with any repatriation of funds and (y) for the avoidance of doubt, any income, withholding and other Taxes payable as a result of the distribution of proceeds to the Borrower (including as a result of the repayment of any intercompany loan to the Borrower or any Restricted Subsidiary with the proceeds thereof)) and tax distributions paid or estimated to be payable by the Borrower or any of the Restricted Subsidiaries and distributions with respect to taxes made under Section 10.5(b)(15) in connection with such Prepayment Event or Qualifying IPO,

(B) the amount of any reasonable reserve established in accordance with GAAP against any liabilities (other than any Taxes or distributions with respect to Taxes deducted pursuant to clause (A) above) (1) associated with the assets that are the subject of such Prepayment Event or otherwise reasonably expected to be payable in connection with such transactions and (2) retained by the Borrower or any of the Restricted Subsidiaries, including any pension liabilities or environmental liabilities; *provided* that the amount of any subsequent reduction of such reserve (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Cash Proceeds of such a Prepayment Event occurring on the date of such reduction,

(C) the amount of any Indebtedness (other than the Loans and any other Indebtedness subject to an ABL Intercreditor Agreement, a Pari Intercreditor Agreement, a Junior Lien Intercreditor Agreement or any other intercreditor agreement then in effect) secured by a Lien on the assets that are the subject of such Prepayment Event to the extent that the instrument creating or evidencing such Indebtedness requires that such Indebtedness be repaid upon consummation of such Prepayment Event and the cost associated with unwinding any related Hedging Obligations in connection with such transaction,

(D) in the case of any Prepayment Event by a Non-Wholly-Owned Restricted Subsidiary, the *pro rata* portion of the Net Cash Proceeds thereof (calculated without regard to this clause (D)) attributable to minority interests and not available for distribution to or for the account of the Borrower or a Wholly-Owned Restricted Subsidiary as a result thereof,

(E) in the case of any Asset Sale Prepayment Event, any funded escrow established pursuant to the documents evidencing any such sale or disposition to secure any indemnification obligations or adjustments to the purchase price associated with any such sale or disposition; *provided* that the amount of any subsequent reduction of such escrow (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Cash Proceeds of such a Prepayment Event occurring on the date of such reduction solely to the extent that the Borrower and/or any Restricted Subsidiaries receives cash in an amount equal to the amount of such reduction, and

(F) all fees and out-of-pocket expenses paid by the Borrower or a Restricted Subsidiary (or, in the case of any Qualifying IPO, Holdings or any direct or indirect parent thereof) in connection with any of the foregoing (for the avoidance of doubt, including in the case of a Qualifying IPO, any fees, underwriting discounts, premiums and other costs and expenses in connection therewith), in each case, only to the extent not already deducted in arriving at the amount referred to in clause (i) above and

(b) with respect to the incurrence of any Indebtedness, 100% of the cash proceeds from the incurrence, issuance or sale by the Borrower or any of the Restricted Subsidiaries of such Indebtedness, net of all taxes paid or reasonably estimated to be payable as a result thereof and fees (including investment banking fees and discounts), commissions, costs and other expenses, in each case incurred in connection with such incurrence, issuance or sale, and payments made in order to obtain a necessary consent required by applicable law.

"**Net Cash Proceeds Percentage**" shall have the meaning provided in Section 5.2(a)(i).

"**Net Income**" shall mean, with respect to any Person, the net income (loss) of such Person and its Restricted Subsidiaries, determined in accordance with GAAP and before any reduction in respect of preferred Capital Stock dividends.

"**Net Short Lender**" shall have the meaning provided in Section 13.1.

"**New Holdings**" shall have the meaning provided in the definition of "Holdings."

"**New Refinancing Term Loan Commitments**" shall have the meaning provided in Section 2.14(h).

"**New Store Opening**" shall mean the opening of a new store by the Borrower or a Restricted Subsidiary.

"**New Term Loan**" shall have the meaning provided in Section 2.14(c).

"**New Term Loan Commitments**" shall have the meaning provided in Section 2.14(a).

"**New Term Loan Lender**" shall have the meaning provided in Section 2.14(c).

"**Non-Bank Tax Certificate**" shall have the meaning provided in Section 5.4(e)(ii)(B)(3).

"**Non-Consenting Lender**" shall have the meaning provided in Section 13.7(b).

"**Non-Defaulting Lender**" shall mean and include each Lender other than a Defaulting Lender.

"**Non-Finance Lease Obligation**" shall mean, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person as lessee that, in conformity with GAAP (for the avoidance of doubt, subject to Section 1.3(c)), is not and is not required to be accounted for as a finance lease on the balance sheet of that Person. For the avoidance of doubt, a straight-line or operating lease shall be considered a Non-Finance Lease Obligation.

"**Non-Fixed Basket**" shall have the meaning provided in Section 1.11(b).

"**Non-Ratio Based Incremental Basket**" shall have the meaning provided in clause (iii) of the definition of "Maximum Incremental Facilities Amount."

"**Non-US Lender**" shall mean any Lender that is not a "United States person" as defined by Section 7701(a)(30) of the Code.

"**Non-Wholly Owned Restricted Subsidiary**" shall mean any Restricted Subsidiary of any Person that does not constitute a Wholly-Owned Restricted Subsidiary.

"**Non-Wholly Owned Subsidiary**" shall mean any Subsidiary of any Person that does not constitute a Wholly-Owned Subsidiary.

"**Notice of Borrowing**" shall mean a notice of borrowing substantially in the form of Exhibit J.

"**Notice of Conversion or Continuation**" shall have the meaning provided in Section 2.6(a).

"**Notice of Prepayment**" shall have the meaning provided in Section 5.1(a).

"**Obligations**" shall mean all advances to, and debts, liabilities, obligations, covenants, and duties of, any Credit Party and any Restricted Subsidiary arising under any Credit Document or otherwise with respect to any Commitment, any Loan or under any Secured Cash Management Agreement, Secured Bank Product Agreement or Secured Hedge Agreement (other than with respect to any Credit Party's obligations that constitute Excluded Swap Obligations solely with respect to such Credit Party), in each case, entered into with Holdings, the Borrower or any of the Restricted Subsidiaries, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest, fees and other amounts that accrue after the commencement by or against any Credit Party or any Affiliate thereof of any proceeding under any Bankruptcy Law naming such Person as the debtor in such proceeding, regardless of whether such interest, fees and other amounts are allowed claims in such proceeding. Without limiting the generality of the foregoing, the Obligations of the Credit Parties under the Credit Documents (and any of their Subsidiaries to the extent they have obligations under the Credit Documents) include the obligation (including guarantee obligations) to pay principal, premium, interest, charges, expenses, fees, attorney costs, indemnities, and other amounts payable by any Credit Party under any Credit Document.

"**OFAC**" shall have the meaning set forth in Section 8.18.

"**Organizational Documents**" shall mean, with respect to any Person, such Person's charter, memorandum and articles of association, articles or certificate of organization or incorporation and bylaws or other organizational or governing or constitutive documents of such Person.

"**Other Applicable Indebtedness**" shall mean any First Lien Obligations other than the Obligations.

"**Other Connection Taxes**" shall mean, with respect to any of the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower or any other Credit Party hereunder or under any other Credit Document, Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing such Tax (other than any such connection arising solely from this Agreement or any other Credit Documents).

"**Other Taxes**" shall mean all present or future stamp, registration, court or documentary Taxes or any other intangible, mortgage recording, filing or similar Taxes arising from any payment made hereunder or under any other Credit Document or from the execution, delivery, performance, enforcement or registration of, the receipt or perfection of a security interest under, or otherwise with respect to, this Agreement or any other Credit Document; *provided* that such term shall not include (i) any Taxes that result from an assignment, grant of a participation pursuant to Section 13.6(c) or transfer or assignment to or designation of a new lending office or other office for receiving payments under any Credit Document, except to the extent that any such action described in this proviso is requested or required by the Borrower or (ii) Excluded Taxes.

"**Outstanding Amount**" shall mean with respect to the Loans on any date, the outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Term Loans occurring on such date.

"**Overnight Rate**" shall mean, for any day, (a) with respect to any amount denominated in Dollars, the greater of (i) the Federal Funds Effective Rate and (ii) an overnight rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, and (b) with respect to any amount denominated in an Alternative Currency, such other rate to be determined by the Borrower and the Administrative Agent.

"**Pari Intercreditor Agreement**" shall mean any of (i) an intercreditor agreement substantially in the form of Exhibit A-2, duly completed pursuant to the terms thereof with such additional changes as may be reasonably acceptable to the Administrative Agent and the Borrower or (ii) a customary intercreditor agreement in form and substance reasonably acceptable to the Administrative Agent and the Borrower, which agreement, in each case of clauses (i) and (ii), shall provide that the Liens on the Collateral securing such Indebtedness shall be equal in priority to the Liens on the Collateral securing the First Lien Obligations under this Agreement.

"**Participant**" shall have the meaning provided in Section 13.6(c)(i).

"**Participant Register**" shall have the meaning provided in Section 13.6(c)(ii).

"**Participating Member State**" shall mean any member state of the European Union that adopts or has adopted the Euro as its lawful currency in accordance with legislation of the European Union relating to economic and monetary union.

"**Patriot Act**" shall have the meaning provided in Section 13.18.

"**Payment Recipient**" shall have the meaning provided in Section 12.15(a).

"**PBGC**" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"**Pension Plan**" shall mean any employee pension benefit plan (as defined in Section 3(2) of ERISA that is subject to Title IV of ERISA, but excluding any Multiemployer Plan) in respect of which any Credit Party or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4062 or Section 4069 of ERISA be reasonably expected to be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"**Periodic Term SOFR Determination Day**" shall have the meaning specified in the definition of "Term SOFR".

"**Permitted Acquisition**" shall have the meaning provided in clause (iii) of the definition of "Permitted Investments."

"**Permitted Asset Swap**" shall mean the concurrent purchase and sale or exchange of Related Business Assets or a combination of Related Business Assets and cash or Cash Equivalents between the Borrower or a Restricted Subsidiary and another Person; *provided* that any cash or Cash Equivalents received shall be applied in accordance with Section 10.4.

"**Permitted Debt Exchange**" shall have the meaning provided in Section 2.15(a).

"**Permitted Debt Exchange Notes**" shall have the meaning provided in Section 2.15(a).

"**Permitted Debt Exchange Offer**" shall have the meaning provided in Section 2.15(a).

"**Permitted Holder**" shall mean any of (i) the Sponsor, the Sponsor's Affiliates (other than any portfolio company of the Sponsor), the Management Equityholders and any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members; *provided* that, in the case of such group and without giving effect to the existence of such group or any other group, the Sponsor, the Sponsor's Affiliates and the Management Equityholders, collectively, have beneficial ownership of more than 50% of the aggregate ordinary voting power of the outstanding Voting Stock of Holdings or any other direct or indirect parent of Holdings; (ii) any direct or indirect parent of Holdings not formed in connection with, or in contemplation of, a transaction that, assuming such parent was not formed, after giving effect thereto would constitute a Change of Control; and (iii) any Person who is acting solely as an underwriter in connection with a public or private offering of Capital Stock of any direct or indirect parent of Holdings, acting in such capacity.

"**Permitted Investments**" shall mean:

(i) any Investment by the Borrower or any Restricted Subsidiary in the Borrower or any Restricted Subsidiary;

(ii) any Investment in cash, Cash Equivalents, or Investment Grade Securities at the time such Investment is made;

(iii) (a) [reserved] and (b) any Investment by the Borrower or any Restricted Subsidiary (including any Investment that serves to increase the Borrower's or any Restricted Subsidiary's respective equity ownership in any Restricted Subsidiary or in any joint venture) in a Person that is engaged in a Similar Business (or in assets of such Person constituting a Similar Business) if as a result of such Investment under this clause (iii)(b) (each, a "**Permitted Acquisition**"), (w) on the date the definitive documents for such Permitted Acquisition are executed or otherwise effective, no Specified Event of Default shall have occurred and be continuing, (x) either (1) such Person

becomes a Restricted Subsidiary or is designated as an Unrestricted Subsidiary pursuant to the terms hereof or (2) such Person, in one transaction or a series of related transactions, is merged, consolidated, or amalgamated with or into, or transfers or conveys all or substantially all of its assets, or transfers or conveys assets constituting a business, business unit, line of business, facility or division of such Person, to, or is liquidated into, the Borrower or a Restricted Subsidiary, and, in each case, any Investment held by such Person (*provided* that such Investment was not acquired by such Person in contemplation of such acquisition, merger, consolidation, amalgamation or transfer) and (y) the Borrower or Restricted Subsidiary shall otherwise comply with Section 9.11 taking into account all applicable limitations, exceptions and time periods applicable thereto;

(iv) any Investment in securities or other assets not constituting cash, Cash Equivalents, or Investment Grade Securities and received in connection with an Asset Sale made pursuant to Section 10.4 or any other disposition of assets not constituting an Asset Sale;

(v) (a) any Investment existing or contemplated on the Closing Date and, in the case of any such Investments in excess of $20,000,000, listed on Schedule 10.5 and (b) Investments consisting of any modification, replacement, renewal, refinancing, reinvestment, or extension of any such Investment; *provided* that the amount of any such Investment is not increased from the amount of such Investment on the Closing Date except (x) pursuant to the terms of such Investment (including in respect of any unused commitment), *plus* any accrued but unpaid interest (including any portion thereof which is payable in kind in accordance with the terms of such modified, extended, renewed, refinanced or replaced Investment) and premium payable by the terms of such Investment thereon and fees and expenses associated therewith as in existence on the Closing Date and/or (y) as permitted under Section 10.5 or any other clause of this definition of "Permitted Investments";

(vi) any Investment acquired by the Borrower or any Restricted Subsidiary (a) in exchange for any other Investment or accounts receivable held by the Borrower or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization, or recapitalization of, or settlement of delinquent accounts or disputes with or judgments against, the issuer, obligor or borrower of such original Investment or accounts receivable, (b) as a result of a foreclosure by the Borrower or any Restricted Subsidiary with respect to any secured Investment or other transfer of title with respect to any secured Investment in default or (c) as a result of the settlement, compromise or resolution of litigation, arbitration or other disputes with Persons who are not Affiliates;

(vii) Hedging Obligations permitted under Section 10.1, Cash Management Services and Bank Products;

(viii) any Investment in a Similar Business, taken together with all other Investments made pursuant to this clause (viii) that are at that time outstanding, not to exceed the greater of (a) $84,000,000 and (b) 35% of the LTM Consolidated EBITDA at the time of such Investment; *provided*, *however*, that if any Investment pursuant to this clause (viii) is made in any Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (i) above and shall cease to have been made pursuant to this clause (viii) for so long as such Person continues to be a Restricted Subsidiary;

(ix) Investments the payment for which consists of Equity Interests of the Borrower or any direct or indirect parent company of the Borrower (exclusive of Disqualified Stock of Holdings or the Borrower) or the proceeds received from the issuance of such Equity Interests (other than any Excluded Contributions or amounts utilized under Section 10.1(l)(i)); *provided* that such Equity Interests or the proceeds thereof will not increase the amount available for Restricted Payments under Section 10.5(a)(B);

(x) Investments consisting of or resulting from Indebtedness, Liens, Restricted Payments, fundamental changes and dispositions permitted hereunder, in each case, other than solely by reference to this clause (x);

(xi) Investments consisting of purchases and acquisitions of inventory, supplies, material, equipment, or other similar assets, or of services, in the ordinary course of business;

(xii) any Investments, taken together with all other Investments made pursuant to this clause (xii) that are at that time outstanding, not to exceed the sum of (x) the greater of (A) $96,000,000 and (B) 40% of the LTM Consolidated EBITDA at the time of such Investment; *provided*, *however*, that, if any Investment pursuant to this clause (xii) is made in any Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (i) above to the extent permitted to be made thereunder and shall cease to have been made pursuant to this clause (xii) for so long as such Person continues to be a Restricted Subsidiary (this clause (xii)(x), the "**General Investments Basket**"), *plus* (y) at the option of the Borrower, any amounts available for use under the General Restricted Payments Basket and the General Subordinated Payments Basket (after taking into account any past amounts that have been re-designated or re-allocated by the Borrower) that have been re-allocated by the Borrower to the General Investments Basket from time to time, *minus* (z) any amount available for use under this General Investments Basket (after taking into account any other amounts that have been re-designated or re-allocated by the Borrower) that has been re-allocated by the Borrower to the General Subordinated Payments Basket or for incurrence of Indebtedness under Section 10.1(ii)(y);

(xiii) (a) any Investment in a Receivables Subsidiary or a Securitization Subsidiary in order to effectuate a Receivables Facility or a Qualified Securitization Financing, respectively, or any Investment by a Receivables Subsidiary or a Securitization Subsidiary in any other Person in connection with a Receivables Facility or a Qualified Securitization Financing, respectively; *provided*, *however*, that any such Investment in a Receivables Subsidiary or a Securitization Subsidiary is in the form of a contribution of additional Receivables Assets or Securitization Assets, as applicable, or as equity, and (b) distributions or payments of Receivables Fees or Securitization Fees and purchases of Receivables Assets or Securitization Assets pursuant to a Securitization Repurchase Obligation in connection with a Receivables Facility or a Qualified Securitization Financing, respectively;

(xiv) loans and advances to, or guarantees of Indebtedness of, officers, directors, managers and employees in an aggregate principal amount at any time outstanding under this clause (xiv) not in excess of the greater of (a) $13,200,000 and (b) 5.5% of the LTM Consolidated EBITDA at the time of such Investment;

(xv) (a) loans and advances to officers, directors, managers, and employees for business-related travel expenses, payroll advances, moving expenses, and other similar expenses, in each case incurred in the ordinary course of business or to fund such Person's purchase of Equity Interests of the Borrower or any direct or indirect parent thereof and (b) promissory notes received from equityholders of the Borrower, any direct or indirect parent of the Borrower or any Subsidiary thereof in connection with the exercise of stock or other options in respect of the Equity Interests of the Borrower, any direct or indirect parent of the Borrower and its Subsidiaries;

(xvi) asset purchases (including purchases of inventory, supplies and materials) and the assignment, transfer, licensing or sublicensing of, or grant of other rights under, Intellectual Property relating to marketing, development, distribution, services, joint venture, alliance, collaboration or similar arrangements with other Persons;

(xvii) Investments in the ordinary course of business consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Uniform Commercial Code Article 4 customary trade arrangements with customers consistent with past practices;

(xviii) Investments in connection with Permitted Reorganizations or a Permitted IPO Reorganization (in each case, whether on or after the date of consummation of such Permitted Reorganization or Permitted IPO Reorganization, as applicable);

(xix) the assignment transfer, licensing or sublicensing of, or grant of other rights under Intellectual Property, in each case, (A) in the ordinary course of business or (B) which do not materially interfere with the ordinary conduct of the business of the Borrower or any Restricted Subsidiary and do not secure any Indebtedness;

(xx) Investments of any Person existing at the time such Person becomes a Restricted Subsidiary or consolidates, amalgamates or merges with the Borrower or any Restricted Subsidiary (including in connection with an acquisition or other Investment permitted hereunder); *provided* that such Investment was not made in contemplation of such Person becoming a Restricted Subsidiary or such consolidation or merger;

(xxi) Investments in deposit accounts, commodities accounts and securities accounts opened in the ordinary course of business;

(xxii) deposits required under any Contractual Requirement or by any Governmental Authority or public utility, including with respect to Taxes and other similar charges;

(xxiii) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business;

(xxiv) guarantees by the Borrower or any of its Restricted Subsidiaries of leases (other than Finance Leases), contracts or of other obligations of the Borrower or any Restricted Subsidiary that do not constitute Indebtedness, in each case entered into in the ordinary course of business;

(xxv) any Investment, so long as, after giving Pro Forma Effect to such Investment, the Total Net Leverage Ratio is equal to or less than 1.75 to 1.00 as of the most recently ended Test Period;

(xxvi) Investments solely to the extent such Investments reflect an increase in the value of Investments otherwise permitted under this Agreement;

(xxvii) Investments in an aggregate amount taken together with all other Investments made pursuant to clause (xxvii) not to exceed, at the option of the Borrower, any amounts available for use under the Available RP Capacity Basket;

(xxviii) the redemption, defeasance, prepayment or repurchase and cancellation of (A) Indebtedness in accordance with Section 13.6(h) or (B) Indebtedness other than Loans issued or incurred by the Borrower or a Restricted Subsidiary;

(xxix) guarantee obligations of the Borrower or any Restricted Subsidiary in respect of letters of support, guarantees or similar obligations issued, made or incurred for the benefit of any Restricted Subsidiary of the Borrower to the extent required by law or in connection with any statutory filing or the delivery of audit opinions performed in jurisdictions other than within the United States;

(xxx) guarantees of Indebtedness or other obligations not prohibited under Section 10.1;

(xxxi) Investments incurred in the ordinary course of business in connection with cash pooling arrangements, cash management and other Investments incurred in the ordinary course of business in respect of netting services, overdraft protections and similar arrangements, in each case in connection with cash management;

(xxxii) contributions to a "rabbi" trust for the benefit of employees or other grantor trust subject to claims of creditors in the case of a bankruptcy of the issuer;

(xxxiii) [reserved];

(xxxiv) Investments by any Captive Insurance Subsidiary in connection with its provision of insurance to the Borrower or any of its Subsidiaries, which Investment is made in the ordinary course of business of such Captive Insurance Subsidiary (A) by reason of applicable law, rule, regulation or order or (B) that is required or approved by any regulatory authority having jurisdiction over such Captive Insurance Subsidiary or its business, as applicable;

(xxxv) Investments consisting of (A) the conversion or replacement, in whole or in part, of any intercompany loan or advance into, or with, Equity Interests issued by the payor under such intercompany loan or advance and (B) any additional Investment (including in the form of any loan or advance) made by the Borrower or any Restricted Subsidiary in connection with the receipt of payment in kind of accrued and unpaid interest or other obligations owed to the Borrower or any Restricted Subsidiary; and

(xxxvi) any Investment made by the Borrower or any Restricted Subsidiary (a "**Specified Person**") to the extent that such Investment is financed with assets or proceeds received by any Specified Person from an Investment in, or Restricted Payment made to, any Specified Person

that was otherwise permitted under this definition of Permitted Investments or Section 10.5, as applicable (*provided* that no Investment may be made in any Unrestricted Subsidiary by any Specified Person in reliance on this clause (xxxvi)).

"**Permitted IPO Reorganization**" shall mean any transactions or actions taken in connection with and reasonably related to a Qualifying IPO, so long as, after giving effect thereto, the security interest of the Lenders in the Collateral and enforceability of the Guarantee, taken as a whole, is not materially impaired (as reasonably determined by the Borrower in good faith).

"**Permitted Liens**" shall mean, with respect to any Person:

(i) Liens granted by such Person under workmen's compensation laws, health, disability or unemployment insurance laws, other employee benefit legislation, unemployment insurance legislation and similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness), leases or other obligations of a like nature to which such Person is a party, or Liens granted to secure public or statutory obligations of such Person or deposits of cash or US government bonds to secure surety, stay, customs, performance or appeal bonds to which such Person is a party, or deposits as security for the payment of rent or deposits made to secure obligations arising from contractual or warranty refunds or requirements, in each case incurred in the ordinary course of business, or letters of credit or bankers acceptances issued, and letters of credit or bank guaranties provided to support payment of the items in this clause (i);

(ii) (1) Liens imposed by statutory or common law, such as carriers', warehousemen's, materialmen's, landlord's, construction contractor's, repairmen's, and mechanics' Liens and (2) customary Liens (other than in respect of borrowed money) in favor of landlords, so long as, in the cases of the foregoing clauses (1) and (2), such Liens only secure (x) sums not overdue for a period of more than 60 days, (y) sums being contested in good faith by appropriate actions, or (z) sums which would not reasonably be expected to have a Material Adverse Effect; *provided* that, in the case of clauses (1) and (2) above, adequate reserves with respect thereto are maintained on the books of such Person in accordance in all material respects with GAAP;

(iii) Liens for (A) Taxes or other governmental charges not yet overdue for a period of more than 60 days or which are (x) being contested in good faith by appropriate actions diligently conducted, if adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP or (y) are not required to be paid pursuant to Section 8.11, or (B) for property Taxes on property the Borrower or any Subsidiary thereof has determined to abandon if the sole recourse for such Taxes is to such property;

(iv) (x) Liens (i) in favor of issuers of performance, surety, bid, indemnity, warranty, release, appeal, or similar bonds or (ii) with respect to other regulatory requirements or (y) letters of credit or bankers' acceptances issued, and completion guarantees provided for, in each case pursuant to the request of and for the account of such Person in the ordinary course of its business;

(v) survey exceptions, minor encumbrances, ground leases, easements, or reservations of, or rights of others for, licenses, rights-of-way, servitudes, sewers, electric lines, drains, telegraph and telephone and cable television lines, gas and oil pipelines, and other similar

purposes, or zoning, building codes, or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental, to the conduct of the business of such Person or to the ownership of its properties which were not incurred in connection with Indebtedness for borrowed money and which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(vi) Liens securing Indebtedness and obligations (and any guarantees in respect thereof) permitted to be incurred pursuant to clause (d), (e), (i), (l), (n) (to the extent permitted to be secured by the terms thereof), (r), (t), (v), (w), (x), (y), (gg), (ii) or (kk) of Section 10.1; *provided* that:

(a) in the case of clause (d) of Section 10.1, unless otherwise permitted hereby, such Lien may not extend to any property or equipment (or assets affixed or appurtenant thereto and additions and accessions) other than the property or equipment (or assets affixed or appurtenant thereto and additions and accessions) being financed or refinanced under such clause (d) of Section 10.1, replacements of such property, equipment or assets, and additions and accessions and, in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender, and in each case, proceeds and products thereof;

(b) in the case of clause (r) of Section 10.1, such Lien may not extend to any Collateral;

(c) in the case all or a portion of such Lien constitutes a Lien on the Collateral securing Indebtedness constituting First Lien Obligations (including, if applicable, Indebtedness incurred pursuant to Section 10.1(l), (n), (w), (x), (y) or (ii)), the Collateral Agent, the Administrative Agent and the representative for the holders of such Indebtedness shall enter into a Pari Intercreditor Agreement (or the representative for the holders of such Indebtedness or the holders of such Indebtedness shall become a party to any then-existing Pari Intercreditor Agreement); *provided* that, for the avoidance of doubt, without any further consent of the Lenders, the Administrative Agent and the Collateral Agent are hereby authorized to, and shall, execute and deliver on behalf of the Secured Parties any Pari Intercreditor Agreement (including any supplement thereto) contemplated under this sub-clause (c); and

(d) in the case all or a portion of such Lien constitutes a Lien on the Collateral securing Indebtedness constituting Junior Lien Obligations or Third Lien Obligations (including, if applicable, Indebtedness incurred pursuant to Section 10.1(l), (n), (w), (x), (y) or (ii)), the Collateral Agent, the Administrative Agent and the representative for the holders of such Indebtedness shall enter into a Junior Lien Intercreditor Agreement (or the representative for the holders of such Indebtedness or the holders of such Indebtedness shall become a party to any then-existing Junior Lien Intercreditor Agreement); *provided* that, for the avoidance of doubt, without any further consent of the Lenders, the Administrative Agent and the Collateral Agent are hereby authorized to, and shall, execute and deliver on behalf of the Secured Parties any Junior Lien Intercreditor Agreement (including any supplement thereto) contemplated under this sub-clause (d);

(vii) Liens existing on the Closing Date that (a) secure any Indebtedness or other obligations not in excess of $20,000,000 or (b) are set forth on Schedule 10.2 (including, in the case of each of the foregoing clauses (a) and (b), Liens securing any modifications, replacements,

renewals, refinancings, or extensions of the Indebtedness or other obligations secured by such Liens);

(viii) Liens on property or Equity Interests of a Person at the time such Person becomes a Subsidiary; *provided* that such Liens are not created or incurred in connection with, or in contemplation of such other Person becoming a Subsidiary; *provided further* that such Liens may not extend to any other property owned by the Borrower or any Restricted Subsidiary (other than, with respect to such Person, (w) any improvements, replacements of such property or assets and additions and accessions thereto, (x) after-acquired property subject to a Lien securing Indebtedness and other obligations incurred prior to such time and which Indebtedness and other obligations are permitted hereunder that require, pursuant to their terms at such time, a pledge of after-acquired property of such Person, and the proceeds and the products thereof and customary security deposits in respect thereof, and in the case of multiple financings of equipment (or assets affixed or appurtenant thereto and additions and accessions) provided by any lender, other equipment (or assets affixed or appurtenant thereto and additions and accessions) financed by such lender, it being understood that such requirement to pledge such after-acquired property shall not be permitted to apply to any such after-acquired property to which such requirement would not have applied but for such acquisition or (y) as otherwise permitted in any other clause of the definition of "Permitted Liens");

(ix) Liens on property at the time the Borrower or a Restricted Subsidiary acquired the property, including any acquisition by means of a merger, consolidation or amalgamation with or into the Borrower or any Restricted Subsidiary or the designation of an Unrestricted Subsidiary as a Restricted Subsidiary; *provided* that such Liens are not created or incurred in connection with, or in contemplation of such acquisition, merger, consolidation, amalgamation or designation; *provided further* that such Liens may not extend to any other property owned by the Borrower or any Restricted Subsidiary (other than, with respect to such property, any (w) replacements of such property or assets and additions and accessions thereto and proceeds thereof, (x) after-acquired property subject to a Lien securing Indebtedness and other obligations incurred prior to such time and which Indebtedness and other obligations are permitted hereunder that require, pursuant to their terms at such time, a pledge of after-acquired property, and the proceeds and the products thereof and customary security deposits in respect thereof, and in the case of multiple financings of equipment (or assets affixed or appurtenant thereto and additions and accessions) provided by any lender, other equipment financed by such lender (or assets affixed or appurtenant thereto and additions and accessions), it being understood that such requirement to pledge such after-acquired property shall not be permitted to apply to any such after-acquired property to which such requirement would not have applied but for such acquisition or (y) as otherwise permitted in any other clause of the definition of "Permitted Liens");

(x) Liens securing Indebtedness or other obligations of a Restricted Subsidiary owing to the Borrower or another Restricted Subsidiary permitted to be incurred in accordance with Section 10.1;

(xi) Liens securing (x) Hedging Obligations, Cash Management Services and Bank Products permitted hereunder (including, for the avoidance of doubt, Secured Hedge Obligations, Secured Cash Management Obligations and Secured Bank Product Obligations) and (y) Hedging Obligations, Cash Management Services and Bank Products (or similar term) (including, for the avoidance of doubt, Secured Hedge Obligations, Secured Cash Management Obligations and

Secured Bank Product Obligations (or similar term)) (in each case with respect to this clause (y), as defined in the ABL Credit Agreement, and, in the case of a Credit Party, solely to the extent such Liens are subject to an ABL Intercreditor Agreement or Pari Intercreditor Agreement, as applicable);

(xii) (x) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances, bank guarantees or letters of credit issued or created for the account of such Person to facilitate the purchase, shipment, or storage of such inventory or other goods and (y) Liens securing Indebtedness under Section 10.1(jj);

(xiii) leases, franchises, grants, subleases, licenses, sublicenses, covenants not to sue, releases, consents and other forms of license or rights (including of Intellectual Property) granted to others in the ordinary course of business or which, in the reasonable business judgment of the Borrower, do not materially interfere with the ordinary conduct of the business of the Borrower or any Restricted Subsidiary taken as a whole;

(xiv) Liens arising from Uniform Commercial Code or any similar financing statement filings regarding operating leases or consignments entered into by the Borrower or any Restricted Subsidiary in the ordinary course of business;

(xv) Liens in favor of the Borrower or any Guarantor;

(xvi) Liens on equipment of the Borrower or any Restricted Subsidiary granted in the ordinary course of business to the Borrower's or such Restricted Subsidiary's client at which such equipment is located;

(xvii) Liens on Receivables Assets and related assets incurred in connection with a Receivables Facility and Liens on Securitization Assets and related assets arising in connection with a Qualified Securitization Financing, in each case, in compliance with clause (h) of the definition of "Asset Sale";

(xviii) Liens to secure any refinancing, refunding, extension, renewal, or replacement (or successive refinancing, refunding, extensions, renewals, or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in this clause (xviii) and clauses (vi), (vii), (viii), (ix), (x),(xv), (xx), (xxxix), (xl), (xlii), (xliii), (xlv) and (xlvii) of this definition of "Permitted Liens"; *provided* that (a) such new Lien shall be limited to all or part of the same property that secured the original Lien *plus* improvements on such property, replacements of such property, additions and accessions thereto, after-acquired property and the proceeds and the products of the foregoing and customary security deposits in respect thereof or any other Lien otherwise permitted in any other exception hereunder and, in the case of multiple financings of equipment (or assets affixed or appurtenant thereto and additions and accessions) provided by any lender, other equipment (or assets affixed or appurtenant thereto and additions and accessions) financed by such lender, and (b) the aggregate principal amount of the Indebtedness that was originally secured by such Lien under any of clauses (vii), (viii), (ix), (xx), (xlii), (xliii) and (xlv) of this definition of "Permitted Liens" is not increased to an amount greater than the sum of the aggregate outstanding principal amount (*plus* the amount of any unused commitments thereunder) of the Indebtedness being refinanced, refunded, extended, renewed, or replaced, *plus* accrued interest, fees, defeasance costs and premium (including call and tender premiums), if any, under

such refinanced Indebtedness, *plus* underwriting discounts, fees, commissions and expenses (including original issue discount, upfront fees and similar items) in connection with the refinancing of such Indebtedness and the incurrence or issuance of such refinancing Indebtedness, *plus* any additional amounts otherwise permitted under any other clause of the definition of "Permitted Liens"; *provided further* that in no event shall the amount available under any Basket be increased as a result of Indebtedness that was previously secured by a Lien under such Basket being refinanced, refunded, extended, renewed or replaced (or any successive refinancing, refunding, extensions, renewals, or replacements) in whole or in part with any Indebtedness that is secured by a Lien under this clause (xviii);

(xix) Liens provided to secure liabilities to insurance carriers under insurance or self-insurance arrangements, including Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto, in the ordinary course of business;

(xx) other Liens securing Indebtedness and other obligations in an aggregate outstanding amount not exceeding the greater of (a) $120,000,000 and (b) 50% of the LTM Consolidated EBITDA at the time of the incurrence of such Lien; provided, that at the election of the Borrower, the Collateral Agent, the Administrative Agent and the representative for the holders of such Indebtedness shall enter into a Pari Intercreditor Agreement (or the representative for the holders of such Indebtedness or the holders of such Indebtedness shall become a party to any then-existing Pari Intercreditor Agreement) or a Junior Lien Intercreditor Agreement (or the representative for the holders of such Indebtedness or the holders of such Indebtedness shall become a party to any then-existing Junior Lien Intercreditor Agreement) (for the avoidance of doubt, without any further consent of the Lenders, the Administrative Agent and the Collateral Agent are hereby authorized to, and shall execute and deliver on behalf of the Secured Parties any Pari Intercreditor Agreement (including any supplement thereto) or any Junior Lien Intercreditor Agreement (including any supplement thereto) contemplated under this clause (xx));

(xxi) Liens (a) securing judgments and awards not constituting an Event of Default under Sections 11.5 or 11.10, (b) arising out of judgments or awards against the Borrower or any Restricted Subsidiary with respect to which an appeal or other proceeding for review is then being pursued in good faith, and (c) arising out of notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings for which adequate reserves have been made;

(xxii) 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;

(xxiii) Liens (a) of a collection bank arising under Section 4-208 of the New York Uniform Commercial Code or any comparable or successor provision on items in the course of collection, (b) attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business and (c) in favor of banking or other financial institutions or other electronic payment service providers arising as a matter of law or customary contract encumbering deposits, including deposits in "pooled deposit" or "sweep" accounts (including the right of set-off) and which are within the general parameters customary in the banking or finance industry;

(xxiv) Liens deemed to exist in connection with Investments in repurchase agreements permitted under Section 10.5; *provided* that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;

(xxv) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes or any Lien over any account maintained with any bank or other financial institution pursuant to the relevant bank's or other financial institution's general terms and conditions relating to any business arrangement with the relevant holder of the account;

(xxvi) Liens that are contractual rights of set-off (a) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (b) relating to pooled deposit or sweep accounts of the Borrower or any of the Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrower and the Restricted Subsidiaries, or (c) relating to purchase orders and other agreements entered into by the Borrower or any of the Restricted Subsidiaries in the ordinary course of business;

(xxvii) Liens (a) on any cash earnest money deposits or cash advances made by the Borrower or any of the Restricted Subsidiaries in connection with any letter of intent or purchase agreement permitted under this Agreement, (b) on other cash advances in favor of the seller of any property to be acquired in an Investment or other acquisition permitted hereunder to be applied against the purchase price for such Investment or other acquisition or (c) consisting of an agreement to dispose of any property pursuant to a disposition permitted hereunder (or issue or sell Equity Interests of any Restricted Subsidiary pursuant to a transaction permitted hereunder) (or reasonably expected to be so permitted by the Borrower at the time such Lien was granted);

(xxviii) rights reserved or vested in any Person by the terms of any lease, license, franchise, grant, or permit held by the Borrower or any of the Restricted Subsidiaries or by a statutory provision, to terminate any such lease, license, franchise, grant, or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(xxix) restrictive covenants affecting the use to which real property may be put; *provided* that the covenants are complied with;

(xxx) security given to a public utility or any municipality or Governmental Authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of business;

(xxxi) zoning by-laws and other land use restrictions, including site plan agreements, development agreements, and contract zoning agreements;

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

(xxxiii) Liens arising under the Security Documents;

(xxxiv) Liens on goods purchased in the ordinary course of business the purchase price of which is financed by a documentary letter of credit issued for the account of the Borrower or any of its Subsidiaries;

(xxxv) (a) Liens on Equity Interests in joint ventures either (x) securing obligations of such joint venture, (y) pursuant to the relevant joint venture agreement or arrangement or (z) in favor of a creditor of such joint venture and such creditor is not an Affiliate of any partner to such joint venture and (b) purchase options, call, rights of refusal, rights of first offer, rights of tag and drag and similar rights of, and restrictions for the benefit of, a third party (including in joint venture agreements) with respect to Equity Interests held by the Borrower or any Restricted Subsidiary in joint ventures;

(xxxvi) Liens on cash and Cash Equivalents that are earmarked to be used to satisfy or discharge Indebtedness; *provided* (a) such cash and/or Cash Equivalents are deposited into an account from which payment is to be made, directly or indirectly, to the Person or Persons holding the Indebtedness that is to be satisfied or discharged, (b) such Liens extend solely to the account in which such cash and/or Cash Equivalents are deposited and are solely in favor of the Person or Persons holding the Indebtedness (or any agent or trustee for such Person or Persons) that is to be satisfied or discharged, and (c) the satisfaction or discharge of such Indebtedness is expressly permitted hereunder;

(xxxvii) with respect to any Foreign Subsidiary, other Liens and privileges arising mandatorily by any Requirement of Law;

(xxxviii) purported Liens (other than Liens securing Indebtedness for borrowed money) evidenced by the filing of precautionary Uniform Commercial Code (or equivalent statute) financing statements or similar public filings;

(xxxix) Liens on Equity Interests of an Unrestricted Subsidiary that secure Indebtedness or other obligations of such Unrestricted Subsidiary;

(xl) Liens on property of any Restricted Subsidiary that is not a Credit Party, which Liens secure Indebtedness permitted under Section 10.1 (or other obligations not constituting Indebtedness), in each case, so long as such Liens do not secure Indebtedness for borrowed money of any Credit Party;

(xli) Liens or rights of set-off against credit balances of the Borrower or any of the Restricted Subsidiaries with credit card issuers or credit card processors or amounts owing by such credit card issuers or credit card processors to the Borrower or any Restricted Subsidiaries in the ordinary course of business to secure the obligations of any Subsidiary to the credit card issuers or credit card processors as a result of fees and charges;

(xlii) Liens incurred under the ABL Credit Documents; *provided* that any such Liens upon any property or assets of a Credit Party shall be subject to the ABL Intercreditor Agreement; *provided further* that, for the avoidance of doubt, without any further consent of the Lenders, the Administrative Agent and the Collateral Agent are hereby authorized to, and shall, execute and deliver on behalf of the Secured Parties and the ABL Intercreditor Agreement (including any supplement thereto) contemplated under this subclause (xlii).

(xliii) Liens on assets that do not constitute Collateral securing Indebtedness and other obligations which do not exceed the greater of (a) $84,000,000 and (b) 35% of the LTM Consolidated EBITDA at any time outstanding;

(xliv) Liens arising in connection with Intercompany License Agreements;

(xlv) additional Liens, so long as (i) (x) with respect to Indebtedness constituting a First Lien Obligation, immediately after the incurrence thereof, on a Pro Forma Basis, the First Lien Net Leverage Ratio does not exceed the greater of (A) 1.75 to 1.00 and (B) the First Lien Net Leverage Ratio as of immediately prior to the incurrence of such Indebtedness, (y) with respect to Indebtedness that constitutes a Junior Lien Obligation, immediately after the incurrence thereof, on a Pro Forma Basis, the Secured Net Leverage Ratio does not exceed the greater of (A) 2.75 to 1.00 and (B) the Secured Net Leverage Ratio as of immediately prior to the incurrence of such Indebtedness or (z) with respect to Indebtedness that is secured solely by Liens on assets that do not constitute Collateral and/or Indebtedness constituting a Third Lien Obligation, either, at the Borrower's election, (I) the Total Net Leverage Ratio does not exceed the greater of (A) 3.75 to 1.00 and (B) the Total Net Leverage Ratio as of immediately prior to the incurrence of such Indebtedness or (II) the Interest Coverage Ratio is not less than the lesser of (A) 2.00 to 1.00 and (B) the Interest Coverage Ratio for the most recently ended Test Period as of immediately prior to the incurrence of such Indebtedness, and (ii) with respect to any such Liens on the Collateral incurred under this clause (xlv), the holder(s) of such Liens (or a representative thereof) shall have entered into the Junior Lien Intercreditor Agreement, the Pari Intercreditor Agreement and/or another intercreditor agreement or arrangement reasonably acceptable to the Administrative Agent and the Borrower (and, at the request of the Borrower, the Administrative Agent and the Collateral Agent shall promptly execute and deliver any such Junior Lien Intercreditor Agreement, Pari Intercreditor Agreement or other agreement or arrangement (including any supplement to any of the foregoing) that is reasonably acceptable to the Administrative Agent and the Borrower); *provided* that any cash proceeds of any new Indebtedness then being incurred, assumed or issued shall not be netted from the numerator in the First Lien Net Leverage Ratio, Secured Net Leverage Ratio or Total Net Leverage Ratio, as applicable for purposes of calculating the First Lien Net Leverage Ratio, Secured Net Leverage Ratio or Total Net Leverage Ratio, as applicable, under this clause (xlv) for purposes of then determining whether such Liens can be incurred, assumed or issued; *provided*, *further* for the avoidance of doubt, to the extent the proceeds of any such new Indebtedness are to be utilized to repay other Indebtedness, such calculations shall give Pro Forma Effect to such repayments;

(xlvi) [reserved];

(xlvii) cash collateral securing obligations in respect of commercial letters of credit, letters of guarantee and bankers' acceptances issued pursuant to Section 10.1(jj) (it being understood that any cash collateral subject to a Lien incurred pursuant to this clause (xlvii) shall not be deemed "restricted" on account of such Lien for purposes of determining whether such cash may be deducted from Consolidated First Lien Secured Debt in calculating the First Lien Net Leverage Ratio or Consolidated Total Debt in calculating the Secured Net Leverage Ratio or the Total Net Leverage Ratio); and

(xlviii) Liens on Escrowed Proceeds for the benefit of the related holders of Escrowed Obligations (or the underwriters, trustee, escrow agent or arrangers thereof) or on cash set aside at

the time of the incurrence of any Indebtedness to be used to pay accrued interest thereon and any redemption premiums.

"**Permitted Other Indebtedness Provisions**" shall mean the applicable Indebtedness shall satisfy the following requirements:

(a) except to the extent such Indebtedness is incurred pursuant to the Inside Maturity Basket, (1) any such Indebtedness in the form of unsecured Indebtedness, Indebtedness secured by a Lien ranking junior to the Lien securing the First Lien Obligations, or Indebtedness not secured by any Collateral, shall have a final maturity not sooner than the Initial Term Loan Maturity Date, as determined at the time of issuance or incurrence of such Indebtedness and (2) in the case of any such Indebtedness constituting First Lien Obligations, such Indebtedness shall have a final scheduled maturity not sooner than the Initial Term Loan Maturity Date, as determined at the time of issuance or incurrence of such Indebtedness; *provided* that to the extent such Indebtedness constitutes revolving credit commitments, then each reference to the "Initial Term Loan Maturity Date" above shall be deemed to be a reference to "Revolving Credit Maturity Date" (as defined in the ABL Credit Agreement).

(b) any such Indebtedness, if secured by the Collateral, shall be subject to customary intercreditor terms (including those in the ABL Intercreditor Agreement, the Junior Lien Intercreditor Agreement, the Pari Intercreditor Agreement and/or any other lien subordination and intercreditor agreement or arrangement reasonably satisfactory to the Borrower and the Administrative Agent, as applicable (and, at the request of the Borrower, the Administrative Agent and the Collateral Agent shall promptly execute and deliver any such other agreement or arrangement that is reasonably acceptable to the Administrative Agent and the Borrower)),

(c) (i) with respect to any such Indebtedness that is unsecured or secured by the Collateral on a junior basis to the Lien securing the First Lien Obligations, such Indebtedness shall not provide for any mandatory repayment (except scheduled principal amortization payments), redemption or sinking fund payment obligations prior to the Initial Term Loan Maturity Date, as determined at the time of issuance or incurrence of such Indebtedness (other than, in each case, customary offers or obligations to repurchase, redeem or repay upon a change of control, asset sale, casualty or condemnation event or similar events; AHYDO Payments; customary acceleration rights after an event of default; solely with respect to any such Indebtedness constituting Indebtedness secured by the Collateral on a junior basis to the Lien securing the First Lien Obligations, any payment obligations solely with respect to prepayment amounts declined by any Lender under this Agreement and/or any lender(s) in respect of any other First Lien Obligations, a customary prepayment provision with respect to the Net Cash Proceeds of Indebtedness incurred to refinance such Indebtedness (but with respect to any prepayment of Subordinated Indebtedness, subject to compliance with Section 10.5)); and (ii) with respect to any such Indebtedness constituting First Lien Obligations, such Indebtedness shall not have any mandatory prepayment obligations (other than scheduled payments and payments at maturity) that will not be applied to the Initial Term Loans hereunder on a *pro rata* or greater than *pro rata* basis, unless constituting a customary prepayment provision with respect to the Net Cash Proceeds of Indebtedness incurred to refinance such Indebtedness,

(d) except to the extent that such Indebtedness is incurred pursuant to the Inside Maturity Basket or constitutes revolving credit facilities, such Indebtedness shall have a Weighted Average Life to Maturity no shorter than the Weighted Average Life to Maturity of the then-outstanding Initial Term Loans (or if constituting Term Loan Refinancing Indebtedness, the shorter of the Weighted Average Life to Maturity of the Initial Term Loans and the Weighted Average Life to Maturity of the Term Loans being prepaid with the proceeds of such Indebtedness),

(e) except to the extent that such Indebtedness constitutes Designated Alternative Security Indebtedness, such Indebtedness is not incurred or guaranteed by any Subsidiary other than any Credit Party (it being understood that obligations of any Person with respect to any escrow arrangement into which such Indebtedness proceeds are deposited shall not constitute a guarantee by a Person that is not a Credit Party),

(f) if such Indebtedness is secured, except to the extent that such Indebtedness constitutes Indebtedness not secured by any Collateral or Designated Alternative Security Indebtedness, such Indebtedness shall not be secured by any assets of the Credit Parties other than the Collateral (other than with respect to any proceeds of such Indebtedness that are subject to an escrow or other similar arrangement and any related deposit of Cash and Cash Equivalents to cover payments with respect to such Indebtedness), and

(g) solely with respect to any Indebtedness incurred pursuant to Section 10.1(x)(a), subject to Section 1.12(f), (x) other than as described in the immediately succeeding clause (y), no Event of Default shall exist on the date such Indebtedness is incurred immediately before or immediately after giving effect to such Indebtedness or (y) if such Indebtedness is being provided in connection with a Limited Condition Transaction, Permitted Acquisition or any other acquisition constituting a permitted Investment, then no Specified Event of Default shall exist on such date.

"**Permitted Reorganization**" shall mean re-organizations and other activities related to tax planning and re-organization, so long as, after giving effect thereto, the security interest of the Lenders in the Collateral and enforceability of the Guarantee, taken as a whole, is not materially impaired (as reasonably determined by the Borrower in good faith).

"**Permitted Sale Leaseback**" shall mean any Sale Leaseback consummated by the Borrower or any of the Restricted Subsidiaries after the Closing Date; *provided* that any such Sale Leaseback not between the Borrower and a Restricted Subsidiary or between Restricted Subsidiaries is consummated for Fair Market Value as determined at the time of consummation in good faith by (i) the Borrower or such Restricted Subsidiary or (ii) in the case of any Sale Leaseback (or series of related Sale Leasebacks) the aggregate proceeds of which exceed the greater of (a) $72,000,000 and (b) 30% of the LTM Consolidated EBITDA at the time of the consummation of such Sale Leaseback, the board of directors (or analogous governing body) of the Borrower or such Restricted Subsidiary (which such determination may take into account any retained interest or other Investment of the Borrower or such Restricted Subsidiary in connection with, and any other material economic terms of, such Sale Leaseback).

"**Person**" shall mean any individual, partnership, joint venture, firm, corporation, limited liability company, unlimited liability company, association, trust, or other enterprise or any Governmental Authority.

"**Plan**" shall mean, other than any Multiemployer Plan or Foreign Plan, any employee benefit plan (as defined in Section 3(3) of ERISA), including any employee welfare benefit plan (as defined in Section 3(1) of ERISA), any employee pension benefit plan (as defined in Section 3(2) of ERISA), and any plan which is both an employee welfare benefit plan and an employee pension benefit plan, and in respect of which any Credit Party is (or, if such plan were terminated, would under Section 4062 or Section 4069 of ERISA be reasonably likely to be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"**Planned Expenditures**" shall have the meaning provided in Section 5.2(a)(ii)(VII).

"**Platform**" shall have the meaning provided in Section 13.17(a).

"**Pledge Agreement**" shall mean the Pledge Agreement, entered into by Holdings, the Borrower and the other Credit Parties party thereto and the Collateral Agent for the benefit of the Secured Parties, substantially in the form of Exhibit G.

"**Pounds Sterling**" shall mean British Pounds Sterling or any successor currency in the United Kingdom.

"**Prepayment Event**" shall mean any Asset Sale Prepayment Event, Debt Incurrence Prepayment Event or Casualty Prepayment Event.

"**Prepayment Incremental Basket**" shall have the meaning provided in clause (iii) of the definitions of "Maximum Incremental Facilities Amount."

"**Previous Holdings**" shall have the meaning provided in the definition of "Holdings."

"**primary obligations**" shall have the meaning provided in the definition of "Contingent Obligations."

"**primary obligor**" shall have the meaning provided in the definition of "Contingent Obligations."

"**Prime Rate**" shall mean the rate of interest last quoted by *The Wall Street Journal* as the "Prime Rate" in the United States or, if *The Wall Street Journal* ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as reasonably determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as reasonably determined by the Administrative Agent).

"**Priming Transaction**" shall have the meaning provided in Section 13.1(a)(x)(vii).

"**Pro Forma Basis**", "**Pro Forma Compliance**" and "**Pro Forma Effect**" shall mean, with respect to compliance with any test or covenant or calculation of any ratio hereunder, the determination or calculation of such test, covenant or ratio (including in connection with Specified Transactions) in accordance with Section 1.12.

"**Prohibited Transaction**" shall have the meaning assigned to such term in Section 406 of ERISA or Section 4975(c) of the Code.

"**Projections**" shall have the meaning provided in Section 9.1(c).

"**PTE**" shall mean a prohibited transaction class exemption issued by the US Department of Labor, as any such exemption may be amended from time to time.

"**Public Company Costs**" shall mean costs relating to compliance with the provisions of the Sarbanes-Oxley Act of 2002, the Securities Act and the Exchange Act and the analogous laws of other jurisdictions, as applicable to companies with equity or debt securities held by the public, the rules of national or international securities exchange companies with listed equity or debt securities, directors' or managers' compensation, fees and expense reimbursement, costs relating to investor relations, shareholder meetings and reports to shareholders or debtholders, directors' and officers' insurance and other executive costs, legal and other professional fees, listing fees and other expenses arising out of or incidental to an entity's status as a reporting company.

"**QFC**" shall have the meaning provided in Section 13.23(b).

"**QFC Credit Support**" shall have the meaning provided in Section 13.23.

"**Qualified Jurisdiction**" shall mean (x) the United States or any state thereof or the District of Columbia and (y) with respect to any Credit Facility established after the Closing Date, a jurisdiction that is reasonably acceptable to the Administrative Agent (such consent not to be unreasonably withheld, denied or delayed).

"**Qualified Proceeds**" shall mean assets that are used or useful in, or Capital Stock of any Person engaged in, a Similar Business.

"**Qualified Securitization Financing**" shall mean any Securitization Facility (and any guarantee of such Securitization Facility) that meets the following conditions: (i) the Borrower shall have determined in good faith that such Securitization Facility (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Borrower and the Restricted Subsidiaries; (ii) all sales of Securitization Assets and related assets by the Borrower or any Restricted Subsidiary to the Securitization Subsidiary or any other Person are made at Fair Market Value (as determined in good faith by the Borrower); (iii) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by the Borrower) and may include Standard Securitization Undertakings; and (iv) the obligations under such Securitization Facility are non-recourse (except for customary representations, warranties, covenants and indemnities made in connection with such facilities) to the Borrower or any Restricted Subsidiary (other than a Securitization Subsidiary).

"**Qualified Stock**" of any Person shall mean Capital Stock of such Person other than Disqualified Stock of such Person.

"**Qualifying IPO**" shall mean any transaction or series of related transactions where the Equity Interests of the Borrower or any direct or indirect parent thereof (and/or any permitted successor thereto) constitutes publicly traded Equity Interests on any national or international securities exchange or over-the-counter market (including the merger of the Borrower, or any direct or indirect parent of the Borrower, with, or the acquisition of all or substantially all of the Equity Interests of the Borrower or any direct or indirect parent of the Borrower by, any special purpose acquisition company following which, the Equity Interests of the surviving company or acquirer (or any parent company thereof) is listed on a national securities exchange or international securities exchange or over the counter market).

"**Ratio Debt Basket**" shall have the meaning provided in Section 10.1(n).

"**Real Estate**" shall mean land, buildings, facilities and improvements owned or leased by any Credit Party.

"**Receivables Assets**" shall mean (a) any accounts receivable owed to the Borrower or a Restricted Subsidiary subject to a Receivables Facility and the proceeds thereof and (b) all collateral securing such accounts receivable, all contracts and contract rights, guarantees or other obligations in respect of such accounts receivable, all records with respect to such accounts receivable and any other assets customarily transferred together with accounts receivable in connection with a non-recourse accounts receivable factoring arrangement and which are sold, conveyed, assigned or otherwise transferred or pledged in connection with a Receivables Facility.

"**Receivables Facility**" shall mean any of one or more receivables financing facilities (and any guarantee of such financing facility), the obligations of which are non-recourse (except for customary representations, warranties, covenants, and indemnities made in connection with such facilities) to the Borrower and the Restricted Subsidiaries (other than a Receivables Subsidiary) pursuant to which the Borrower or any Restricted Subsidiary sells, directly or indirectly, grants a security interest in or otherwise transfers its Receivables Assets to either (i) a Person that is not the Borrower or a Restricted Subsidiary or (ii) a Receivables Subsidiary that in turn funds such purchase by purporting to sell its accounts receivable to a Person that is not the Borrower or a Restricted Subsidiary or by borrowing from such a Person or from another Receivables Subsidiary that in turn funds itself by borrowing from such a Person.

"**Receivables Fee**" shall mean distributions or payments made directly or by means of discounts with respect to any accounts receivable or participation interest issued or sold in connection with, and other fees paid to a Person that is not the Borrower or a Restricted Subsidiary in connection with, any Receivables Facility.

"**Receivables Subsidiary**" shall mean any Subsidiary formed for the purpose of facilitating or entering into one or more Receivables Facilities that engages only in activities reasonably related or incidental thereto or another Person formed for the purposes of engaging in a Receivables Facility in which any Subsidiary makes an Investment and to which any Subsidiary transfers accounts receivables and related assets.

"**Refinanced Debt**" shall have the meaning provided in Section 2.14(h).

"**Refinanced Term Loans**" shall have the meaning provided in Section 13.1.

"**Refinancing Amendment**" shall have the meaning provided in Section 2.14(h)(vi).

"**Refinancing Facility Closing Date**" shall have the meaning provided in Section 2.14(h)(iii).

"**Refinancing Indebtedness**" shall have the meaning provided in Section 10.1(m).

"**Refinancing Loan Request**" shall have the meaning provided in Section 2.14(h).

"**Refinancing Term Lender**" shall have the meaning provided in Section 2.14(h)(ii).

"**Refinancing Term Loan**" shall have the meaning provided in Section 2.14(h)(i).

"**Refinancing Term Loan Commitments**" shall have the meaning provided in Section 2.14(h).

"**Refunding Capital Stock**" shall have the meaning provided in Section 10.5(b)(2).

"**Register**" shall have the meaning provided in Section 13.6(b)(iv).

"**Regulated Bank**" shall mean a commercial bank with consolidated combined capital and surplus of at least $5,000,000,000 that is (i) a US depository institution the deposits of which are insured by the Federal Deposit Insurance Corporation, (ii) a corporation organized under section 25A of the US Federal Reserve Act of 1913, (iii) a branch, agency or commercial lending company of a foreign bank operating pursuant to approval by and under the supervision of the Board under 12 CFR part 211, (iv) a non-US branch of a foreign bank managed and controlled by a US branch referred to in clause (iii) or (v) any other US or non-US depository institution or any branch, agency or similar office thereof supervised by a bank regulatory authority in any jurisdiction.

"**Regulation T**" shall mean Regulation T of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"**Regulation U**" shall mean Regulation U of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"**Regulation X**" shall mean Regulation X of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"**Reinvestment Period**" shall mean 18 months following the date of receipt of Net Cash Proceeds of an Asset Sale Prepayment Event or Casualty Prepayment Event.

"**Rejection Notice**" shall have the meaning provided in Section 5.2(f).

"**Related Business Assets**" shall mean assets (other than cash or Cash Equivalents) used or useful in a Similar Business; *provided* that any assets received by the Borrower or the Restricted Subsidiaries in exchange for assets transferred by the Borrower or a Restricted Subsidiary shall not be deemed to be Related Business Assets if they consist of securities of a Person, unless upon receipt of the securities of such Person, such Person would become a Restricted Subsidiary.

"**Related Fund**" shall mean, with respect to any Lender that is a Fund, any other Fund that is advised or managed by (a) such Lender, (b) an Affiliate of such Lender, or (c) an entity or an Affiliate of such entity that administers, advises or manages such Lender.

"**Related Parties**" shall mean, with respect to any specified Person, such Person's Affiliates and the directors, officers, employees, agents, trustees, and advisors of such Person and any Person that possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise; *provided* that, for purposes of Section 13.5 and Section 13.6, "Related Parties" shall not include Excluded Affiliates.

"**Related Person**" shall mean with respect to any Person, (i) any trust, partnership, limited liability company, corporate body or other entity established by such Person or any Person described in the succeeding clauses (ii) and (iii), as applicable, to hold an investment in the Borrower or any direct or indirect parent thereof, (ii) any spouse, former spouse, parents or grandparents of such Person, and any

and all descendants (including adopted children and step-children) of the foregoing, together with any spouse, or former spouse of such Person or any of the foregoing Persons, who are transferred an investment in the Borrower or any direct or indirect parent thereof by any such Person and (iii) any Person who acquires an investment in the Borrower or any direct or indirect parent thereof by will or by the laws of intestate succession as a result of the death of any Person.

"**Release**" shall mean any release, spill, emission, discharge, disposal, escaping, leaking, pumping, pouring, dumping, emptying, injection, or leaching into the environment.

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

"**Removal Effective Date**" shall have the meaning provided in Section 12.9(b).

"**Replacement Term Loan Commitment**" shall mean the commitments of the Lenders to make Replacement Term Loans.

"**Replacement Term Loans**" shall have the meaning provided in Section 13.1.

"**Reportable Event**" shall mean any "reportable event", as defined in Section 4043(c) of ERISA or the regulations issued thereunder, with respect to a Pension Plan (other than a Pension Plan maintained by an ERISA Affiliate that is considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Section 414 of the Code), other than those events as to which notice is waived pursuant to PBGC Reg. § 4043.

"**Required Facility Lenders**" shall mean, as of any time of determination, with respect to one or more Credit Facilities, Lenders having or holding a majority of the sum of (a) the Total Outstandings under such Credit Facility or Credit Facilities and (b) the aggregate unused Commitments under such Credit Facility or Credit Facilities; *provided* that the unused Commitments of, and the portion of the Total Outstandings under such Credit Facility or Credit Facilities held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of the Required Facility Lenders.

"**Required Lenders**" shall mean, as of any time of determination, Lenders having or holding a majority of the sum of (a) Total Outstandings and (b) aggregate unused Total Term Loan Commitments; *provided* that the unused Commitments of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

"**Requirement of Law**" shall mean, as to any Person, the certificate of incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule, regulation, official administrative pronouncement, or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or assets or to which such Person or any of its property or assets is subject.

"**Resignation Effective Date**" shall have the meaning provided in Section 12.9(a).

"**Resolution Authority**" shall mean an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"**Restricted Investment**" shall mean an Investment other than a Permitted Investment.

"**Restricted Payments**" shall have the meaning provided in Section 10.5(a).

"**Restricted Persons**" shall have the meaning provided in Section 13.16.

"**Restricted Subsidiary**" shall mean any Subsidiary of the Borrower other than an Unrestricted Subsidiary.

"**Retained Asset Sale Proceeds**" shall have the meaning provided in Section 5.2(a)(i).

"**Retained Declined Proceeds**" shall have the meaning provided in Section 5.2(f).

"**Retained ECF Payments**" shall have the meaning provided in Section 5.2(a)(ii).

"**Retired Capital Stock**" shall have the meaning provided in Section 10.5(b)(2).

"**S&P**" shall mean Standard & Poor's Ratings Group or any successor by merger or consolidation to its business.

"**Sale Leaseback**" shall mean any arrangement with any Person providing for the leasing by the Borrower or any Restricted Subsidiary of any real or tangible personal property, which property has been or is to be sold or transferred by the Borrower or such Restricted Subsidiary to such Person in contemplation of such leasing.

"**SEC**" shall mean the United States Securities and Exchange Commission or any successor thereto.

"**Section 9.1 Financials**" shall mean the financial statements delivered, or required to be delivered, pursuant to Section 9.1(a) or (b), together with the accompanying officer's certificate delivered, or required to be delivered, pursuant to Section 9.1(d).

"**Secured Bank Product Agreement**" shall mean any Bank Product Agreement that is entered into by and between the Borrower or any of the Restricted Subsidiaries and any Bank Product Provider, which is specified in writing by the Borrower to the Administrative Agent as constituting a Secured Bank Product Agreement hereunder.

"**Secured Bank Product Obligations**" shall mean Obligations under any Secured Bank Product Agreement.

"**Secured Cash Management Agreement**" shall mean any Cash Management Agreement that is entered into by and between the Borrower or any of the Restricted Subsidiaries and any Cash Management Bank, which is specified in writing by the Borrower to the Administrative Agent as constituting a Secured Cash Management Agreement hereunder.

"**Secured Cash Management Obligations**" shall mean Obligations under Secured Cash Management Agreements.

"**Secured Hedge Agreement**" shall mean any Hedge Agreement that is entered into by and between the Borrower or any Restricted Subsidiary and any Hedge Bank, which is specified in writing by

the Borrower to the Administrative Agent as constituting a "Secured Hedge Agreement" hereunder. For purposes of the preceding sentence, the Borrower may deliver one notice designating all Hedge Agreements entered into pursuant to a specified Master Agreement as "Secured Hedge Agreements".

"**Secured Hedge Obligations**" shall mean Obligations under Secured Hedge Agreements.

"**Secured Net Leverage Ratio**" shall mean, as of any time of determination, the ratio of (i) Consolidated Total Debt that is then secured by Liens on the Collateral as of the last day of the most recent Test Period, *minus* Unrestricted Cash and Cash Equivalents as of the last day of the most recent Test Period to (ii) the LTM Consolidated EBITDA.

"**Secured Parties**" shall mean the Administrative Agent, the Collateral Agent and each Lender, in each case with respect to the Credit Facilities, each Hedge Bank that is party to any Secured Hedge Agreement, each Cash Management Bank that is party to a Secured Cash Management Agreement, each Bank Product Provider that is a party to a Secured Bank Product Agreement and each sub-agent pursuant to Section 12 appointed by the Administrative Agent with respect to matters relating to the Credit Facilities or the Collateral Agent with respect to matters relating to any Security Document.

"**Securities Act**" shall mean the Securities Act of 1933.

"**Securitization Asset**" shall mean (a) any accounts receivable or related assets and the proceeds thereof, in each case, subject to a Securitization Facility and (b) all collateral securing such receivable or asset, all contracts and contract rights, guaranties or other obligations in respect of such receivable or asset, lockbox accounts and records with respect to such account or asset and any other assets customarily transferred (or in respect of which security interests are customarily granted), together with accounts or assets in a securitization financing and which in the case of clauses (a) and (b) above are sold, conveyed, assigned or otherwise transferred or pledged in connection with a Qualified Securitization Financing.

"**Securitization Facility**" shall mean any transaction or series of securitization financings that may be entered into by the Borrower or any Restricted Subsidiary pursuant to which the Borrower or any such Restricted Subsidiary may sell, convey or otherwise transfer, or may grant a security interest in, Securitization Assets to either (a) a Person that is not the Borrower or a Restricted Subsidiary or (b) a Securitization Subsidiary that in turn sells such Securitization Assets to a Person that is not the Borrower or a Restricted Subsidiary, or may grant a security interest in, any Securitization Assets of the Borrower or any of its Subsidiaries.

"**Securitization Fees**" shall mean distributions or payments made directly or by means of discounts with respect to any Securitization Asset or participation interest therein issued or sold in connection with, and other fees and expenses (including reasonable fees and expenses of legal counsel) paid to a Person that is not the Borrower or a Restricted Subsidiary in connection with, any Qualified Securitization Financing.

"**Securitization Repurchase Obligation**" shall mean any obligation of a seller (or any guaranty of such obligation) of (i) Receivables Assets under a Receivables Facility to repurchase Receivables Assets or (ii) Securitization Assets in a Qualified Securitization Financing to repurchase Securitization Assets, in either case, arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"**Securitization Subsidiary**" shall mean any Subsidiary of the Borrower in each case formed for the purpose of, and that solely engages in, one or more Qualified Securitization Financings and other activities reasonably related thereto or another Person formed for the purposes of engaging in a Qualified Securitization Financing in which the Borrower or any Restricted Subsidiary makes an Investment and to which the Borrower or such Restricted Subsidiary transfers Securitization Assets and related assets.

"**Security Agreement**" shall mean the Security Agreement entered into by Holdings, the Borrower and the other Credit Parties party thereto, and the Collateral Agent for the benefit of the Secured Parties, substantially in the form of Exhibit H.

"**Security Documents**" shall mean, collectively, the Pledge Agreement, the Security Agreement, each IP Security Agreement, any other subordination or intercreditor agreement entered into pursuant to the terms of this Agreement, the ABL Intercreditor Agreement, the Junior Lien Intercreditor Agreement (if executed), the Pari Intercreditor Agreement (if executed) and each other security agreement or other instrument or document executed and delivered pursuant to Section 9.11, 9.12 or 9.14 or pursuant to any other such Security Documents to secure the Obligations.

"**Significant Subsidiary**" shall mean, at any date of determination, (a) any Restricted Subsidiary whose gross revenues for the Test Period most recently ended on or prior to such date were equal to or greater than 10% of the consolidated gross revenues of the Borrower and the Restricted Subsidiaries for such period, determined in accordance with GAAP or (b) each other Restricted Subsidiary that, when such Restricted Subsidiary's total gross revenues are aggregated with each other Restricted Subsidiary that is the subject of an Event of Default described in Section 11.5 would constitute a "Significant Subsidiary" under clause (a) above.

"**Similar Business**" shall mean any business conducted or proposed to be conducted by the Borrower and its Restricted Subsidiaries, taken as a whole, on the Closing Date or any other business activities which are reasonable extensions thereof or otherwise similar, incidental, corollary, complementary, synergistic, reasonably related, or ancillary to any of the foregoing (including non-core incidental businesses acquired in connection with any Permitted Acquisition or permitted Investment), in each case as determined by the Borrower in good faith.

"**SOFR**" shall mean a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"**SOFR Administrator**" shall mean the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"**Solvent**" shall mean, after giving effect to the consummation of the Transactions, that (i) the fair value of the assets (on a going concern basis) of the Borrower and its Subsidiaries, on a consolidated basis, exceeds, on a consolidated basis, their debts and liabilities, subordinated, contingent or otherwise, (ii) the present fair saleable value of the property (on a going concern basis) of the Borrower and its Subsidiaries, on a consolidated basis, is greater than the amount that will be required to pay the probable liability, on a consolidated basis, of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured in the ordinary course of business, (iii) the Borrower and its Subsidiaries, on a consolidated basis, are able to generally pay their debts and liabilities, subordinated, contingent or otherwise, as such liabilities become absolute and matured in the ordinary course of business and (iv) the Borrower and its Subsidiaries, on a consolidated basis, are not engaged in, and are not about to engage in, business contemplated as of the date hereof for which they

have unreasonably small capital. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that would reasonably be expected to become an actual and matured liability in the ordinary course of business.

"**Specified Event of Default**" shall mean an Event of Default under Section 11.1 or Section 11.5 (with respect to the Borrower).

"**Specified Indebtedness**" shall have the meaning provided in Section 13.1.

"**Specified Person**" shall have the meaning provided in the definition of "Permitted Investments".

"**Specified Representations**" shall mean the representations and warranties with respect to the Credit Parties set forth in Sections 8.1(a) (with respect to the organizational existence of the Credit Parties only), 8.2 (with respect to organizational power and authority of the Credit Parties and due authorization, execution and delivery by the Credit Parties, in each case, as they relate to their entry into and performance of, the Credit Documents, and enforceability of the Credit Documents against the Credit Parties), 8.3(c) (with respect to the Credit Parties only and as related to the entry into, and performance of, the Credit Documents by the Credit Parties), 8.5, 8.7, 8.17, 8.18 and, except with respect to items referred to on Schedule 9.14, and subject to the proviso contained in Section 6.1(b), 8.19 of this Agreement.

"**Specified Transaction**" shall mean, with respect to any period,

(i) any Investment or other transaction that results in a Person becoming a Restricted Subsidiary and any capital contribution in respect of Qualified Stock or issuance of Qualified Stock by the Borrower or any Restricted Subsidiary,

(ii) any designation of a Subsidiary as a Restricted Subsidiary or an Unrestricted Subsidiary,

(iii) any Permitted Acquisition,

(iv) any disposition (or issuance or sale of Equity Interests of any Restricted Subsidiary) that results in a Restricted Subsidiary ceasing to be a Subsidiary,

(v) any Investment in, acquisition of, or disposition of (or issuance or sale of Equity Interests of any Restricted Subsidiary), assets constituting a business unit, line of business or division of, or all or substantially all of the assets of, a Person,

(vi) any Restricted Payment that by the terms of this Agreement requires a Financial Incurrence Test to be calculated on a Pro Forma Basis or is made in reliance on a Basket capped by a fixed dollar amount,

(vii) any incurrence of any Indebtedness (including, subject to the Incremental Delayed Draw Term Loan Commitment Incurrence Election Provision, the establishment of any Incremental Delayed Draw Term Loan Commitment),

(viii) prepayment, redemption, repurchase, defeasance, extinguishment, retirement or repayment of any Indebtedness (other than Indebtedness incurred or repaid under any revolving credit facility for working capital purposes),

(ix) any New Store Opening,

(x) the implementation of any initiatives giving rise to run-rate synergies,

(xi) at the election of the Borrower, any discontinued operations and

(xii) any other event that by the terms of this Agreement requires Pro Forma Compliance with a test or covenant hereunder or requires such test or covenant to be calculated on a Pro Forma Basis or giving Pro Forma Effect to any such transaction or event.

"**Sponsor**" shall mean any of Bain and/or its Affiliates (including, as applicable, related funds, general partners thereof and limited partners thereof, but solely to the extent any such limited partners are directly or indirectly participating as investors pursuant to a side-by-side investing arrangement, but not including, however, any portfolio company of any of the foregoing).

"**Sponsor Model**" shall mean the Sponsor model delivered to the Lead Arrangers on October 16, 2025.

"**Sponsor Management Agreement**" shall mean one or more management, monitoring, consulting, oversight, advisory, transaction, expense reimbursement, indemnification or similar agreements among the Sponsor, on the one hand, and Holdings, the Borrower and/or any of its Restricted Subsidiaries, on the other hand, in each case, as in effect from time to time and as the same may be amended, amended and restated, modified, supplemented, replaced or otherwise modified, in whole or in part, from time to time (but without giving effect to any such amendment, amendment and restatement, modification, supplement, replacement or other modification thereto that results in, or increases, the obligations of Holdings, the Borrower or any of its Restricted Subsidiaries to make management, monitoring or oversight fee payments in excess of the management, monitoring or oversight fee payments contemplated under that certain Advisory Agreement, dated as of February 12, 2014, by and among BDF Holding Corp., the Borrower, Bob's Discount Furniture, LLC, the Sponsor and the other parties thereto from time to time).

"**SPV**" shall have the meaning provided in Section 13.6(g).

"**Standard Securitization Undertakings**" shall mean representations, warranties, covenants and indemnities entered into by the Borrower or any Restricted Subsidiary which the Borrower has determined in good faith to be customary in a Securitization Facility, including those relating to the servicing of the assets of a Securitization Subsidiary, it being understood that any Securitization Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

"**Starter Debt Basket**" shall have the meaning in Section 10.1(n).

"**Stock Equivalents**" shall mean all securities convertible into or exchangeable for Capital Stock and all warrants, options, or other rights to purchase or subscribe for any Capital Stock, whether or not presently convertible, exchangeable, or exercisable, excluding from the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock, until any such conversion.

"**Store**" means any retail store (which includes any real property, fixtures, equipment, inventory and other property related thereto) operated, or to be operated, by the Borrower or any Restricted Subsidiary.

"**Subject Default**" shall have the meaning provided in Section 1.2(k).

"**Subject Lien**" shall have the meaning provided in Section 10.2(a).

"**Subordinated Indebtedness**" shall mean Indebtedness of the Borrower or any Restricted Subsidiary of the Borrower that is a Guarantor that by its terms is contractually subordinated in right of payment to the obligations of the Borrower or such Guarantor, as applicable, under this Agreement or the Guarantee, as applicable (other than any "first lien last out" Indebtedness that is secured by a Lien on the Collateral on a *pari passu* basis with the Lien on the Collateral securing the Initial Term Loans).

"**Subsequent Transaction**" shall have the meaning provided in Section 1.12(f).

"**Subsidiary**" of any Person shall mean a corporation, partnership, company, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. For the avoidance of doubt, unless otherwise specified, any entity that is owned at a 50.0% or less level (as described above) shall not be a "Subsidiary" for any purpose under this Agreement, regardless of whether such entity is consolidated on Holdings', the Borrower's or any Restricted Subsidiary's financial statements. Unless otherwise expressly provided, all references herein to a Subsidiary shall mean a Subsidiary of the Borrower.

"**Successor Borrower**" shall have the meaning provided in Section 10.3(a).

"**Supported QFC**" shall have the meaning provided in Section 13.23.

"**Swap Obligation**" shall mean, with respect to any Credit Party, any obligation to pay or perform under any agreement, contract, or transaction that constitutes a "swap" within the meaning of section 1(a)(47) of the Commodity Exchange Act.

"**Tax Group**" shall have the meaning provided in Section 10.05(b)(15)(B).

"**Taxes**" shall mean any and all present or future taxes, duties, levies, imposts, assessments, deductions, withholdings (including backup withholding), fees, or other similar charges imposed by any Governmental Authority and any interest, fines, penalties, or additions to tax with respect to the foregoing.

"**Term Loan Commitment**" shall mean, with respect to each Lender, such Lender's Initial Term Loan Commitment and, if applicable, commitment with respect to any Extended Term Loans, New Term Loan Commitment, Refinancing Term Loan Commitment and Replacement Term Loan Commitment.

"**Term Loan Extension Request**" shall have the meaning provided in Section 2.14(g)(i).

"**Term Loan Increase**" shall have the meaning provided in Section 2.14(a).

"**Term Loan Lender**" shall mean, at any time, any Lender that has a Term Loan Commitment or an outstanding Term Loan.

"**Term Loan Refinancing Indebtedness**" shall have the meaning provided in Section 10.1(w).

"**Term Loans**" shall mean the Initial Term Loans, any New Term Loans, any Replacement Term Loans, any Refinancing Term Loans, and any Extended Term Loans, collectively.

"**Term Priority Collateral**" shall have the meaning provided to the term "Term Priority Collateral" in the ABL Intercreditor Agreement.

"**Term SOFR**" shall mean:

(1) for any calculation with respect to a Term 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) US Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; *provided* 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 US 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 US Government Securities Business Day is not more than three (3) US Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and

(2) 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 "**Base Rate Term SOFR Determination Day**") that is two (2) US Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; *provided* that if as of 5:00 p.m. (New York City time) on any Base Rate 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 US 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 US Government Securities Business Day is not more than three (3) US Government Securities Business Days prior to such Base Rate Term SOFR Determination Day.

"**Term SOFR Administrator**" shall mean CME Group Benchmark Administration Limited as administrator of the Term SOFR Reference Rate (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

"**Term SOFR Loan**" shall mean a Loan that bears interest at a rate based on Adjusted Term SOFR, other than pursuant to clause (iii) of the definition of "ABR".

"**Term SOFR Reference Rate***"* shall mean the forward-looking term rate based on SOFR.

"**Test Period**" shall mean, (i) for purposes of the definition of "Applicable Margin" or the ECF Payment Percentage, the four consecutive fiscal quarters of the Borrower then last ended and for which Section 9.1 Financials shall have been delivered (or were required to be delivered) to the Administrative Agent (or, before the first delivery of Section 9.1 Financials, the most recent period of four fiscal quarters at the end of which financial statements are available) and (ii) for all other purposes of this Agreement,

the period determined pursuant to clause (i) above, or at the election of the Borrower, the latest four consecutive fiscal quarters of the Borrower for which financial statements of the type described in Section 9.1 are internally available.

"**Third Lien Obligations**" shall mean any Indebtedness that is secured by all or a portion of the Collateral on a junior basis to any other Indebtedness that is itself secured by all or a portion of the Collateral on a junior basis to the Liens on the Collateral securing the Initial Term Loans or any Obligations that are secured by the Collateral on a *pari passu* basis with the Initial Term Loans, in addition to any other collateral (if any); *provided* that Indebtedness incurred under the ABL Facility (including any ABL Loans or any other Obligations (as defined in the ABL Credit Agreement)) shall not constitute Third Lien Obligations.

"**Threshold Amount**" shall mean the greater of (x) $60,000,000 and (y) 25% of the LTM Consolidated EBITDA.

"**Total Credit Exposure**" shall mean, at any date, the sum, without duplication, of (i) the Total Term Loan Commitment at such date and (ii) without duplication of the foregoing clause (i), the aggregate outstanding principal amount of all Term Loans at such date.

"**Total Net Leverage Ratio**" shall mean, as of any time of determination, the ratio of (i) Consolidated Total Debt as of the last day of the most recent Test Period, *minus* Unrestricted Cash and Cash Equivalents as of the last day of the most recent Test Period to (ii) the LTM Consolidated EBITDA.

"**Total Outstandings**" shall mean, at any time, the aggregate Outstanding Amount of all Loans at such time.

"**Total Term Loan Commitment**" shall mean the sum of all Term Loan Commitments of all Lenders.

"**Transaction Expenses**" shall mean any fees, costs, or expenses incurred, paid or payable by the Borrower or any of its Affiliates in connection with the Transactions (including expenses in connection with hedging transactions, if any, and payments to officers, employees and directors as change of control payments, severance payments, special or retention bonuses, payments on account of phantom units and charges for repurchase or rollover of, or modifications to, equity options and/or restricted equity), this Agreement and the other Credit Documents and the transactions contemplated hereby and thereby, including any currency hedges entered into, or terminated, in connection with the financing of the Transactions.

"**Transactions**" shall mean, collectively, the transactions constituting or contemplated by this Agreement and the other Credit Documents, the ABL Credit Agreement, the other ABL Credit Documents, the Closing Distribution and the consummation of any other transactions in connection with the foregoing (including in connection with the payment of the fees, costs and expenses incurred in connection with any of the foregoing (including the Transaction Expenses)).

"**Type**" shall mean as to any Loan, its nature as an ABR Loan or a Term SOFR Loan.

"**UCC**" or "**Uniform Commercial Code**" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York; *provided* that if a term is defined in Article 9 of the Uniform Commercial Code differently than in another Article thereof, the term shall have the meaning set forth in Article 9; *provided further*, that, if by reason of mandatory provisions of law, perfection, or the effect of

perfection or non-perfection, of a security interest in any Collateral or the availability of any remedy hereunder is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, "UCC" or "Uniform Commercial Code" shall mean the Uniform Commercial Code as in effect in such other jurisdiction from time to time for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection or availability of such remedy, as the case may be.

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

"**UK Resolution Authority**" shall mean the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"**Unadjusted Benchmark Replacement**" shall mean the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"**Unrestricted Cash and Cash Equivalents**" shall mean, as to the Borrower and its Restricted Subsidiaries at any time of determination, the amount of (a) unrestricted cash and Cash Equivalents of such Person and (b) cash and Cash Equivalents of such Person that are restricted in favor of the Credit Facilities, the ABL Facility and/or other *pari passu* or junior lien secured Indebtedness not prohibited under this Agreement (which may also include cash and Cash Equivalents securing other Indebtedness that is secured by a Lien on the Collateral along with the Credit Facilities and/or other *pari passu* or junior secured Indebtedness not prohibited under this Agreement), including any cash and Cash Equivalents cash collateralizing any letter of credit not prohibited under this Agreement, in each case, if such determination is made for any date other than a date with respect to which balance sheet statements required to be delivered pursuant to Section 9.1 are available, as determined by the Borrower in good faith based on bank account statements and other information available to the Borrower.

"**Unrestricted Subsidiary**" shall mean (i) any Subsidiary of the Borrower which at the time of determination is an Unrestricted Subsidiary (as designated by the Borrower, as provided below) and (ii) any Subsidiary of an Unrestricted Subsidiary.

The Borrower may designate any Subsidiary of the Borrower (including any existing Subsidiary and any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary; *provided* that,

(a) such designation complies with Section 10.5, and

(b) immediately after giving effect to such designation no Event of Default shall have occurred and be continuing.

The Borrower may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that, immediately after giving effect to such designation no Specified Event of Default shall have occurred and be continuing.

Any such designation by the Borrower shall be notified by the Borrower to the Administrative Agent by promptly delivering to the Administrative Agent a certificate of an Authorized Officer of the Borrower certifying that such designation complied with the foregoing provisions.

Notwithstanding anything in this Agreement to the contrary, the Borrower and its Restricted Subsidiaries shall not make any Investment in an Unrestricted Subsidiary in the form of Material Intellectual Property or designate any Restricted Subsidiary holding any Material Intellectual Property as an Unrestricted Subsidiary.

"**US**" and "**United States**" shall mean the United States of America.

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

"**US Lender**" shall have the meaning provided in Section 5.4(e)(ii)(A).

"**US Special Resolution Regimes**" shall have the meaning provided in Section 13.23.

"**Voting Stock**" shall mean, with respect to any Person as of any date, the Capital Stock of such Person that is at the time entitled to vote in the election of the board of directors (or analogous governing body) of such Person.

"**Weighted Average Life to Maturity**" shall mean, when applied to any Indebtedness, Disqualified Stock or preferred stock, as the case may be, at any date, the number of years (calculated to the nearest one twelfth) obtained by dividing (a) the sum of the products obtained by multiplying (i) the amount of each then remaining scheduled installment, sinking fund, serial maturity or other required scheduled payments of principal, including payment at final scheduled 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, Disqualified Stock or preferred stock, in each case, as determined by the Borrower; *provided* that for purposes of determining the Weighted Average Life to Maturity of any Indebtedness, Disqualified Stock or preferred stock, the effects of any prepayments or amortization made on such Indebtedness, Disqualified Stock or preferred stock prior to the date of the applicable date of determination shall be disregarded.

"**Wholly-Owned Restricted Subsidiary**" of any Person shall mean a Wholly-Owned Subsidiary of such Person that is a Restricted Subsidiary.

"**Wholly-Owned Subsidiary**" of any Person shall mean a Subsidiary of such Person, 100% of the outstanding Capital Stock or other ownership interests of which (other than (x) directors' qualifying shares or other ownership interests and (y) a nominal number of shares or other ownership interests issued to non-US nationals to the extent required by applicable laws) shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person.

"**Withdrawal Liability**" shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Title IV of ERISA.

"**Withholding Agent**" shall mean any Credit Party, the Administrative Agent and any other applicable withholding agent.

"**Write-Down and Conversion Powers**" shall mean (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion

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

1.2 *Other Interpretive Provisions*. With reference to this Agreement and each other Credit Document, unless otherwise specified herein or in such other Credit Document:

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words "herein", "hereto", "hereof" and "hereunder" and words of similar import when used in any Credit Document shall refer to such Credit Document as a whole and not to any particular provision thereof.

(c) Section, Exhibit, and Schedule references are to the Credit Document in which such reference appears.

(d) The term "including" is by way of example and not limitation. The word "or" is not exclusive.

(e) The term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(f) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding"; and the word "through" means "to and including".

(g) Section headings herein and in the other Credit Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Credit Document.

(h) The words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(i) The word "knowledge" or "awareness" (or similar terms) means the actual knowledge of a natural Person and the "knowledge" of Holdings, the Borrower or any subsidiary thereof means the actual knowledge of the chief executive officer, chief financial officer, president, treasurer or any other officer supervising the financial or legal affairs of the applicable Person.

(j) All references to "in the ordinary course of business" of the Borrower or any Subsidiary thereof means (i) in the ordinary course of business of, or in furtherance of an objective that is in the ordinary course of business of the Borrower or such Subsidiary, as applicable, (ii) customary and usual in the industry or industries of the Borrower and its Subsidiaries in the United States or any other

jurisdiction in which the Borrower or any Subsidiary does business, as applicable, or (iii) generally consistent with the past or current practice of the Borrower or such Subsidiary, as applicable, or any similarly situated businesses in the United States or any other jurisdiction in which the Borrower or any Subsidiary does business, as applicable.

(k) In the case of any cure or waiver, the Borrower, the applicable Credit Parties, the Lenders and the Administrative Agent shall be restored to their former positions and rights hereunder and under the other Credit Documents, and any Default or Event of Default cured or waived shall be deemed to be cured and not continuing, it being understood that, except as otherwise provided in this clause (k), no such cure or waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon. If any Default or Event of Default under any Credit Document (a "**Subject Default**") occurs due to (i) the failure by any Credit Party or other Restricted Subsidiary to take any action by a specified time, such Default or Event of Default shall be deemed to have been cured at the time, if any, that the applicable Credit Party or other Restricted Subsidiary takes such action or (ii) the taking of any action by any Credit Party or other Restricted Subsidiary that is not then permitted by the terms of this Agreement or any other Credit Document, such Default or Event of Default shall be deemed to be cured on the earlier to occur of (x) the date on which such action would be permitted at such time to be taken under this Agreement and the other Credit Documents and (y) the date on which such action is unwound or otherwise modified to the extent necessary for such revised action to be permitted at such time by this Agreement and the other Credit Documents, in each case, to the extent that (1) the Borrower has delivered any notice required to be delivered to the Administrative Agent upon obtaining actual knowledge that such Default or Event of Default exists and (2) there has not been any acceleration of Loans or Obligations following such Subject Default. If any Subject Default is subsequently cured, any other Default or Event of Default resulting from the making or deemed making of any representation or warranty by any Credit Party or the taking of any action by any Credit Party or any Subsidiary of any Credit Party, in each case which subsequent Default or Event of Default would not have arisen had the Subject Default not occurred, shall be deemed to be cured automatically upon the cure of such Subject Default, in each case, so long as the Borrower or the applicable Restricted Subsidiary did not have actual knowledge that the applicable Subject Default had occurred and was continuing at the time of the taking of the applicable action that was not permitted during, and as a result of, the continuance of such Subject Default. Notwithstanding the foregoing, (i) no Event of Default pursuant to Section 11.7, 11.8 or 11.9 may be deemed cured under this clause (k) that directly results in material impairment of the rights and remedies of the Lenders, Collateral Agent and Administrative Agent under the Credit Documents and that is incapable of being cured and (ii) in all cases of such foregoing shall be subject to the first parenthetical under Section 11.3.

(l) Any reference herein or in any other Credit Document to a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of, or by, a limited liability company, limited partnership or trust, or an allocation of assets to a series of a limited liability company, limited partnership or trust (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, assignment, sale or transfer, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company, limited partnership or trust shall constitute a separate Person under this Agreement and the other Credit Documents (and each division of any limited liability company, limited partnership or trust that is a Subsidiary, Unrestricted Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

(m) Any reference herein or in any other Credit Documents to the ranking of Liens shall be determined without regard to control of remedies.

(n) Any reference herein to the board of directors or similar governing body of the Borrower, or any parent company thereof, that is formed as a limited partnership shall, to the extent applicable, be deemed to refer to the general partner thereof (or the governing body with respect to the general partner thereof in connection with acting as the general partner of such limited partnership).

(o) Any fiscal month, fiscal quarter or fiscal year identified or set forth in the Credit Documents by reference to the last day thereof (including by reference to the last day of the corresponding calendar month, fiscal quarter or fiscal year) shall be deemed to refer to the applicable fiscal month, quarter or fiscal year ending on or about such date.

(p) [Reserved].

(q) Any Authorized Officer executing any Credit Document or any certificate or other document made or delivered pursuant hereto or thereto, so executes or certifies in his/her capacity as any Authorized Officer on behalf of the applicable Credit Party and not in any individual capacity.

1.3 *Accounting Terms*.

(a) Except as expressly provided herein, all accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP.

(b) Where reference is made to "the Borrower and the Restricted Subsidiaries on a consolidated basis" or similar language, such consolidation shall not include any Subsidiaries of the Borrower other than Restricted Subsidiaries.

(c) Notwithstanding anything in this Agreement to the contrary, unless the Borrower has notified the Administrative Agent in writing that this clause (c) shall not apply with respect to an applicable Test Period on or prior to the delivery of financial statements for such Test Period pursuant to Section 9.1, the determination of whether a lease is a Finance Lease or a Non-Finance Lease Obligation, shall, in each case, be determined without giving effect to ASC 842 (*Leases*), except that financial statements delivered pursuant to Section 9.1 may be prepared in accordance with GAAP (including giving effect to ASC 842 (*Leases*)) as in effect at the time of such delivery.

(d) Where any term of any Credit Document refers to maintaining appropriate reserves in accordance with GAAP or any similar phrase, such requirement may, in respect of a Foreign Subsidiary, be satisfied by maintaining appropriate reserves in accordance with generally accepted accounting principles in its jurisdiction of organization (including without limitation IFRS) to the extent that such Foreign Subsidiary maintains individual books and records in accordance with such generally accepted accounting principles other than GAAP.

1.4 *Rounding*. Any financial ratios required to be maintained by the Borrower pursuant to this Agreement (or required to be satisfied in order for a specific action to be permitted under this Agreement) shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number.

1.5 *References to Agreements, Laws, Etc.*Unless otherwise expressly provided herein, (a) references to Organizational Documents, agreements (including the Credit Documents, the ABL Credit

Agreement, the ABL Credit Documents and the ABL Facility), and other Contractual Requirements shall be deemed to include all subsequent amendments, restatements, amendment and restatements, extensions, supplements, modifications, restructurings, replacements, refinancings, renewals, or increases (in each case, where applicable, whether pursuant to one or more agreements or with different lenders or agents and whether provided under the original credit agreement or one or more other credit agreements, indentures, financing agreements or otherwise, including any agreement extending the maturity thereof, otherwise restructuring all or any portion of the Indebtedness thereunder, increasing the amount loaned or issued thereunder, altering the maturity thereof or providing for other Indebtedness), but only to the extent that such amendments, restatements, amendment, and restatements, extensions, supplements, modifications, replacements, restructurings, refinancings, renewals, or increases are not prohibited by any Credit Document; (b) references to any Requirement of Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing, or interpreting such Requirement of Law; and (c) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all of the functions thereof.

1.6 *Exchange Rates*.

(a) Any amount specified in this Agreement (other than in Sections 2, 12 and 13) or any of the other Credit Documents to be in Dollars shall also include the equivalent of such amount in any currency other than Dollars, such equivalent amount to be determined at the rate of exchange quoted by the Reuters World Currency Page for the applicable currency at 11:00 a.m. (London time) on such day (or, in the event such rate does not appear on any Reuters World Currency Page, by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Borrower, or, in the absence of such agreement, by reference to such publicly available service for displaying exchange rates as the Administrative Agent selects in its reasonable discretion).

(b) For purposes of determining the First Lien Net Leverage Ratio, Secured Net Leverage Ratio, Interest Coverage Ratio and the Total Net Leverage Ratio, the amount of Indebtedness shall reflect the currency translation effects, determined in accordance with GAAP, of Hedge Agreements permitted hereunder for currency exchange risks with respect to the applicable currency in effect on the date of determination of the Dollar equivalent of such Indebtedness.

(c) Notwithstanding the foregoing, for purposes of determining compliance with Section 9.7, Section 9.10 and Section 10 and the definitions of "Asset Sale," "Permitted Investments", "Permitted Liens" and "Unrestricted Subsidiaries" (and, in each case, other definitions used therein) or any other Basket determined based on a Dollar denominated amount with respect to the amount of any Indebtedness, Lien, Asset Sale, disposition, Investment, Restricted Payment, Affiliate transaction or other applicable transaction or designation 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 or Lien is incurred or such disposition, Asset Sale, Investment, Restricted Payment, Affiliate transaction or other applicable transaction or designation is made (so long as such Indebtedness, Lien, disposition, Asset Sale, Investment, Restricted Payment, Affiliate transaction or other applicable transaction at the time incurred or made was permitted hereunder). No Default or Event of Default shall arise as a result of any limitation or threshold set forth in Dollars in Section 10 or Section 11 being exceeded solely as a result of changes in currency exchange rates from those rates applicable on the last day of the Test Period immediately preceding the fiscal quarter in which such determination occurs or in respect of which such determination is being made.

(d) Each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify with the Borrower's prior written consent to appropriately reflect a change in currency of any country and any relevant market conventions or practices relating to such change in currency.

1.7 *Rates*. The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission, or any other matter related to the rates in the definition of "Term SOFR" or with respect to any comparable or successor rate thereto.

1.8 *Times of Day*. Unless otherwise specified, all references herein to times of day shall be references to New York City time (daylight or standard, as applicable).

1.9 *Timing of Payment or Performance*. Except as otherwise expressly provided herein, when the payment of any obligation or the performance of any covenant, duty, or obligation is stated to be due or performance required on (or before) a day which is not a Business Day, the date of such payment (other than as described in the definition of "Interest Period") or performance shall extend to the immediately succeeding Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

1.10 *Certifications*. All certifications to be made hereunder by an officer or representative of a Credit Party shall be made by such a Person in his or her capacity solely as an officer or a representative of such Credit Party, on such Credit Party's behalf and not in such Person's individual capacity.

1.11 *Compliance with Certain Sections*.

(a) For purposes of determining compliance with the covenants set forth in Section 9.10 and Section 10, in the event that any Lien, Investment, Indebtedness, Disqualified Stock or preferred Capital Stock, disposition or other sale or transfer of assets, Restricted Payment, Affiliate transaction, Contractual Requirement, or prepayment or redemption of Indebtedness (or, in each case of any of the foregoing, any portion thereof) meets the criteria of one, or more than one, of the applicable Baskets of the applicable covenant (including within any sub-clauses, sub-categories or sub-items under this Agreement) then permitted pursuant to Section 9.10 or Section 10, as applicable, such transaction (or portion thereof) at any time shall be permitted under one or more of such Baskets of such covenant (including within any sub-clauses, sub-categories or sub-items under this Agreement) at the time of such transaction or incurrence thereof or at any later time from time to time, in each case, as determined by the Borrower in its sole discretion at such time, and the Borrower may, in its sole discretion, classify and reclassify and, from time to time, later divide, classify or reclassify, such Lien, Investment, Indebtedness, Disqualified Stock or preferred Capital Stock, disposition or other sale or transfer of assets, Restricted Payment, Affiliate transaction, Contractual Requirement, or prepayment or redemption of Indebtedness (or, in each case of any of the foregoing, any portion thereof) among such applicable Baskets of such covenant (including any sub-clauses, sub-categories or sub-items under this Agreement), as applicable, in any manner not expressly prohibited by this Agreement (and, for the avoidance of doubt, will only be required to include such transaction or incurrence in such of the applicable Baskets of such covenant (including any sub-clauses, sub-categories or sub-items under this Agreement) as determined by Borrower at such time).

(b) Notwithstanding anything in this Agreement to the contrary, unless the Borrower elects otherwise in its sole discretion, (I) with respect to (x) any amounts incurred or transactions entered into

(or consummated) in reliance on a Basket (any such Basket, a "**Fixed Basket**") of this Agreement (including ABL Loans and, to the extent established or incurred, the drawing of any delayed draw term loans incurred under clause (d)(A) below, the incurrence of any Refinancing Indebtedness and the incurrence of any Indebtedness established or incurred under the Non-Ratio Based Incremental Basket) that does not require compliance with a Financial Incurrence Test (any such amounts, including for the avoidance of doubt, any grower component based on LTM Consolidated EBITDA or Consolidated Total Assets, the "**Fixed Amounts**") or, without limiting any requirement set forth hereunder with respect to the netting of cash proceeds of any Indebtedness in determining compliance with the applicable Financial Incurrence Test, any transaction utilizing any Unrestricted Cash and Cash Equivalents, in each case under this clause (x), substantially concurrently with (or as part of a single transaction or a series of related transactions with) (y) any amounts incurred or transactions entered into (or consummated) in reliance on a Basket (any such Basket, a "**Non-Fixed Basket**") of this Agreement (including Indebtedness incurred or established under the Incremental Ratio Basket) that requires compliance with a financial ratio or test (including the Interest Coverage Ratio, the Total Net Leverage Ratio, the Secured Net Leverage Ratio and the First Lien Net Leverage Ratio) (any such financial ratio or test, a "**Financial Incurrence Test**"), it is understood and agreed that (I) all Fixed Amounts (or any other amounts incurred under a Fixed Basket) or any utilization of any such Unrestricted Cash and Cash Equivalents shall be disregarded in the calculation of any Financial Incurrence Test applicable to any Non-Fixed Basket that is utilized substantially concurrent with the utilization of such Fixed Basket (or part of a single transaction or series of related transactions), (II) any Indebtedness incurred to fund original issue discount, upfront fees, accrued interest, premium and transaction expenses concurrently with any amounts incurred or transactions entered into (or consummated) in reliance on a Non-Fixed Basket shall be disregarded in the calculation of each Financial Incurrence Test applicable to any Non-Fixed Basket and (III) any borrowings under any revolving credit facility of the Borrower or its Restricted Subsidiaries (including the ABL Facility) in a concurrent transaction, a single transaction or a series of related transactions with the amount incurred, or transaction entered into or consummated, under an applicable Non-Fixed Basket or incurred under the ABL Facility or other revolving facility for working capital purposes shall be disregarded in the calculation of any Financial Incurrence Test; *provided* that notwithstanding anything else provided herein, any amounts incurred or transactions entered into (or consummated) in reliance on a Basket of this Agreement that is expressly limited by a fixed-dollar limitation (including any grower component based on a percentage of LTM Consolidated EBITDA or Consolidated Total Assets) and that includes, as a condition to incurring (or consummating) applicable amounts or transactions, in reliance on such Basket limited by a fixed-dollar limitation, a requirement of compliance with a Financial Incurrence Test shall constitute a "Fixed Amount" hereunder.

(c) If any Lien, Investment, Indebtedness, Disqualified Stock or preferred Capital Stock, disposition or other sale or transfer of assets, Restricted Payment, Affiliate transaction, Contractual Requirement, prepayment or redemption of Indebtedness or other transaction or action is incurred, issued or consummated in reliance on a Basket measured by reference to a percentage of LTM Consolidated EBITDA or Consolidated Total Assets, and any such Lien, Investment, Indebtedness, Disqualified Stock or preferred Capital Stock, disposition or other sale or transfer of assets, Restricted Payment, Affiliate transaction, Contractual Requirement, prepayment or redemption of Indebtedness or other transaction or action would subsequently exceed the applicable percentage of LTM Consolidated EBITDA or Consolidated Total Assets, as applicable, under such Basket if calculated based on the LTM Consolidated EBITDA or Consolidated Total Assets, as applicable, on a later date (including the date of any refinancing), such percentage of LTM Consolidated EBITDA or Consolidated Total Assets, as applicable, will be deemed not to be exceeded; *provided* that, in the case of refinancing any Indebtedness, Disqualified Stock or preferred Capital Stock (and any related Lien) in reliance on this clause (c), the principal amount of such refinancing Indebtedness, Disqualified Stock or preferred Capital Stock does not

exceed the aggregate outstanding principal amount, accreted value or liquidation preference of the refinanced Indebtedness, Disqualified Stock or preferred Capital Stock, plus the amount of any unused commitments thereunder, plus accrued interest, fees, expenses, defeasance costs and premium (including call and tender premiums), if any, under the refinanced Indebtedness, Disqualified Stock or preferred Capital Stock, plus underwriting discounts, fees, commissions and expenses (including original issue discount, upfront fees and similar items) in connection with the refinancing of such Indebtedness, Disqualified Stock or preferred Capital Stock and the incurrence or issuance of such refinancing Indebtedness, Disqualified Stock or preferred Capital Stock.

(d) In the case of any Indebtedness established in the form of a delayed draw term loan commitment (each, an "**Incremental Delayed Draw Term Loan Commitment**"), at the election of the Borrower in its sole discretion, for purposes of determining capacity under, and compliance with the Maximum Incremental Facilities Amount or any other Basket (including for purposes of incurring or establishing such Incremental Delayed Draw Term Loan Commitment (and any associated loan when such Incremental Delayed Draw Term Loan Commitment is funded)), either (A) such Indebtedness shall be deemed to be fully drawn at the time such Incremental Delayed Draw Term Loan Commitment becomes effective (for the avoidance of doubt, in the case of this clause (A), the actual drawing of such Incremental Delayed Draw Term Loan Commitment shall not be required to be subject to testing of any Basket availability) or (B) such Indebtedness shall be incurred as and when the applicable Indebtedness under such Incremental Delayed Draw Term Loan Commitment is funded in accordance with the terms of such Incremental Delayed Draw Term Loan Commitment (for the avoidance of doubt, in the case of this clause (B), such Indebtedness in the form of an Incremental Delayed Draw Term Loan Commitment shall be deemed not to be drawn for all purposes under the Credit Documents until such Incremental Delayed Draw Term Loan Commitment is funded) (this paragraph, the "**Incremental Delayed Draw Term Loan Commitment Incurrence Election Provision**").

1.12 *Pro Forma and Other Calculations*.

(a) Notwithstanding anything to the contrary herein, Financial Incurrence Tests, including the Interest Coverage Ratio, the First Lien Net Leverage Ratio, the Secured Net Leverage Ratio and the Total Net Leverage Ratio, and compliance with covenants determined by reference to LTM Consolidated EBITDA or Consolidated Total Assets, shall be calculated in the manner prescribed by this Section 1.12; *provided* that notwithstanding anything to the contrary in clauses (b), (c), (d), (e) or (f) of this Section 1.12, when calculating the First Lien Net Leverage Ratio for purposes of (i) determining the "Applicable Margin", (ii) [reserved] and (iii) Section 5.2(a)(ii), in each case, (x) the events described in this Section 1.12 that occurred subsequent to the end of the applicable Test Period shall not be given *pro forma* effect (except that the ECF Payment Percentage shall be calculated giving effect to the prepayment and the other payments of Indebtedness as set forth in Section 5.2(a)(ii)) and (y) the effect of any LCT Election shall be disregarded.

(b) For purposes of calculating any Financial Incurrence Test or compliance with any covenant determined by reference to LTM Consolidated EBITDA or Consolidated Total Assets, Specified Transactions (with any incurrence or repayment of any Indebtedness in connection therewith to be subject to clause (d) of this Section 1.12) that have been made (i) during the applicable Test Period or (ii) other than as described in the proviso to clause (a) above, subsequent to such Test Period and prior to or concurrently with the event for which the calculation of any such Financial Incurrence Test, or any such calculation of LTM Consolidated EBITDA or Consolidated Total Assets, is made shall be calculated on a *pro forma* basis assuming that all such Specified Transactions (and any increase or decrease in LTM Consolidated EBITDA and the component financial definitions used therein attributable to any Specified

Transaction) had occurred on the first day of the applicable Test Period (or, in the case of Consolidated Total Assets, on the last day of the applicable Test Period). If since the beginning of any applicable Test Period any Person that subsequently became a Restricted Subsidiary or was merged, amalgamated or consolidated with or into the Borrower or any of the Restricted Subsidiaries since the beginning of such Test Period shall have made any Specified Transaction that would have required adjustment pursuant to this Section 1.12, then such Financial Incurrence Test (or LTM Consolidated EBITDA or Consolidated Total Assets) shall be calculated to give *pro forma* effect thereto in accordance with this Section 1.12.

(c) Whenever Pro Forma Effect is to be given to a Specified Transaction, the *pro forma* calculations shall be made in good faith by a responsible financial or chief accounting officer of the Borrower and may include, for the avoidance of doubt, the amount of "run-rate" cost savings, operating expense reductions and synergies (including cost, revenue and product margin synergies) resulting from, or related to, any Specified Transaction (including the Transactions and, for the avoidance of doubt, any applicable actions or transactions occurring prior to the Closing Date) that are projected by the Borrower in good faith to result from actions either taken, or with respect to which substantial steps have been taken or are expected to be taken, no later than 24 months after the end of the Test Period in which such Specified Transaction is consummated, in each case under this clause (c), calculated (1) net of the amount of actual benefits realized prior to, or during, such period from such actions and (2) on a Pro Forma Basis as though such cost savings, operating expense reductions and synergies had been realized on the first day of such period and for the entirety of such period; *provided* that in the good faith determination of an Authorized Officer of the Borrower, such cost savings, operating expense reductions and synergies are reasonably identifiable and factually supportable; *provided further*, that (x) it is understood and agreed that "run-rate" means the full recurring benefit for a period that is associated with any action or transaction either taken, or with respect to which substantial steps have been taken or are expected to be taken (including any savings expected to result from the elimination of a public target's compliance costs with public company requirements), and any such adjustments shall be included in the initial pro forma calculations of such financial ratios or tests relating to such Specified Transaction (and in respect of any subsequent pro forma calculations in which such Specified Transaction is given Pro Forma Effect) and during any applicable subsequent Test Period for any subsequent calculation of such financial ratios and tests, (y) no amounts shall be added pursuant to this clause (c) to the extent duplicative of any amounts that are otherwise added back in computing LTM Consolidated EBITDA (or any other components thereof), whether through a pro forma adjustment or otherwise, with respect to such period and (z) such "run-rate" cost savings, operating expense reductions and synergies (including cost, revenue and product margin synergies) added pursuant to this clause (c) in any Test Period (other than any such adjustments permitted to be made pursuant to clause (w) of the definition of "Consolidated EBITDA", which shall not count against this cap), when aggregated with the amount of any increase for such period in Consolidated EBITDA as a result of any "run-rate" cost savings, operating expense reductions and synergies (including cost, revenue and product margin synergies) pursuant to clause (i) of the definition of Consolidated EBITDA in such Test Period (other than any such adjustments permitted to be made pursuant to clause (w) of the definition of "Consolidated EBITDA", which shall not count against this cap) shall not exceed an aggregate amount equal to 25% of LTM Consolidated EBITDA (calculated after giving effect to all add-backs and adjustments (including all add-backs and adjustments subject to this cap)). In addition, with respect to each New Store Opening, the LTM Consolidated EBITDA (i) for any Test Period ending on or before the 24-month anniversary of the occurrence of such New Store Opening shall be calculated by first removing the result thereof from the LTM Consolidated EBITDA and then increasing the LTM Consolidated EBITDA for such Test Period by an amount equal to the projected run-rate Consolidated EBITDA for such store in its third year of full operation, as determined by the Borrower in good faith, (ii) for any Test Period ending thereafter and on or before the 36-month anniversary of the occurrence of such New Store Opening shall be calculated by including the results of the applicable fiscal quarter(s) actually

completed after such 24-month anniversary and projected results for the fiscal quarter(s) ending prior thereto determined pursuant to clause (i) above and (iii) for any Test Period ending thereafter, shall be determined based on the actual results of the applicable store With respect to any pro forma calculation that is required to be made in connection with any acquisition or other Investment in respect of which financial statements for the applicable target are not available for the same Test Period for which financial statements of the Borrower are available, the Borrower shall make the relevant calculation on the basis of the relevant available financial statements (even if for differing periods) or such other commercially reasonable basis as the Borrower may elect.

(d) In the event that (x) the Borrower or any Restricted Subsidiary incurs (including by assumption or guarantees) or repays (including by repurchase, redemption, repayment, retirement, discharge, defeasance or extinguishment) any Indebtedness (in each case, other than Indebtedness incurred or repaid under any revolving credit facility or line of credit for working capital purposes) or (y) the Borrower or any Restricted Subsidiary issues, repurchases or redeems Disqualified Stock, in each case, (i) during the applicable Test Period or (ii) other than as described in the proviso to clause (a) above, subsequent to the end of the applicable Test Period and prior to or concurrently with the event for which the calculation of any Financial Incurrence Test is made, then such Financial Incurrence Test shall be calculated giving *pro forma* effect to such incurrence, assumption, guarantee, repurchase, redemption, repayment, retirement, discharge, defeasance or extinguishment of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock, in each case to the extent required, as if the same had occurred on the last day of the applicable Test Period (except in the case of the Interest Coverage Ratio (or similar ratio), in which case such incurrence, assumption, guarantee, repurchase, redemption, repayment, retirement, discharge, defeasance or extinguishment of Indebtedness or such issuance, repurchase or redemption of Disqualified Stock will be given effect as if the same had occurred on the first day of the applicable Test Period). In the event an item of Indebtedness or Disqualified Stock (or any portion thereof) is incurred, assumed or issued, any Lien is incurred or assumed or other transaction is undertaken in reliance on a Financial Incurrence Test under any Basket, such Financial Incurrence Test shall be calculated without regard to the incurrence of any Indebtedness under any revolving credit facility or letter of credit facility (including the ABL Facility) substantially concurrently therewith.

(e) 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 the event for which the calculation of the Interest Coverage Ratio is made had been the applicable rate for the entire period (taking into account any interest hedging arrangements applicable to such Indebtedness). Interest on a Finance Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by an Authorized Officer of the Borrower to be the rate of interest implicit in such Finance Lease Obligation in accordance with GAAP. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a secured overnight financing rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate as the Borrower or any applicable Restricted Subsidiary may designate.

(f) In connection with any action being taken in connection with a Limited Condition Transaction, for purposes of:

(i) determining compliance with any provision of this Agreement which requires the calculation of any Financial Incurrence Test,

(ii) testing availability or capacity under Baskets set forth in this Agreement (including baskets measured as a percentage of LTM Consolidated EBITDA or Consolidated Total Assets), or

(iii) determining the accuracy or compliance of any representation or warranty or the existence of any Default or Event of Default,

in each case under this clause (f), at the option of the Borrower (the Borrower's election to exercise such option in connection with any Limited Condition Transaction, an "**LCT Election**"), the date of determination of whether any such action is permitted hereunder shall be deemed to be the date the definitive agreement or irrevocable notice, as applicable, for such Limited Condition Transaction is entered into or otherwise effective (or in the case of a Limited Condition Transaction that involves some other manner of establishing a binding obligation under local law, such other binding obligation to consummate is effective) (the "**LCT Test Date**") (*provided* that, solely in connection with an acquisition to which the United Kingdom City Code on Takeovers and Mergers or similar law applies, at the option of the Borrower, the "LCT Test Date" shall be deemed to be the date on which a "Rule 2.7 announcement" of a firm intention to make an offer (or equivalent announcement in another jurisdiction) is made or delivered in respect of a target of a Limited Condition Transaction), and if, after giving Pro Forma Effect to the Limited Condition Transaction, the Borrower or any of its Restricted Subsidiaries would have been permitted to take such action on the relevant LCT Test Date in compliance with such ratio, test or basket such ratio, test or basket shall be deemed to have been complied with; *provided* that (x) the Borrower may, in lieu of calculating any ratio, test or basket for purposes of clause (f)(i) or (f)(ii) above in connection with a Limited Condition Transaction, elect to calculate such ratio, test or basket for purposes of clause (f)(i) or (f)(ii) above in respect of the last twelve fiscal months of the Borrower for which monthly financial statements are internally available by delivering an LTM Determination Notification and (y) if financial statements for one or more subsequent fiscal quarters (or, if the Borrower has delivered an LTM Determination Notification, subsequent fiscal months) or fiscal years, as applicable, shall have become available prior to the consummation of the applicable Limited Condition Transaction, the Borrower may elect, in its sole discretion, to re-determine availability under any applicable ratio, test or basket for purposes of clause (f)(i) or (f)(ii) above on the basis of such financial statements, in which case, such date of redetermination shall thereafter be deemed to be the applicable LCT Test Date of such ratio, test or basket for purposes of clause (f)(i) or (f)(ii) above. For the avoidance of doubt, (i) if the Borrower has made an LCT Election and any of the ratios, tests or baskets for which compliance was determined or tested as of the LCT Test Date would have failed to have been satisfied as a result of fluctuations in any such ratio, test or basket, including due to fluctuations in Consolidated EBITDA, Consolidated Interest Expense or Consolidated Total Assets, at or prior to the consummation of the relevant transaction or action, such baskets, tests or ratios will be deemed not to have failed to have been satisfied as a result of such fluctuations and (ii) such ratios, tests or baskets shall not be tested at the time of consummation of such Limited Condition Transaction, unless the Borrower elects in its sole discretion to test such ratio, test or basket on the date such Limited Condition Transaction is consummated instead of the LCT Test Date. If the Borrower has made an LCT Election for any Limited Condition Transaction, then in connection with any event or transaction occurring after the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the date that the definitive agreement for such Limited Condition Transaction is terminated or expires or date for redemption, repurchase, defeasance, satisfaction and discharge or repayment or otherwise specified in an irrevocable notice for such Limited Condition Transaction is terminated, expires or passes, as applicable, without consummation of such Limited Condition Transaction (a "**Subsequent Transaction**") in connection with which a ratio, test or basket availability calculation must be made on a Pro Forma Basis or giving Pro Forma Effect to such Subsequent Transaction, for purposes of determining whether such ratio, test or basket availability has been complied with under this Agreement, any such ratio, test or basket shall be required to be satisfied on a Pro Forma Basis assuming such Limited Condition Transaction and other transactions in connection therewith have been consummated. For the avoidance of doubt, the Borrower shall not be required to give effect to

prospective pricing "flex" or similar rights that have not been exercised on or prior to the LCT Test Date for purposes of calculating any Financial Incurrence Test in connection with any LCT Election.

(g) Notwithstanding anything to the contrary in this Section 1.12 or under GAAP, with respect to any Subsidiary or assets or operations of the Borrower or any Restricted Subsidiary in respect of which an agreement for the disposition thereof has been entered into, at the election of the Borrower (in its sole discretion), no pro forma effect shall be given to any discontinued operations with respect thereto (and the Consolidated EBITDA, Consolidated Net Income, Consolidated Total Assets, Consolidated Interest Expense and Indebtedness attributable to any such Subsidiary or assets or operations shall not be excluded under this Agreement) until such Subsidiary or assets or operations are actually disposed of.

SECTION 2

Amount and Terms of Credit

2.1 *Commitments*.

Subject to and upon the terms and conditions set forth herein, each Lender having an Initial Term Loan Commitment severally agrees to make term loans denominated in Dollars (each, an "**Initial Term Loan**") to the Borrower on the Closing Date, which Initial Term Loans shall not exceed for any such Lender the Initial Term Loan Commitment of such Lender. Such Initial Term Loans (1) may at the option of the Borrower be incurred and maintained as, and/or converted into, ABR Loans or Term SOFR Loans; *provided* that all Initial Term Loans made by each of the Lenders pursuant to the same Borrowing shall, unless otherwise specifically provided herein, consist entirely of Initial Term Loans of the same Type, (2) may be repaid or prepaid (without premium or penalty) in accordance with the provisions hereof, but once repaid or prepaid, may not be reborrowed and (3) shall not exceed in the aggregate the Initial Term Loan Commitments. On the Initial Term Loan Maturity Date, all then outstanding Initial Term Loans shall be repaid in full in Dollars.

2.2 *Minimum Amount of Each Borrowing; Maximum Number of Borrowings*. The aggregate principal amount of each Borrowing of Term Loans shall be in a minimum amount of at least the Minimum Borrowing Amount for such Type of Loans and in a multiple of $50,000 (or, to the extent denominated in an Alternative Currency, the amount to be agreed by the Borrower and the Administrative Agent) in excess thereof. More than one Borrowing may be incurred on any date; *provided* that at no time shall there be outstanding more than fifteen (15) Borrowings of Term SOFR Loans, plus up to an additional three Borrowings in respect of each new Class of New Term Loans (or, in each case, such greater number as may be reasonably acceptable to the Administrative Agent).

2.3 *Notices of Borrowing*.

(a) For Borrowings of Initial Term Loans on the Closing Date and any other Term Loans after the Closing Date, the Borrower shall deliver to the Administrative Agent at the Administrative Agent's Office (i) in the case of ABR Loans, an executed Notice of Borrowing prior to 10:00 a.m. on the Closing Date or the date of the requested Borrowing (as applicable), (ii) in the case of Term SOFR Loans on the Closing Date, an executed Notice of Borrowing prior to 1:00 p.m. at least one (1) Business Day prior to the Closing Date and (iii) in the case of Term SOFR Loans after the Closing Date, an executed Notice of Borrowing prior to 1:00 p.m. at least three (3) Business Days prior to the date of the requested Borrowing (as applicable) (or, in each case, such shorter notice as is approved by the Administrative Agent in its reasonable discretion). Each such Notice of Borrowing shall specify (A) the Class of Term

Loans to be borrowed, (B) the aggregate principal amount of the Term Loans to be made, (C) the date of the Borrowing, (D) whether such Term Loans shall consist of ABR Loans and/or Term SOFR Loans and (E) with respect to any Term SOFR Loans, the Interest Period to be initially applicable thereto. With respect to Term Loans, if no election as to the Type of Borrowing is specified in any such notice, then the requested Borrowing shall be (x) so long as such notice was delivered with the advance notice required under Section 2.3(a)(ii) or (a)(iii), a Term SOFR Loan with a one month Interest Period and (y) otherwise, an ABR Loan. If no Interest Period with respect to any Borrowing of Term SOFR Loans is specified in any such notice, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. The Administrative Agent shall promptly advise the applicable Lenders of any notice given pursuant to this Section 2.3 (and the contents thereof), and of each Lender's pro rata share of the requested Borrowing.

(b) Without in any way limiting the obligation of the Borrower to confirm in writing any notice it shall give hereunder by telephone (which such obligation is absolute), the Administrative Agent may act prior to receipt of written confirmation without liability upon the basis of such telephonic notice believed by the Administrative Agent in good faith to be from an Authorized Officer of the Borrower.

(c) The notice in respect of any Loans on the Closing Date, or in connection with any Permitted Acquisition or other acquisition or Investment permitted under this Agreement or in connection with any other conditional event, or in connection with any Borrowing under any Incremental Amendment, Refinancing Amendment, Extension Amendment or amendment in respect of Replacement Term Loans, may be rescinded, or revised to change the requested date for the making of the Loans contemplated thereby, by the Borrower by giving written notice to the Administrative Agent prior to 10:00 a.m. (or such later time as the Administrative Agent may approve in its sole discretion) on the date of the proposed Borrowing.

2.4 *Disbursement of Funds*.

(a) No later than 1:00 p.m. on the date specified in each Notice of Borrowing, each Lender shall make available its *pro rata* portion, if any, of each Borrowing requested to be made on such date in the manner provided below; *provided* that on the Closing Date, such funds may be made available at such time as may be agreed among the Lenders, the Borrower and the Administrative Agent for the purpose of consummating the Transactions.

(b) Each Lender shall make available all amounts it is to fund to the Borrower under any Borrowing for its applicable Commitments, and in immediately available funds, to the Administrative Agent at the Administrative Agent's Office and the Administrative Agent will make available to the Borrower, by depositing to an account or accounts designated by the Borrower to the Administrative Agent the aggregate of the amounts so made available in the currency of the applicable Borrowing. Unless the Administrative Agent shall have been notified by any Lender in writing prior to the date of any such Borrowing that such Lender does not intend to make available to the Administrative Agent its portion of the Borrowing or Borrowings to be made on such date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date of Borrowing, and the Administrative Agent, in reliance upon such assumption, may (in its sole discretion and without any obligation to do so) make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender and the Administrative Agent has made available such amount to the Borrower, the Administrative Agent shall be entitled to recover such corresponding amount from such Lender. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent shall

promptly notify the Borrower and the Borrower shall immediately pay (or cause to be paid) such corresponding amount to the Administrative Agent in the currency of the applicable Borrowing. The Administrative Agent shall also be entitled to recover from such Lender or the Borrower interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the Borrower to the date such corresponding amount is recovered by the Administrative Agent, at a rate per annum equal to (i) if paid by such Lender, the Overnight Rate or (ii) if paid by the Borrower, the then-applicable rate of interest or fees, calculated in accordance with Section 2.8, for the respective Loans.

(c) Nothing in this Section 2.4 shall be deemed to relieve any Lender from its obligation to fulfill its commitments hereunder or to prejudice any rights that the Borrower may have against any Lender as a result of any default by such Lender hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to fulfill its commitments hereunder).

2.5 *Repayment of Loans; Evidence of Debt*.

(a) The Borrower shall repay to the Administrative Agent, for the benefit of the applicable Initial Term Loan Lenders, on the Initial Term Loan Maturity Date, the then outstanding Initial Term Loans. To the extent applicable, the Borrower shall repay to the Administrative Agent for the benefit of the applicable Lenders, on each Maturity Date of any Class of Loans (other than Initial Term Loans), the then outstanding amount of Loans of such Class.

(b) The Borrower shall repay to the Administrative Agent on the last Business Day of each March, June, September and December, commencing with the last Business Day of the second full fiscal quarter ending after the Closing Date and ending with the last such Business Day prior to the Initial Term Loan Maturity Date, for the benefit of the Initial Term Loan Lenders, a principal amount equal to 0.25% of the aggregate principal amount of all Initial Term Loans outstanding on the Closing Date (which amount shall be reduced by the amount of the relevant principal payments or buybacks of the Initial Term Loans that have been made or deemed made in accordance with this Agreement, including as set forth in Section 5.1, Section 5.2(c) and Section 13.6(h)).

(c) In the event that any New Term Loans are made, such New Term Loans shall, subject to Section 2.14(d), be repaid by the Borrower in the amounts and on the dates set forth in the applicable Incremental Amendment, including by amending the repayments under Section 2.5(b) to account for the addition of any New Term Loans to the extent required pursuant to the terms of any applicable Incremental Amendment involving a Term Loan Increase to the Initial Term Loans. In the event that any Extended Term Loans are established, such Extended Term Loans shall, subject to Section 2.14(g), be repaid by the Borrower in the amounts and on the dates set forth in the applicable Extension Amendment. In the event that any Refinancing Term Loans are made, such Refinancing Term Loans shall, subject to Section 2.14(h), be repaid by the Borrower in the amounts and on the dates set forth in the applicable Refinancing Amendment. In the event that any Replacement Term Loans are made, such Replacement Term Loans shall, subject to Section 13.1(f), be repaid by the Borrower in the amounts and on the dates set forth in the applicable amendment to this Agreement in respect of such Replacement Term Loans.

(d) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the Indebtedness of the Borrower owed to the appropriate lending office of such Lender resulting from each Loan made by such lending office of such Lender from time to time, including the amounts of principal and interest payable and paid to such lending office of such Lender from time to time under this Agreement.

(e) The Administrative Agent shall maintain the Register pursuant to Section 13.6(b), and a subaccount for each Lender, in which Register and subaccounts (taken together) shall be recorded (i) the amount of each Loan made hereunder, whether such Loan is an Initial Term Loan, New Term Loan, Extended Term Loan, Refinancing Term Loan or Replacement Term Loan, as applicable, the Type of each Loan made, the name of the Borrower and the Interest Period, if any, applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder, and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(f) The entries made in the Register and accounts and subaccounts maintained pursuant to clauses (d) and (e) of this Section 2.5 shall, to the extent permitted by applicable law, be prima facie evidence, absent manifest error, of the existence and amounts of the obligations of the Borrower therein recorded; *provided* that the failure of any Lender or the Administrative Agent to maintain such accounts, such Register or subaccounts, as applicable, or any error therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Loans made to the Borrower by such Lender in accordance with the terms of this Agreement. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such entries, the accounts and records of the Administrative Agent maintained in the Register shall control in the absence of manifest error.

(g) The Borrower hereby agrees that, promptly following the reasonable request of any Lender at any time and from time to time after the Borrower has made an initial borrowing hereunder, the Borrower shall provide to such Lender, at the Borrower's own expense, a promissory note, substantially in the form of Exhibit I, evidencing the applicable Loans owing to such Lender. Thereafter, unless otherwise agreed to by the applicable Lender, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 13.6) be represented by one or more promissory notes in such form payable to the payee named therein or its registered assigns.

2.6 *Conversions and Continuations*.

(a) Subject to the third to last sentence of this clause (a), (x) the Borrower shall have the option on any Business Day to convert all or a portion equal to at least $500,000 (or, to the extent denominated in an Alternative Currency, the amount to be agreed by the Borrower and the Administrative Agent) (or if such Borrowing is less, the entire remaining applicable amount at such time) of the outstanding principal amount of Term Loans of one Type into a Borrowing or Borrowings of another Type and (y) the Borrower shall have the option on any Business Day to continue all or a portion of the outstanding principal amount of any Term SOFR Loans as Term SOFR Loans for an additional Interest Period; *provided* that (i) no partial conversion of Term SOFR Loans shall reduce the outstanding principal amount of such Term SOFR Loans made pursuant to a single Borrowing to less than the Minimum Borrowing Amount and (ii) Borrowings resulting from conversions pursuant to this Section 2.6 shall be limited in number as provided in Section 2.2. Each such conversion or continuation shall be effected by the Borrower by giving the Administrative Agent at the applicable Administrative Agent's Office prior to 3:00 p.m. at least (i) three (3) Business Days' prior written notice, in the case of a continuation of or conversion to Term SOFR Loans (other than in the case of a notice delivered on the Closing Date, which shall be deemed to be effective on the Closing Date), or (ii) one (1) Business Day prior written notice in the case of a conversion into ABR Loans (each, a "**Notice of Conversion or Continuation**" substantially in the form of Exhibit J) specifying the Loans to be so converted or continued, the Type of Loans to be converted or continued into and, if such Loans are to be converted into or continued as Term SOFR Loans, the Interest Period to be initially applicable thereto. If no Interest Period is specified in any such

notice with respect to any conversion to or continuation of a Term SOFR Loan, the Borrower shall be deemed to have selected a Term SOFR Loan, with an Interest Period of one month's duration. The Administrative Agent shall give each applicable Lender notice as promptly as practicable of any such proposed conversion or continuation affecting any of its Loans.

(b) If upon the expiration of any Interest Period in respect of Term SOFR Loans, the Borrower has failed to elect a new Interest Period to be applicable thereto as provided in clause (a) above, the Borrower shall be deemed to have elected to continue such Borrowing of Term SOFR Loans as Term SOFR Loans, with an Interest Period of one month, effective as of the expiration date of such current Interest Period.

2.7 *Pro Rata Borrowings*. Each Borrowing of Term Loans of any Class under this Agreement shall be made by the applicable Lenders *pro rata* on the basis of their then-applicable Commitments with respect to such Class. It is understood that (a) no Lender shall be responsible for any default by any other Lender in its obligation to make Loans hereunder and that each Lender severally but not jointly shall be obligated to make the Loans provided to be made by it hereunder, regardless of the failure of any other Lender to fulfill its commitments hereunder and (b) other than as expressly provided herein with respect to a Defaulting Lender, failure by a Lender to perform any of its obligations under any of the Credit Documents shall not release any Person from performance of its obligations under any Credit Document.

2.8 *Interest*.

(a) The unpaid principal amount of each ABR Loan shall bear interest from the date of the Borrowing thereof until maturity (whether by acceleration or otherwise) at a rate per annum that shall at all times be the Applicable Margin for ABR Loans *plus* the ABR in effect from time to time.

(b) The unpaid principal amount of each Term SOFR Loan shall bear interest from the date of the Borrowing thereof until maturity thereof (whether by acceleration or otherwise) at a rate per annum that shall at all times be the Applicable Margin for Term SOFR Loans *plus* the relevant Adjusted Term SOFR.

(c) If all or a portion of (i) the principal amount of any Loan or (ii) any interest payable thereon shall not be paid when due (whether at the stated maturity, by acceleration or otherwise but after giving effect to any grace period set forth herein), during the continuance of an Event of Default under Section 11.1, such overdue amount (other than on overdue amounts owed to Defaulting Lenders) shall bear interest at a rate per annum that is (the "**Default Rate**") (x) in the case of overdue principal, the rate that would otherwise be applicable thereto *plus* 2.00% or (y) in the case of overdue interest, to the extent permitted by applicable law, the rate described in Section 2.8(a) *plus* 2.00% from the date of such non-payment to the date on which such interest amount is paid in full (after as well as before judgment).

(d) Interest on each Loan shall accrue from and including the date of any Borrowing to but excluding the date of any repayment thereof; *provided* that any Loan that is repaid on the same date on which it is made shall bear interest for one day. Except as provided below, interest shall be payable (i) in respect of each ABR Loan, quarterly in arrears on the last Business Day of each March, June, September and December; *provided* that interest shall also be payable on any Term Loans that are ABR Loans on the date of any prepayment of principal with respect to such Term Loans, (ii) in respect of each Term SOFR Loan, on the last day of each Interest Period applicable thereto and, in the case of an Interest Period in excess of three months, on each date occurring at three-month intervals after the first day of such Interest

Period, and (iii) in respect of each Loan, (A) on any prepayment in respect of Term SOFR Loans, (B) at maturity (whether by acceleration or otherwise), and (C) after such maturity, on demand.

(e) All computations of interest hereunder shall be made in accordance with Section 5.5.

(f) The Administrative Agent, upon determining the interest rate for any Borrowing of Term SOFR Loans, shall promptly notify the Borrower and the relevant Lenders thereof. Each such determination shall, absent clearly demonstrable error, be final and conclusive and binding on all parties hereto.

2.9 *Interest Periods*. At the time the Borrower gives a Notice of Borrowing or Notice of Conversion or Continuation in respect of the making of, or conversion into or continuation as, a Borrowing of Term SOFR Loans, the Borrower shall give the Administrative Agent written notice of the Interest Period applicable to such Borrowing, which Interest Period shall, at the option of the Borrower be a one month, three month or six month period (or if agreed to by all the Lenders making such Term SOFR Loans, a twelve month period or any other period).

Notwithstanding anything to the contrary contained above:

(a) the initial Interest Period for any Borrowing of Term SOFR Loans shall commence on the date of such Borrowing (including the date of any conversion from a Borrowing of ABR Loans) and each Interest Period occurring thereafter in respect of such Borrowing shall commence on the day on which the next preceding Interest Period expires;

(b) if any Interest Period relating to a Borrowing of Term SOFR Loans begins on the last Business Day of a calendar month or begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, such Interest Period shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; *provided* that if any Interest Period in respect of a Term SOFR Loan would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the immediately preceding Business Day.

2.10 *Increased Costs, Illegality, Etc.*

(a) In the event that (x) in the case of clause (i) below, the Administrative Agent and (y) in the case of clauses (ii) and (iii) below, the Required Facility Lenders shall have reasonably determined (which determination shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto):

(i) on any date for determining the Adjusted Term SOFR for any Interest Period, that by reason of any changes arising on or after the Closing Date affecting the Term SOFR market, adequate and fair means do not exist for ascertaining the applicable interest rate on the basis provided for in the definitions of "Adjusted Term SOFR"; or

(ii) at any time after the Closing Date, that any Lender shall incur increased costs or reductions in the amounts received or receivable hereunder or under any Credit Document with respect to any Term SOFR Loans (including any increased costs or reductions attributable to Taxes, other than any

increase or reduction attributable to (I) Indemnified Taxes, (II) taxes described in clauses (ii) through (v) of the definition of "Excluded Taxes", (III) Connection Income Taxes, or (IV) Other Taxes), as applicable, because of any Change in Law; or

(iii) at any time, that the making or continuance of any Term SOFR Loan has become unlawful by compliance by Lenders of the applicable Credit Facility in good faith with any law, governmental rule, regulation, guideline or order (or would conflict with any such governmental rule, regulation, guideline or order not having the force of law even though the failure to comply therewith would not be unlawful), or has become impracticable as a result of a contingency occurring after the Closing Date that materially and adversely affects the Term SOFR market, as applicable, and the applicable Lenders are treating all similarly situated Persons under comparable syndicated credit facilities similar to the Credit Facilities in the same fashion;

(in each case above, such Loans, "**Impacted Loans**"), then, and in any such event, such Required Facility Lenders (or the Administrative Agent, in the case of clause (i) above) shall within a reasonable time thereafter give written notice to the Borrower and, in the case of such notice by the Required Facility Lenders, to the Administrative Agent, of such determination (which notice the Administrative Agent shall promptly transmit to each of the other Lenders). Thereafter (x) in the case of clause (i) above, Term SOFR Loans shall no longer be available until such time as the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice by the Administrative Agent no longer exist (which notice the Administrative Agent agrees to give at such time when such circumstances no longer exist), and any Notice of Borrowing or Notice of Conversion or Continuation given by the Borrower with respect to Term SOFR Loans that have not yet been incurred shall be deemed rescinded by the Borrower, (y) in the case of clause (ii) above, the Borrower shall pay to such Lenders, promptly after receipt of written demand therefor such additional amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Required Facility Lenders in their reasonable discretion shall determine) as shall be required to compensate such Lenders for such actual increased costs or reductions in amounts receivable hereunder (it being agreed that a written notice as to the additional amounts owed to such Lenders, showing in reasonable detail the basis for the calculation thereof, submitted to the Borrower by such Lenders shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto), and (z) in the case of subclause (iii) above, the Borrower shall take one of the actions specified in subclause (x) or (y), as applicable, of Section 2.10(b) promptly and, in any event, within the time period required by law.

Notwithstanding the foregoing but subject to clause (d) below, if the Administrative Agent has made the determination described in Section 2.10(a)(i), the Administrative Agent, in consultation with the Borrower and the affected Lenders, may establish an alternative interest rate for the Impacted Loans, in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (1) the Administrative Agent revokes the notice delivered with respect to the Impacted Loans under clause (x) of the first sentence of the immediately preceding paragraph, (2) the Administrative Agent notifies the Borrower or the applicable Lenders notify the Administrative Agent and the Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans, or (3) any Lender reasonably determines that any law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable lending office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the Administrative Agent and the Borrower written notice thereof. The parties hereto shall use commercially

reasonable efforts to satisfy any applicable IRS guidance so that the determination of the alternative interest rate will not be treated as a deemed exchange under Section 1001 of the Code.

(b) At any time that any Term SOFR Loan is affected by the circumstances described in Section 2.10(a)(ii) or (iii), the Borrower may (and in the case of a Term SOFR Loan affected pursuant to Section 2.10(a)(iii) shall) either (x) if a Notice of Borrowing or Notice of Conversion or Continuation with respect to the affected Term SOFR Loan has been submitted pursuant to Section 2.3 or Section 2.6, as applicable, but the affected Term SOFR Loan has not been funded or continued, cancel such requested Borrowing by giving the Administrative Agent written notice thereof on the same date that the Borrower was notified by Lenders pursuant to Section 2.10(a)(ii) or (iii), as applicable, or (y) if the affected Term SOFR Loan is then outstanding, in the case of an affected Term SOFR Loan, upon at least three (3) Business Days' notice to the Administrative Agent, require the affected Lender to convert each such Term SOFR Loan into an ABR Loan; *provided* that if more than one Lender is affected at any time, then all affected Lenders must be treated in the same manner pursuant to this Section 2.10(b).

(c) If, after the Closing Date, any Change in Law relating to capital adequacy or liquidity of any Lender or compliance by any Lender or its parent with any Change in Law relating to capital adequacy or liquidity occurring after the Closing Date, has or would have the effect of reducing the actual rate of return on such Lender's or its parent's or its Affiliate's capital or assets as a consequence of such Lender's commitments or obligations hereunder to a level below that which such Lender or its parent or its Affiliate could have achieved but for such Change in Law (taking into consideration such Lender's or its parent's policies with respect to capital adequacy or liquidity), then from time to time, promptly following written demand by such Lender (with a copy to the Administrative Agent), the Borrower shall pay to such Lender such actual additional amount or amounts as will compensate such Lender or its parent for such actual reduction, it being understood and agreed, however, that a Lender shall not be entitled to such compensation as a result of such Lender's compliance with, or pursuant to any request or directive to comply with, any law, rule or regulation as in effect on the Closing Date or to the extent such Lender is not imposing such charges on, or requesting such compensation from, borrowers (similarly situated to the Borrower hereunder) under comparable syndicated credit facilities similar to the Credit Facilities. Each Lender, upon determining in good faith that any additional amounts will be payable pursuant to this Section 2.10(c), will give prompt written notice thereof to the Borrower, which notice shall set forth in reasonable detail the basis of the calculation of such additional amounts, although the failure to give any such notice shall not, subject to Section 2.13, release or diminish the Borrower's obligations to pay additional amounts pursuant to this Section 2.10(c) promptly following receipt of such notice.

(d) Benchmark Replacement Setting.

(i) Notwithstanding anything to the contrary herein or in any other Credit Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, the Administrative Agent and the Borrower may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment will become effective at 5:00 p.m. (New York City time) on the fifth (5^{th}) 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.

(ii) In connection with the administration of the Adjusted Term SOFR or the implementation and administration of a Benchmark Replacement, the Administrative Agent will have the right to make

Conforming Changes from time to time (in consultation with the Borrower) and, notwithstanding anything to the contrary herein or in any other Credit 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 Credit Document.

(iii) The Administrative Agent will promptly notify the Borrower and the Lenders of (i) the implementation of any Benchmark Replacement or the Early Opt-in Election, as applicable, (ii) the effectiveness of any Conforming Changes. Any determination, decision or election that may be made by the Administrative Agent in consultation with, or subject to consent rights of, the Borrower as expressly set forth in this Section 2.10(d), 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 Credit Document, except, in each case, as expressly required pursuant to this Section 2.10(d).

(iv) At any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR), then the Administrative Agent may remove any tenor of such Benchmark that is unavailable or non-representative for Benchmark (including Benchmark Replacement) settings and (ii) the Administrative Agent may reinstate any such previously removed tenor for Benchmark (including Benchmark Replacement) settings.

(v) Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, (i) the Borrower may revoke any request for a Borrowing of, conversion to or continuation of Term 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 and (ii) during the continuance of any Benchmark Unavailability Period, any outstanding affected Term SOFR Loans will be deemed to have been converted to ABR Loans at the end of the applicable Interest Period. During a Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the ABR.

2.11 *[Reserved]*.

2.12 *Change of Lending Office*. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.10(a)(ii), 2.10(a)(iii), 2.10(c) or 5.4 with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event in order to mitigate the effects of such event on Borrower and its Subsidiaries; *provided* that such designation is made on such terms that such Lender and its lending office suffer no unreimbursed cost or other material economic, legal or regulatory disadvantage, with the object of avoiding the consequence of the event giving rise to the operation of any such Section. Nothing in this Section 2.12 shall affect or postpone any of the obligations of the Borrower or the right of any Lender provided in Section 2.10 or 5.4.

2.13 *Notice of Certain Costs*. Notwithstanding anything in this Agreement to the contrary, to the extent any notice required by Section 2.10 is given by any Lender more than 120 days after the date such Lender has knowledge (or should have had knowledge) of the occurrence of the event giving rise to the additional cost, reduction in amounts, loss, or other additional amounts described in such Sections,

such Lender shall not be entitled to compensation under Section 2.10 for any such amounts incurred or accruing prior to the 121st day prior to the giving of such notice to the Borrower.

2.14 *Incremental Facilities; Extensions; Refinancing Facilities*.

(a) The Borrower or any Credit Party may by written notice to the Administrative Agent elect to request the establishment of one or more additional term loans, which may be of the same Class as any then-existing Term Loans (a "**Term Loan Increase**") or a separate Class of Term Loans (in each case, the commitments for additional term loans of the same Class or a separate Class, collectively, the "**New Term Loan Commitments**"), by an aggregate principal amount not in excess of the Maximum Incremental Facilities Amount at the time of incurrence thereof and not less than $5,000,000 individually (or such lesser amount as (x) may be approved by the Administrative Agent or (y) shall constitute the Maximum Incremental Facilities Amount at such time). Each such notice shall specify the date (each, an "**Increased Amount Date**") on which the Borrower or applicable Credit Party proposes that the New Term Loan Commitments shall be effective. The Borrower or any applicable Credit Party may approach any Lender or any Person (other than a natural Person or a Disqualified Lender) to provide all or a portion of the New Term Loans or New Term Loan Commitments; *provided* that any Lender offered or approached to provide all or a portion of the New Term Loans or New Term Loan Commitments may elect or decline, in its sole discretion, to provide such New Term Loans or New Term Loan Commitments, and the Credit Parties shall have no obligation to approach any existing Lender to provide any New Term Loan or New Term Loan Commitment. In each case, such New Term Loans or New Term Loan Commitments shall become effective as of the applicable Increased Amount Date; *provided* that, subject to Section 1.12(f), (i) (x) other than as described in the immediately succeeding clause (y), no Event of Default shall exist on such Increased Amount Date immediately before or immediately after giving effect to such New Term Loan Commitments or (y) if such New Term Loan or New Term Loan Commitment is being provided in connection with a Limited Condition Transaction, Permitted Acquisition or any other acquisition constituting a permitted Investment, then no Specified Event of Default shall exist on such Increased Amount Date, (ii) in connection with any incurrence of New Term Loans or establishment of New Term Loan Commitments, on an Increased Amount Date, there shall be no requirement for the Borrower or applicable Credit Party to make the representations and warranties under the Credit Documents unless and until requested by the Persons holding more than 50% of the aggregate principal amount of the applicable New Term Loans or New Term Loan Commitments (*provided* that such Persons may, in lieu of requesting the making of all representations and warranties under the Credit Documents, request that only the Specified Representations (conformed as necessary for such acquisition or investment) shall be required to be true and correct in all material respects) and (iii) the New Term Loan Commitments and/or New Term Loans shall be effected pursuant to one or more applicable amendments to this Agreement (each, an "**Incremental Amendment**") executed and delivered by the Borrower and the applicable Lenders providing such New Term Loans or New Term Loan Commitments and acknowledged by the Administrative Agent, and each of which shall be recorded in the Register and shall be subject to the requirements set forth in Section 5.4(e). The Borrower shall provide the Administrative Agent prompt written notice of any Incremental Amendment pursuant to this Section 2.14 and the Administrative Agent hereby agrees to (and is directed by each Lender to) acknowledge such Incremental Amendment as promptly as practicable following such written notice; it being acknowledged and agreed by each Lender that the Administrative Agent, in its capacity as such, shall have no liability with respect to such acknowledgment and each Lender hereby irrevocably waives to the fullest extent permitted by any law any claims with respect to such acknowledgment; *provided* that failure to obtain such acknowledgment shall in no way affect the effectiveness of any Incremental Amendment. No Lender shall have any obligation to provide any Commitments pursuant to this Section 2.14(a). New Term Loans may be denominated in Dollars or any Alternative Currency.

(b) [Reserved].

(c) On any Increased Amount Date on which any New Term Loan Commitments are effective, subject to the satisfaction or waiver of the foregoing terms and conditions, (i) each Lender with a New Term Loan Commitment (each, a "**New Term Loan Lender**") shall make a term loan (or provide delayed draw term loan commitments in respect thereof) to the Borrower or applicable Credit Party ("**New Term Loans**") in an amount equal to its New Term Loan Commitment and (ii) each New Term Loan Lender shall become a Lender hereunder with respect to the applicable New Term Loan Commitment and, when funded, the New Term Loans made pursuant thereto. The Borrower or applicable Credit Party shall use the proceeds, if any, of the New Term Loans for any purpose not prohibited by this Agreement and as agreed by the Borrower or applicable Credit Party and the lender(s) providing such New Term Loans.

(d) (x) The terms and provisions of any New Term Loan Commitments and the related New Term Loans, in each case effected pursuant to a Term Loan Increase, shall be substantially identical to the terms and provisions applicable to the Class of Term Loans subject to such increase; *provided* that the underwriting, arrangement, structuring, ticking, commitment, original issue discount, upfront or similar fees, and other closing fees payable in connection therewith may be paid in connection with such New Term Loan Commitments and related New Term Loans and (y) the terms and provisions of any New Term Loans and New Term Loan Commitments not effected pursuant to a Term Loan Increase shall be on terms and documentation set forth in the applicable Incremental Amendment as determined by the Borrower and the applicable Persons providing such New Term Loans and New Term Loan Commitments; *provided* that:

(i) other than with respect to New Term Loans incurred pursuant to the Inside Maturity Basket, the maturity date of the New Term Loans shall be no earlier than the Initial Term Loan Maturity Date;

(ii) other than with respect to New Term Loans incurred pursuant to the Inside Maturity Basket, the Weighted Average Life to Maturity of any New Term Loans shall be no shorter than the Weighted Average Life to Maturity of the Initial Term Loans;

(iii) the New Term Loans and New Term Loan Commitments (w) shall rank *pari passu* or junior in right of payment with the Initial Term Loans, (x) may participate on a *pro rata* basis, greater than *pro rata* basis or less than a *pro rata* basis in any voluntary prepayment of any Class of Term Loans hereunder and may participate on a *pro rata* basis or less than a *pro rata* basis (but, except with respect to any Class of Term Loans that mature prior to the Initial Term Loan Maturity Date or as otherwise permitted by this Agreement, not on a greater than a *pro rata* basis) in any mandatory prepayments of any Initial Term Loans hereunder, (y) unless constituting Designated Alternative Security Indebtedness, shall not be guaranteed by any Subsidiary other than a Credit Party hereunder (it being understood that obligations of any Person with respect to any escrow arrangement into which such New Term Loan proceeds are deposited shall not constitute a guarantee by a Person that is not a Credit Party) and (z) shall be (1) unsecured, (2) not secured by any assets constituting the Collateral or (3) secured on a *pari passu* or junior basis with the Initial Term Loans and, in the case of this clause (3), unless constituting Designated Alternative Security Indebtedness, are not secured by any assets of a Credit Party other than the Collateral (other than with respect to any proceeds of such New Term Loan that are subject to an escrow or other similar arrangement and any related deposit of cash and Cash Equivalents to cover interest and premium with respect to such New Term Loan) (and, if applicable, shall be subject to a subordination agreement and/or the Pari Intercreditor Agreement, the Junior Lien Intercreditor Agreement

or other lien subordination and intercreditor agreement or arrangement reasonably satisfactory to the Borrower and the Administrative Agent (and, at the request of the Borrower, the Administrative Agent and the Collateral Agent shall promptly execute and deliver any such other agreement or arrangement that is reasonably acceptable to the Administrative Agent and the Borrower)); and

(iv) the pricing, interest rate margins, discounts, premiums, interest rate floors, fees, and amortization schedule applicable to any New Term Loans shall be determined by the Borrower and the lender(s) thereunder; *provided* that, if the Effective Yield in respect of any New Term Loans that (A) rank *pari passu* in right of payment with the Initial Term Loans and are secured by the Collateral on a *pari passu* basis with the Liens on the Collateral securing the Initial Term Loans, (B) is in the form of broadly syndicated floating rate Dollar-denominated term "B" loans, (C) mature on or prior to the Initial Term Loan Maturity Date, (D) are incurred prior to the date that is 12 months after the Closing Date, (E) are initially incurred in reliance on clause (x) of the definition of "Incremental Ratio Basket" (and not by way of reclassification), (F) are in a principal amount in excess of the MFN Trigger Amount and (G) are not incurred or established in connection with any Permitted Acquisition or other permitted Investment or to refinance any Indebtedness originally incurred for such purposes (any Indebtedness not satisfying the requirements in clauses (A) – (G) above, collectively, the "**MFN Exceptions**"), as of the date of funding thereof, exceeds the Effective Yield in respect of the Initial Term Loans by more than 0.50%, the Applicable Margin in respect of such Initial Term Loans shall be adjusted so that the Effective Yield in respect of such Initial Term Loans is equal to the Effective Yield in respect of such New Term Loans *minus* 0.50% (all adjustments made pursuant to this clause (iv), the "**MFN Adjustment**"); *provided* that to the extent any change in the Effective Yield of the Initial Term Loans is necessitated by this clause (iv) on the basis of an effective interest rate floor or credit spread adjustment in respect of the New Term Loans, the increased Effective Yield in the Initial Term Loans shall (unless otherwise agreed in writing by the Borrower) have such increase in the Effective Yield effected solely by increases in the interest rate floor(s) or credit spread adjustments applicable to the Initial Term Loans, but only to the extent an increase in the interest rate floor or credit spread adjustment in the Initial Term Loans would cause an increase in the Adjusted Term SOFR then in effect for such Initial Term Loans.

(v) all other terms of any New Term Loans (other than as described in clauses (i), (ii), (iii) and (iv) above) may differ from the terms of the Initial Term Loans if reasonably satisfactory to the Borrower and the lender(s) providing such New Term Loans; *provided* that if such terms would be favorable to existing Lenders, such terms may be at the option of the Borrower (without the obligation to do so), in consultation with the Administrative Agent, incorporated into this Agreement for the benefit of the applicable existing Lenders without further amendment requirements (including, for the avoidance of doubt, at the option of the Borrower, any increase in the applicable yield relating to any existing Term Loan to achieve "fungibility" with such existing Term Loan).

(e) [Reserved].

(f) Each Incremental Amendment may, without the consent of any Agent or Lender (x) effect technical and corresponding amendments to this Agreement and the other Credit Documents as may be necessary or appropriate, in the opinion of the Borrower, to effect the provisions of this Section 2.14 and (y) at the option of the Borrower in consultation with the Administrative Agent, incorporate terms that would be favorable to existing Lenders of the applicable Class or Classes for the benefit of such existing Lenders of the applicable Class or Classes including, for the avoidance of doubt, any increase in the applicable yield relating to any existing Class of Term Loans to achieve fungibility for US federal income tax purposes with any existing Class of Term Loans. In addition, if required to consummate a Term Loan Increase, the pricing, interest rate margins, rate floors, undrawn fees and

premiums on the applicable Credit Facility being increased may be increased or extended but additional upfront fees, original issue discount or similar fees may be payable to the Lenders participating in any such Term Loan Increase without any requirement to pay such amounts to any existing Lenders.

(g) (i) The Borrower may at any time and from time to time request that all or a portion of the Term Loans or Term Loan Commitments of any Class (an "**Existing Term Loan Class**") be converted to extend the scheduled maturity date(s) of any payment of principal with respect to all or a portion of any principal amount of such Term Loans (or Term Loans to be made under the applicable Term Loan Commitments) (any such Term Loans which have been so converted, "**Extended Term Loans**") and to provide for other terms consistent with this Section 2.14(g). In order to establish any Extended Term Loans, the Borrower shall provide a notice to the Administrative Agent (who shall provide a copy of such notice to each of the Lenders of the applicable Existing Term Loan Class which such request shall be offered equally to all such Lenders) (a "**Term Loan Extension Request**") setting forth the proposed terms of the Extended Term Loans to be established, which shall either, at the option of the Borrower, (A) reflect market terms and conditions (taken as a whole) at the time of incurrence or issuance (as determined in good faith by the Borrower) or (B) if not consistent with the terms of the applicable Existing Term Loan Class, shall not be materially more restrictive to the Credit Parties (as determined in good faith by the Borrower), when taken as a whole, than the terms of the Term Loans of the Existing Term Loan Class unless (x) the Lenders of the Term Loans of such applicable Existing Term Loan Class receive the benefit of such more restrictive terms or (y) any such provisions apply after the Initial Term Loan Maturity Date; *provided* that (1) the scheduled final maturity date shall be extended and all or any of the scheduled amortization payments of principal of the Extended Term Loans may be delayed to later dates than the scheduled amortization of principal of the Term Loans of such Existing Term Loan Class (with any such delay resulting in a corresponding adjustment to the scheduled amortization payments reflected in Section 2.5 or in the Incremental Amendment, as the case may be, with respect to the Existing Term Loan Class from which such Extended Term Loans were converted, in each case as more particularly set forth in Section 2.14(g)(iv)), (2)(A) pricing, fees, optional prepayment or redemption terms shall be determined by the Borrower and the interest margins and floors with respect to the Extended Term Loans may be higher or lower than the interest margins and floors for the Term Loans of such Existing Term Loan Class and/or (B) additional fees, premiums or AHYDO Payments may be payable to the Lenders providing such Extended Term Loans in addition to or in lieu of any increased margins and floors contemplated by the preceding clause (A), in each case, to the extent provided in the applicable Extension Amendment, (3) the Extended Term Loans may participate on a *pro rata* basis, greater than *pro rata* basis or less than *pro rata* basis in any voluntary prepayment of any Class of Term Loans hereunder and may participate on a pro rata basis or less than pro rata basis (but, except with respect to any Class of Term Loans that matures prior to the Initial Term Loan Maturity Date or as otherwise permitted by this Agreement, not on a greater than *pro rata* basis) in any mandatory prepayments of any Class of Term Loans hereunder, (4) Extended Term Loans may have call protection and redemption terms as may be agreed by the Borrower and the Lenders thereof and (5) no consent shall be required by the Administrative Agent or any of the Lenders. No Lender shall have any obligation to agree to have any of its Term Loans of any Existing Term Loan Class converted into Extended Term Loans pursuant to any Term Loan Extension Request.

(ii) [Reserved].

(iii) Any Lender (an "**Extending Lender**") wishing to have all or a portion of its Term Loans of the Existing Term Loan Class or Existing Term Loan Classes subject to such Term Loan Extension Request converted into Extended Term Loans shall notify the Administrative Agent (an "**Extension Election**") on or prior to the date specified in such Term Loan Extension Request of the amount of its

Term Loans of the Existing Term Loan Class or Existing Term Loan Classes subject to such Term Loan Extension Request that it has elected to convert into Extended Term Loans. In the event that the aggregate amount of Term Loans of the Existing Term Loan Class or Existing Term Loan Classes subject to Extension Elections exceeds the amount of Extended Term Loans or requested pursuant to the Term Loan Extension Request, Term Loans of the Existing Term Loan Class or Existing Term Loan Classes subject to Extension Elections shall be converted to Extended Term Loans on a *pro rata* basis based on the amount of Term Loans included in each such Extension Election.

(iv) Extended Term Loans shall be established pursuant to an amendment (an "**Extension Amendment**") to this Agreement (which, except to the extent expressly contemplated by the last sentence of this Section 2.14(g)(iv) and notwithstanding anything to the contrary set forth in Section 13.1, shall not require the consent of any Lender other than the Extending Lenders with respect to the Extended Term Loans established thereby) executed by the Borrower, the Extending Lenders and acknowledged by the Administrative Agent (it being understood that failure by the Administrative Agent to acknowledge such Extension Amendment shall not impact the effectiveness thereof). No Extension Amendment shall provide for any Class of Extended Term Loans in an aggregate principal amount that is less than $5,000,000 or such lesser amount as the Administrative Agent may agree in its reasonable discretion (or, to the extent denominated in an Alternative Currency, such amount to be agreed by the Borrower and the Administrative Agent) (it being understood that the actual principal amount thereof provided by the applicable Lenders may be lower than such minimum amount), and the Borrower may condition the effectiveness of any Extension Amendment on an Extension Minimum Condition, which may be waived by the Borrower in its sole discretion. In addition to any terms and changes required or permitted by Section 2.14(g)(i), each Extension Amendment (x) shall amend the scheduled amortization payments pursuant to Section 2.5 or the applicable Extension Amendment with respect to the Existing Term Loan Class from which the Extended Term Loans were converted to reduce each scheduled amortization payment, if any, for the Existing Term Loan Class in the same proportion as the amount of Term Loans of the Existing Term Loan Class is to be converted pursuant to such Extension Amendment (it being understood that the amount of any scheduled amortization, if any, payable with respect to any individual Term Loan of such Existing Term Loan Class that is not an Extended Term Loan shall not be reduced as a result thereof) and (y) may, but shall not be required to, impose additional requirements (not inconsistent with the provisions of this Agreement in effect at such time) with respect to the final maturity and Weighted Average Life to Maturity of New Term Loans incurred following the date of such Extension Amendment.

(v) Notwithstanding anything to the contrary contained in this Agreement, on any date on which any Existing Term Loan Class is converted to extend the related scheduled maturity date(s) in accordance with clause (g)(i) and/or clause (g)(ii) above (an "**Extension Date**"), in the case of the existing Term Loans of each Extending Lender, the aggregate principal amount of such existing Term Loans shall be deemed reduced by an amount equal to the aggregate principal amount of Extended Term Loans so converted by such Lender on such date, and the Extended Term Loans shall be established as a separate Class of Term Loans; *provided* that any Extended Term Loans converted from an Existing Term Loan Class may, to the extent provided in the applicable Extension Amendment, be designated as an increase in any then outstanding Class of Term Loans other than the Existing Term Loan Class from which such Extended Term Loans were converted (in which case scheduled amortization with respect thereto shall be proportionally increased).

(vi) The Administrative Agent and the Lenders hereby consent to the consummation of the transactions contemplated by this Section 2.14(g) (including, for the avoidance of doubt, payment of any interest, fees, or premium in respect of any Extended Term Loans on such terms as may be set forth in the

relevant Extension Amendment) and hereby waive the requirements of any provision of this Agreement (including any *pro rata* payment or amendment section) or any other Credit Document that may otherwise prohibit or restrict any such extension or any other transaction contemplated by this Section 2.14.

(vii) No conversion of Loans pursuant to any extension in accordance with this Section 2.14(g) shall constitute a voluntary or mandatory payment or prepayment for purposes of this Agreement.

(h) The Credit Parties may, at any time or from time to time after the Closing Date, by notice to the Administrative Agent (a "**Refinancing Loan Request**"), request (A) the establishment of one or more new Classes of term loans under this Agreement (any such new Class, "**New Refinancing Term Loan Commitments**") or (B) increases to one or more existing Classes of Term Loans under this Agreement (any such increase to an existing Class, collectively with New Refinancing Term Loan Commitments, "**Refinancing Term Loan Commitments**"), in each case, established in exchange for, or to extend, renew, replace, repurchase, retire or refinance, in whole or in part, as selected by the Borrower, any one or more then existing Class or Classes of Loans or Commitments (with respect to a particular Refinancing Term Loan Commitment or Refinancing Term Loan, such existing Loans or Commitments, "**Refinanced Debt**"), whereupon the Administrative Agent shall promptly deliver a copy of each such notice to each of the Lenders of the applicable Class.

(i) Any Refinancing Term Loans made pursuant to New Refinancing Term Loan Commitments made on a Refinancing Facility Closing Date shall be designated as a separate Class of Refinancing Term Loans for all purposes of this Agreement unless designated as a part of an existing Class of Term Loans in accordance with this Section 2.14(h). On any Refinancing Facility Closing Date on which any Refinancing Term Loan Commitments are effected, subject to the satisfaction or waiver of the terms and conditions in this Section 2.14(h), (x) each Refinancing Term Lender with such Refinancing Term Loan Commitments shall make a term loan to the Borrower (each, a "**Refinancing Term Loan**"), or provide delayed draw term commitments, in an amount equal to its Refinancing Term Loan Commitment and (y) each Refinancing Term Lender shall become a Lender hereunder with respect to its Refinancing Term Loan Commitment and the Refinancing Term Loans made pursuant thereto.

(ii) Each Refinancing Loan Request from the Borrower pursuant to this Section 2.14(h) shall set forth the requested amount and proposed terms of the relevant Refinancing Term Loan Commitments and identify the Refinanced Debt with respect thereto. Refinancing Term Loan Commitments may be made by any existing Lender (but no existing Lender will have an obligation to make any Refinancing Term Loan Commitment, nor will the Borrower have any obligation to approach any existing Lender to provide any Refinancing Term Loan Commitment) or by any Additional Lender (each such existing Lender or Additional Lender providing such Commitment or Loan, a "**Refinancing Term Lender**"); *provided* that with respect to Refinancing Term Loans, any Affiliated Lender providing a Refinancing Term Loan Commitment shall be subject to the same restrictions set forth in Sections 13.6(h)(ii) and (iii) as it would otherwise be subject to with respect to any purchase by or assignment to such Affiliated Lender of Term Loans.

(iii) The effectiveness of any Refinancing Amendment, and the Refinancing Term Loan Commitments thereunder, shall be subject to the satisfaction on the date thereof (each, a "**Refinancing**

Facility Closing Date") of each of the following conditions, together with any other conditions set forth in the applicable Refinancing Amendment:

(A) each Refinancing Term Loan Commitment shall be in an aggregate principal amount that is not less than $5,000,000 (or, to the extent denominated in an Alternative Currency, such amount to be agreed by the Borrower and the Administrative Agent), or such lesser amount as the Administrative Agent may agree to in its reasonable discretion (*provided* that such amount may be less than $5,000,000 (or, to the extent denominated in an Alternative Currency, such minimum amount determined by the Borrower and the Administrative Agent) if such amount is equal to the entire outstanding principal amount of Refinanced Debt that is in the form of Term Loans, and

(B) the Refinancing Term Loans made pursuant to any increase in any existing Class of Term Loans shall be added to (and form part of) each Borrowing of outstanding Term Loans under the respective Class so incurred on a *pro rata* basis (based on the principal amount of each Borrowing) so that each Lender under such Class will participate proportionately in each then outstanding Borrowing of Term Loans under such Class.

(iv) [Reserved].

(v) The terms, provisions and documentation of the Refinancing Term Loans of any Class shall be as agreed between the Borrower and the applicable Refinancing Term Lenders providing such Refinancing Term Loan Commitments and Refinancing Term Loans, and except as otherwise set forth herein, to the extent not identical to (or constituting a part of) any Class of Term Loans existing on the Refinancing Facility Closing Date, shall be consistent with clauses (A) or (B) below, as applicable, and with respect to any covenant or event of default terms, shall either, at the option of the Borrower, (x) reflect market terms and conditions (taken as a whole) at the time of incurrence or issuance (as determined by the Borrower) or (y) if not consistent with the terms of the corresponding Class of Term Loans not be materially more restrictive to the Borrower (as determined by the Borrower), when taken as a whole, than the terms of the applicable Class of Term Loans being refinanced or replaced (except (1) covenants or other provisions applicable only to periods after the Maturity Date (as of the applicable Refinancing Facility Closing Date) of such Class being refinanced and (2) pricing (as to which neither the MFN Adjustment nor any other "most-favored nation" provision shall apply), fees, rate floors, premiums, optional prepayment or redemption terms (which shall be determined by the Borrower)) unless the Lenders under the Term Loans each existing on the Refinancing Facility Closing Date, receive the benefit of such more restrictive terms. In any event:

(A) the Refinancing Term Loans and the Refinancing Term Loan Commitments:

(1) (I) shall rank *pari passu* or junior in right of payment with the Initial Term Loans and (II) shall be (1) unsecured, (2) not secured by any assets constituting the Collateral (if the Refinanced Debt is not secured by any assets constituting the Collateral) or (3) rank *pari passu* or junior basis with the Initial Term Loans and, in the case of this clause (3), unless constituting Designated Alternative Security Indebtedness, shall not be secured by assets of the Credit Parties other than the Collateral (and, if secured and applicable, shall be subject to a subordination agreement and/or the Junior Lien Intercreditor Agreement, the Pari Intercreditor Agreement or any other lien subordination and intercreditor agreement or arrangement reasonably satisfactory to the Borrower and the Administrative Agent (and, at the request of the Borrower, the Administrative Agent and the Collateral Agent shall promptly execute and deliver any such other agreement or arrangement that is reasonably acceptable to the Administrative Agent and the Borrower));

(2) other than Indebtedness incurred pursuant to the Inside Maturity Basket, as of the Refinancing Facility Closing Date, shall not have a Maturity Date earlier than the Maturity Date of the Refinanced Debt;

(3) shall have an amortization schedule as determined by the Borrower and the applicable new Refinancing Term Lenders; *provided* that, as of the Refinancing Facility Closing Date, other than Indebtedness incurred pursuant to the Inside Maturity Basket, such Refinancing Term Loans shall have a Weighted Average Life to Maturity not shorter than the remaining Weighted Average Life to Maturity of the Refinanced Debt on the date of incurrence of such Refinancing Term Loans;

(4) shall have an Effective Yield determined by the Borrower and the applicable Refinancing Term Lenders;

(5) may provide for the ability to participate on a *pro rata* basis or less than or greater than a *pro rata* basis in any voluntary repayments or prepayments of principal of Term Loans hereunder and on a *pro rata* basis or less than a *pro rata* basis (but, except with respect to any Class of Refinancing Term Loans that mature prior to the Initial Term Loan Maturity Date or has a shorter Weighted Average Life to Maturity than the Initial Term Loan or as otherwise permitted by this Agreement, not on a greater than *pro rata* basis) in any mandatory repayments or prepayments of principal of Term Loans hereunder;

(6) unless otherwise permitted hereby (including utilization of any other available baskets or incurrence based amounts as permitted hereunder), shall not have a greater principal amount than the principal amount of the Refinanced Debt (*plus* the amount of any unused commitments thereunder), *plus* accrued interest, fees, defeasance costs and premium (including call and tender premiums), if any, under the Refinanced Debt, *plus* underwriting discounts, fees, commissions and expenses (including original issue discount, unused commitment fees, upfront fees and similar items) in connection with the refinancing of such Refinanced Debt and the incurrence or issuance of such Refinancing Term Loans; and

(7) unless constituting Designated Alternative Security Indebtedness, may not be guaranteed by any Restricted Subsidiary other than a Credit Party (it being understood that obligations of any Person with respect to any escrow arrangement into which such Refinancing Term Loan proceeds are deposited shall not constitute a guarantee by a Person that is not a Credit Party);

(B) [reserved];

(vi) Commitments in respect of Refinancing Term Loan Commitments shall become additional Commitments under this Agreement pursuant to an amendment (a "**Refinancing Amendment**") to this Agreement and, as appropriate, the other Credit Documents, executed by the Borrower, each Refinancing Term Lender providing such Commitments and acknowledged by the Administrative Agent (it being understood that failure by the Administrative Agent to acknowledge such Refinancing Amendment shall not impact the effectiveness thereof). The Refinancing Amendment may, without the consent of any other Credit Party, Agent or Lender, (x) effect such amendments to this Agreement and the other Credit Documents as may be necessary or appropriate, in the reasonable opinion of the Borrower, to effect the provisions of this Section 2.14(h) and (y) at the option of the Borrower in consultation with the Administrative Agent, incorporate terms that would be favorable to existing Lenders of the applicable Class or Classes for the benefit of such existing Lenders of the applicable Class or Classes including, for the avoidance of doubt, any increase in the applicable yield relating to any existing Class of Term Loans to achieve fungibility for US federal income tax purposes with any existing Class of Term Loans. In addition, if required to consummate a Refinancing Term Loan Commitments, the pricing,

interest rate margins, rate floors, undrawn fees and premiums on the applicable Credit Facility being increased may be increased or extended but additional upfront fees, original issue discount or similar fees may be payable to the Lenders participating in any such Refinancing Term Loan Commitments without any requirement to pay such amounts to any existing Lenders. The Borrower will use the proceeds, if any, of the Refinancing Term Loans in exchange for, or to extend, renew, replace, repurchase, retire or refinance, and shall permanently terminate applicable commitments under, substantially concurrently, the applicable Refinanced Debt and pay any accrued interest, fees and other expenses incurred in connection with the Refinancing Amendment.

(vii) The Administrative Agent and the Lenders hereby consent to the consummation of the transactions contemplated by this Section 2.14(h) (including, for the avoidance of doubt, payment of any interest, fees, or premium in respect of any Refinanced Debt on such terms as may be set forth in the relevant Refinancing Amendment) and hereby waive the requirements of any provision of this Agreement (including any *pro rata* payment or amendment section) or any other Credit Document that may otherwise prohibit or restrict any such refinancing or any other transaction contemplated by this Section 2.14.

2.15 *Permitted Debt Exchanges*.

(a) Notwithstanding anything to the contrary contained in this Agreement, pursuant to one or more offers (each, a "**Permitted Debt Exchange Offer**") made from time to time by a Credit Party, the Borrower or any other Credit Party may from time to time following the Closing Date consummate one or more exchanges of Term Loans for Indebtedness satisfying the Permitted Other Indebtedness Provisions, which, in the case of securities, may be issued in a public offering, Rule 144A or other private placement or any bridge facility in lieu of the foregoing or otherwise (such Indebtedness, "**Permitted Debt Exchange Notes,**" and each such exchange a "**Permitted Debt Exchange**"), so long as the following conditions are satisfied or waived: (i) except as otherwise permitted hereby (including utilization of any other available baskets or incurrence based amounts as permitted hereunder), the aggregate principal amount (calculated on the face amount thereof) of Permitted Debt Exchange Notes issued in exchange for Term Loans pursuant to a Permitted Debt Exchange shall not exceed the aggregate principal amount (calculated on the face amount thereof) of Term Loans exchanged for such Permitted Debt Exchange Notes; *provided* that the aggregate principal amount of the Permitted Debt Exchange Notes may include accrued interest, unused commitments, fees and premium (if any) under the Term Loans exchanged and underwriting discounts, fees, commissions and expenses (including original issue discount, upfront fees and similar items) in connection with the exchange of such Term Loans and the issuance of such Permitted Debt Exchange Notes, (ii) the aggregate principal amount (calculated on the face amount thereof) of all Term Loans exchanged under each applicable Class by the Borrower pursuant to any Permitted Debt Exchange shall automatically be cancelled and retired by the Borrower on the date of the settlement thereof (and, if requested by the Administrative Agent, any applicable exchanging Lender shall execute and deliver to the Administrative Agent an Assignment and Acceptance, or such other form as may be reasonably requested by the Administrative Agent, in respect thereof pursuant to which the respective Lender assigns its interest in the Term Loans being exchanged pursuant to the Permitted Debt Exchange to the Borrower for immediate cancellation), (iii) if the aggregate principal amount of all Term Loans of a given Class (calculated on the face amount thereof) tendered by Lenders in respect of the relevant Permitted Debt Exchange Offer (with no Lender being permitted to tender a principal amount of Term Loans which exceeds the principal amount thereof of the applicable Class actually held by it) shall exceed the maximum aggregate principal amount of Term Loans of such Class offered to be exchanged by the Borrower pursuant to such Permitted Debt Exchange Offer, then the Borrower shall exchange Term Loans subject to such Permitted Debt Exchange Offer tendered by such Lenders ratably up to such

maximum amount based on the respective principal amounts so tendered, (iv) all documentation in respect of such Permitted Debt Exchange shall be consistent with the foregoing, and all written communications generally directed to the Lenders in connection therewith shall be in form and substance consistent with the foregoing and made in consultation with the Borrower and the Auction Agent, and (v) any applicable Minimum Tender Condition shall be satisfied (or waived by the Borrower in its sole discretion).

(b) With respect to all Permitted Debt Exchanges effected by the Borrower pursuant to this Section 2.15, (i) such Permitted Debt Exchanges (and the cancellation of the exchanged Term Loans in connection therewith) shall not constitute voluntary or mandatory payments or prepayments for purposes of Section 5.1 or 5.2, and (ii) such Permitted Debt Exchange Offer shall be made for not less than $5,000,000 in aggregate principal amount of Term Loans; *provided* that subject to the foregoing clause (ii) the Borrower may at its election specify as a condition (a "**Minimum Tender Condition**") to consummating any such Permitted Debt Exchange that a minimum amount (to be determined and specified in the relevant Permitted Debt Exchange Offer in the Borrower's discretion) of Term Loans of any or all applicable Classes be tendered.

(c) In connection with each Permitted Debt Exchange, the applicable Credit Party and the Auction Agent shall mutually agree to such procedures as may be necessary or advisable to accomplish the purposes of this Section 2.15 and without conflict with Section 2.15(d); *provided* that the terms of any Permitted Debt Exchange Offer shall provide that the date by which the relevant Lenders are required to indicate their election to participate in such Permitted Debt Exchange shall be not less than a reasonable period (in the discretion of the Borrower and the Auction Agent) of time following the date on which the Permitted Debt Exchange Offer is made.

(d) The Credit Parties shall be responsible for compliance with, and hereby agrees to comply with, all applicable securities and other laws in connection with each Permitted Debt Exchange, it being understood and agreed that (x) none of the Auction Agent, the Administrative Agent nor any Lender assumes any responsibility in connection with the Borrower's compliance with such laws in connection with any Permitted Debt Exchange and (y) each Lender shall be solely responsible for its compliance with any applicable "insider trading" laws and regulations to which such Lender may be subject under the Exchange Act.

2.16 *Defaulting Lenders*.

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

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definitions of "Required Lenders" and "Required Facility Lenders" and as set forth in Section 13.1.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 11 or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 13.8 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, as the Borrower may request (so long

as no Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; third, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released *pro rata* in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement; fourth, to the payment of any amounts owing to the Borrower or the Lenders as a result of any judgment of a court of competent jurisdiction obtained by the Borrower, or any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and fifth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that if such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, such payment shall be applied solely to pay the Loans of all Non-Defaulting Lenders on a *pro rata* basis prior to being applied to the payment of any Loans of, such Defaulting Lender until such time as all Loans are held by the Lenders *pro rata* in accordance with the Commitments hereunder. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 2.16(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

No Defaulting Lender shall be entitled to receive any fee payable under Section 4 or any other fee payable as compensation for the provision of any Commitment of such Defaulting Lender or any interest at the Default Rate payable under Section 2.8(c) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee or interest that otherwise would have been required to have been paid to that Defaulting Lender).

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

2.17 *Designation of Additional Borrowers*.

(a) The Borrower may from time to time designate one or more Additional Borrowers organized in a Qualified Jurisdiction for purposes of this Agreement by delivering to the Administrative Agent:

(i) written notice (including via email) of election to become an Additional Borrower (an "**Election to Participate**") duly executed on behalf of such Restricted Subsidiary and the Borrower at least five Business Days prior to the proposed effectiveness of such election,

(ii) all documentation and other information with respect to such Subsidiary as reasonably requested by the Administrative Agent or any Lender under the Credit Facility made to such Additional Borrower through the Administrative Agent required by regulatory

authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act, no later than three Business Days prior to the date of such notice (or such later date as may be agreed by the Administrative Agent);

(iii) a Beneficial Ownership Certification for any Additional Borrower that qualifies as a "legal entity customer" under the Beneficial Ownership Regulation;

(iv) solely to the extent such Additional Borrower is not already a Credit Party, (A) all documents, updated schedules, instruments, certificates and agreements, and all other actions and information, then required by or in respect of such Additional Borrower by Section 9.11 or by the Security Documents (without giving effect to any grace periods for delivery of such items, the updating of such information or the taking of such actions), (B) a customary legal opinion if reasonably requested by the Administrative Agent and (C) a customary secretary's certificate attaching such equivalent documents as were delivered by the Borrower on the Closing Date;

(v) documentation reasonably satisfactory to the Administrative Agent pursuant to which (i) each then-existing Guarantor unconditionally guarantees the Borrowings of the Additional Borrower on terms substantially consistent with the Guarantors' Guarantee of the Borrower's obligations hereunder and (ii) solely to the extent such Additional Borrower is not already a Guarantor, each Additional Borrower unconditionally guarantees the Borrowings of each then-existing Borrower on terms substantially consistent with the Guarantors' Guarantee of the Borrower's obligations hereunder;

(vi) a certificate of an Authorized Officer of the Borrower stating that, as of the date the Additional Borrower joins this Agreement as such, no Event of Default has occurred and is continuing;

(vii) promissory notes in respect of such Additional Borrower in favor of any Lender requesting such promissory notes, in form and substance consistent with the Notes set forth in Exhibit I (modified to reflect such Additional Borrower); and

(viii) a customary joinder agreement whereby the Additional Borrower becomes party hereto as an Additional Borrower and appoints the Borrower as a "Borrower Agent" hereunder and under the other Credit Documents, in form and substance reasonably satisfactory to the Administrative Agent.

(b) After such deliveries, the appointment of the Additional Borrower shall be effective upon the effectiveness of an amendment to this Agreement and any applicable Credit Document necessary (in the reasonable judgment of the Administrative Agent and the Borrower) to give effect to the appointment of such Additional Borrower, including amendments to disambiguate certain uses of the word "Borrower" and related terms hereunder and the designation of the Borrower for notices and other administrative purposes hereunder; *provided* that, for the avoidance of doubt, the Administrative Agent shall not have any right to consent to the designation of any Additional Borrower and shall not be required to approve the addition of such Additional Borrower to the extent the requirements of Section 2.17(a) have been met.

In addition, any Additional Borrower of New Term Loans may be designated as such concurrently with the execution and delivery of the Incremental Amendment evidencing such New Term Loans, so long as the documentation required under Sections 2.17(a)(ii) – (v) and (viii) above will either be evidenced by provisions set forth in the Incremental Amendment or delivered in connection therewith.

2.18 *Resignation of Additional Borrowers*. (a) At any time and from time to time, any Additional Borrower may elect to terminate its ability to request Borrowings hereunder and to cease to be an Additional Borrower hereunder upon the occurrence of, and such resignation shall effective upon, all of the following or such earlier time as agreed to by the Administrative Agent (in its sole discretion) and consented to by the Borrower:

(b) such resigning Additional Borrower shall have paid in full in cash all of its direct Obligations under each applicable Credit Facility, unless after such resignation, any other Borrower remains to be liable with respect to the Obligations under such applicable Credit Facility; and

(c) such resigning Additional Borrower shall have delivered to the Administrative Agent a notice of resignation in form and substance reasonably satisfactory to the Administrative Agent; *provided* that such resignation shall not, to the extent applicable, have any impact on such Person's obligations as a Guarantor and such obligations, to the extent applicable, shall continue to be effective in accordance with the Guarantee to which it is a party and the other provisions and undertakings hereunder related thereto.

SECTION 3

[RESERVED]

SECTION 4

Fees and Commitment Reductions

4.1 *Fees*.

(a) Without duplication, the Borrower agrees to pay to the Administrative Agent in Dollars, for its own account, administrative agent fees as have been previously agreed in writing, or as may be agreed in writing, by the Borrower from time to time (including pursuant to the Fee Letter).

(b) Notwithstanding the foregoing, the Borrower shall not be obligated to pay any amounts to any Defaulting Lender pursuant to this Section 4.1.

4.2 *Voluntary Reduction or Termination of Commitments.*Upon at least two (2) Business Days' prior written notice to the Administrative Agent at the Administrative Agent's Office (or such shorter period of time as agreed to by the Administrative Agent in its reasonable discretion) (which notice the Administrative Agent shall promptly transmit to each of the Lenders of the applicable Class), the Borrower shall have the right, without premium or penalty, on any day, to permanently terminate or reduce the Commitments of any Class in whole or in part; *provided* that (a) any such reduction shall apply proportionately and permanently to reduce the applicable Commitment of each of the Lenders of any applicable Class and (b) any partial reduction pursuant to this Section 4.2 shall be in the amount of at least $500,000. Notwithstanding anything to the contrary contained in this Agreement, the Borrower may by giving written notice to the Administrative Agent rescind, or extend the date for termination or reduction specified in, any notice delivered under this Section 4.2 on the date of such termination or reduction if such termination or reduction would have occurred in connection with a refinancing of all or any portion of any Credit Facility or Credit Facilities or other conditional event, which refinancing or other conditional event shall not be consummated or shall otherwise be delayed.

4.3 *Mandatory Reduction or Termination of Commitments*. The Initial Term Loan Commitments shall terminate on the Closing Date, contemporaneously with the Borrowing of the Initial Term Loans.

SECTION 5

Payments

5.1 *Voluntary Prepayments*.

(a) The Borrower shall have the right to prepay Loans, without premium or penalty, in whole or in part from time to time on the following terms and conditions: (a) the Borrower shall give the Administrative Agent at the Administrative Agent's Office written notice of its intent to make such prepayment, the amount of such prepayment and (in the case of Term SOFR Loans) the specific Borrowing(s) pursuant to which made, which notice shall be substantially in the form of Exhibit L (the "**Notice of Prepayment**") given by the Borrower no later than 12:00 Noon (i) in the case of Term SOFR Loans, three (3) Business Days prior to, or (ii) in the case of ABR Loans, one (1) Business Day prior to, the date of such prepayment (or, in any case under the foregoing clause (a)(i) or clause (a)(ii), such shorter period of time as agreed to by the Administrative Agent in its reasonable discretion) and shall promptly be transmitted by the Administrative Agent to each of the Lenders, as the case may be; and (b) each partial prepayment of (i) any Borrowing of Term SOFR Loans shall be in a minimum amount of $250,000 and in multiples of $50,000 in excess thereof and (ii) any ABR Loans shall be in a minimum amount of $250,000 and in multiples of $50,000 in excess thereof; *provided* that no partial prepayment of Term SOFR Loans made pursuant to a single Borrowing shall reduce the outstanding Term SOFR Loans made pursuant to such Borrowing to an amount less than the applicable Minimum Borrowing Amount for such Term SOFR Loans. Each prepayment in respect of any Loans pursuant to this Section 5.1 shall be (1) applied to the Class or Classes of Loans as the Borrower may specify and (2) with respect to prepayments of Term Loans, applied to reduce the scheduled amortization payments of the applicable Class of Term Loans, as the case may be, in each case, in such order (including order of application to scheduled amortization payments) as the Borrower may specify in the Notice of Prepayment. In the event that the Borrower does not specify the order in which to apply prepayments of Term Loans to reduce scheduled installments of principal or as between Classes of Term Loans in the Notice of Prepayment, the Borrower shall be deemed to have elected that such prepayment be applied to reduce the scheduled installments of principal in direct order of maturity on a pro rata basis with the applicable Class or Classes, if a Class or Classes were specified, or among all Classes of Term Loans then outstanding, if no Class was specified. At the Borrower's election in connection with any prepayment pursuant to this Section 5.1, such prepayment shall not be applied to any Term Loan of a Defaulting Lender.

(b) [Reserved].

(c) Notwithstanding anything to the contrary contained in this Agreement, the Borrower may by giving written notice to the Administrative Agent rescind, or extend the date for prepayment specified in, any Notice of Prepayment under Section 5.1(a) prior to 12:00 Noon (or such later time as the Administrative Agent may approve in its reasonable discretion (such approval not to be unreasonably withheld, delayed, denied or conditioned)) on the date of such prepayment if such prepayment would have resulted from a refinancing of all or any portion of any Credit Facility or Credit Facilities or other conditional event, which refinancing or other conditional event shall not be consummated or shall otherwise be delayed.

5.2 *Mandatory Prepayments*.

(a) Term Loan Prepayments.

(i) On each occasion that a Prepayment Event occurs, the Borrower shall, within five (5) Business Days after receipt of the Net Cash Proceeds of a Debt Incurrence Prepayment Event and within ten (10) Business Days after the receipt of Net Cash Proceeds of any other Prepayment Event (or, in the case of Deferred Net Cash Proceeds Amount, within ten (10) Business Days after the Deferred Net Cash Proceeds Payment Date), prepay (or cause to be prepaid), in accordance with Section 5.2(c), Term Loans with an equivalent principal amount equal to 100.0% (such percentage as it may be reduced as described below, the "**Net Cash Proceeds Percentage**") of the Net Cash Proceeds from such Prepayment Event; *provided* that, with respect to Net Cash Proceeds of any Asset Sale Prepayment Event and Casualty Prepayment Event, (A) the Net Cash Proceeds Percentage shall be reduced to 50.0% if the First Lien Net Leverage Ratio (on a Pro Forma Basis after giving effect to such Asset Sale Prepayment Event or Casualty Prepayment Event, as applicable, and the use of proceeds thereof (including the repayment of any Indebtedness, including the prepayment of Term Loans required by this Section 5.2(a)(i))) is equal to or less than 1.25 to 1.00 but greater than 0.75 to 1.00 as of the most recently ended Test Period and (B) the Net Cash Proceeds Percentage shall be reduced to 0.00% if the First Lien Net Leverage Ratio (on a Pro Forma Basis after giving effect to such Asset Sale Prepayment Event or Casualty Prepayment Event, as applicable, and the use of proceeds thereof (including the repayment of any Indebtedness, including the prepayment of Term Loans required by this Section 5.2(a)(i))) is equal to or less than 0.75 to 1.00 as of the most recently ended Test Period (in each case of the foregoing sub-clauses (A) and (B), such Net Cash Proceeds (if any) not required to prepay the Term Loans pursuant to this Section 5.2(a)(i), the "**Retained Asset Sale Proceeds**") (provided that, in each case, for purposes of determining the Net Cash Proceeds Percentage and Retained Asset Sale Proceeds, the First Lien Net Leverage Ratio shall be determined, at the Borrower's option, either at the time of the applicable Asset Sale, at the time of entry into a definitive agreement in respect thereof or the time of the application of the Net Cash Proceeds therefrom); *provided further* that, except as set forth in clause (II) below, no prepayment shall be required pursuant to this Section 5.2(a)(i) with respect to the portion of such Net Cash Proceeds as to which a Deferred Net Cash Proceeds Election is made by the Borrower, or is applied for reinvestment, in each case, in accordance with clause (II) below; *provided further*, that:

(I) with respect to the Net Cash Proceeds of an Asset Sale Prepayment Event or Casualty Prepayment Event, the Borrower may use an amount equal to a portion of such Net Cash Proceeds to prepay or repurchase any Other Applicable Indebtedness to the extent any documentation governing such Other Applicable Indebtedness requires the issuer or borrower of such Other Applicable Indebtedness to prepay, redeem or make an offer to purchase or prepay or redeem such Other Applicable Indebtedness with the proceeds of such Prepayment Event, in each case in an amount not to exceed the product of (x) the amount of such Net Cash Proceeds multiplied by (y) a fraction, the numerator of which is the outstanding principal amount of the Other Applicable Indebtedness with respect to which such a requirement to prepay, redeem or make an offer to purchase, prepay or redeem exists and the denominator of which is the sum of the outstanding principal amount of such Other Applicable Indebtedness and the outstanding principal amount of Term Loans; and

(II) with respect to any Net Cash Proceeds received with respect to any Asset Sale Prepayment Event (other than Asset Sale Prepayment Event resulting from any Asset Sale consummated in reliance on Section 10.4(b)(ii)) or any Casualty Prepayment

Event, the Borrower or any Restricted Subsidiary may, at its option (in its sole discretion), elect (such election, a "**Deferred Net Cash Proceeds Election**") to reinvest an amount equal to all or any portion of such Net Cash Proceeds (with respect to such Prepayment Event, the "**Deferred Net Cash Proceeds Amount**") in the business of the Borrower or any of the Restricted Subsidiaries, including by using such Net Cash Proceeds to acquire, maintain, develop, construct, improve, upgrade or repair any asset used or useful in the business of the Borrower or its Restricted Subsidiaries or to make Permitted Acquisitions or any other Investments not prohibited by this Agreement (other than Investments in cash and Cash Equivalents), Capital Expenditures or Capitalized Software Expenditures (without duplication), in each case, at any time on or prior to either (x) the last day of the Reinvestment Period with respect to such Net Cash Proceeds or (y) if the Borrower or any Restricted Subsidiary enters into a commitment or letter of intent to reinvest such Net Cash Proceeds prior to the last day of such Reinvestment Period, the later of (A) the last day of such Reinvestment Period and (B) 180 days after the end of the Reinvestment Period (such last day or day that is 180 days after the last day of the Reinvestment Period, as applicable, the "**Deferred Net Cash Proceeds Payment Date**"); *provided* that the Borrower may elect, in its sole discretion, to deem reinvestments or commitments to reinvest that occur or are entered into, as applicable, prior to receipt of the Net Cash Proceeds of the applicable Asset Sale Prepayment Event to be applied in accordance with the provisions of this clause (II) so long as such investment was made or committed to not earlier than 180 days prior to the receipt of the Net Cash Proceeds of the applicable Asset Sale; *provided further*, that to the extent reinvestments are not made in an amount equal to such Deferred Net Cash Proceeds Amount (without duplication of reinvestments attributable to any Deferred Net Cash Proceeds Amount with respect to any other Prepayment Event (it being understood that to the extent at any given time there is more than one Deferred Net Cash Proceeds Amount outstanding on account of different Prepayment Events, the Borrower shall allocate reinvestments among such Deferred Net Cash Proceeds Amounts in its sole discretion)) on or prior to the applicable Deferred Net Cash Proceeds Payment Date, or if prior to the applicable Deferred Net Cash Proceeds Payment Date reinvestments in an amount equal to any portion of such Deferred Net Cash Proceeds Amount are no longer intended (as determined by the Borrower in its sole discretion) to be so reinvested by the Borrower or its Restricted Subsidiaries on or prior to the applicable Deferred Net Cash Proceeds Payment Date, the Borrower shall, within ten Business Days after the applicable Deferred Net Cash Proceeds Payment Date or the date that the Borrower determines that such portion of the Deferred Net Cash Proceeds Amount is no longer intended to be so reinvested, as applicable, prepay the Term Loans as set forth in this Section 5.2(a)(i).

(ii) Not later than fifteen (15) Business Days after the date on which financial statements are delivered pursuant to Section 9.1(a) for any fiscal year (commencing with the Excess Cash Flow Period ending on or about January 3, 2027), the Borrower shall prepay (or cause to be prepaid), in accordance with Section 5.2(c), Term Loans with a principal amount (the "**ECF Payment Amount**") equal to (x) 50.0% of Excess Cash Flow for such Excess Cash Flow Period (such percentage, as it may be reduced as described below, the "**ECF Payment Percentage**"); *provided* that (A) the ECF Payment Percentage in this Section 5.2(a)(ii) shall be reduced to 25.0% if the First Lien Net Leverage Ratio (after giving Pro Forma Effect thereto and after giving effect to any prepayment, repurchase or redemption of Indebtedness described in clause (y) below and as certified by an Authorized Officer of the Borrower) for the most recent Test Period ended on the last day of the applicable Excess Cash Flow Period is less than or equal to 1.25 to 1.00 but greater than 0.75 to 1.00 and (B) no payment of any Term Loans shall be required under

this Section 5.2(a)(ii) if the First Lien Net Leverage Ratio (after giving Pro Forma Effect thereto and after giving effect to any prepayment, repurchase or redemption of Indebtedness described in clause (y) below and as certified by an Authorized Officer of the Borrower) for the most recent Test Period ended on the last day of the applicable Excess Cash Flow Period is less than or equal to 0.75 to 1.00, *minus* (y) the sum of:

(I) the principal amount of Initial Term Loans, any other Term Loans and any other Indebtedness, that is voluntarily prepaid, repurchased or redeemed (in each case, including purchases of such Indebtedness by the Borrower and its Subsidiaries (including pursuant to Section 5.1, Section 13.6 or Section 13.7 (or any other "yank-a-bank" provisions)) at or below par, in which case the amount of voluntary prepayments of such Indebtedness shall be deemed not to exceed the actual purchase price of such Indebtedness below par) during such Excess Cash Flow Period (without duplication of any prepayments in such Excess Cash Flow Period that reduced the amount of Excess Cash Flow required to be repaid pursuant to this Section 5.2(a)(ii) for any prior Excess Cash Flow Period) or, at the option of the Borrower, after such Excess Cash Flow Period and prior to the date of the required Excess Cash Flow payment in lieu of being deducted from the Excess Cash Flow prepayment with respect to the Excess Cash Flow Period in which actually made, in each case, except to the extent financed with the proceeds of Funded Debt (other than revolving Indebtedness) of the Borrower or the Restricted Subsidiaries (unless such Funded Debt has been repaid and other than intercompany loans made to effect the underlying transaction),

(II) to the extent accompanied by permanent reductions of the applicable revolving credit commitments, repayments or prepayments of loans under other revolving credit facilities (including the ABL Facility), in each case, during such Excess Cash Flow Period (without duplication of any prepayments in such Excess Cash Flow Period that reduced the amount of Excess Cash Flow required to be repaid pursuant to this Section 5.2(a)(ii) for any prior Excess Cash Flow Period) or, at the option of the Borrower, after such Excess Cash Flow Period and prior to the date of the required Excess Cash Flow payment in lieu of being deducted from the Excess Cash Flow prepayment in the Excess Cash Flow Period in which actually made, in each case, except to the extent financed with the proceeds of Funded Debt (other than revolving Indebtedness) of the Borrower or the Restricted Subsidiaries (unless such Funded Debt has been repaid and other than intercompany loans made to effect the underlying transaction),

(III) repayments or prepayments of ABL Loans, the proceeds of which were used to fund any original issue discount or upfront fees required in connection with the "market flex" provisions of the Fee Letter,

(IV) at the option of the Borrower, cash amounts used to make prepayments or redemptions pursuant to "excess cash flow sweep" provisions or similar provisions applicable to any term loans or notes incurred as Other Applicable Indebtedness (or the amount of any mandatory offer to redeem or repurchase Other Applicable Indebtedness in the form of notes pursuant to any "excess cash flow sweep" provisions or similar provisions applicable thereto) and only to the extent any amounts payable thereunder are paid (or offered, as applicable) on a pro rata basis (or less than pro rata basis) with prepayments of the Term Loans as required by this Section 5.2(a)(ii), in each case, except to the extent financed with the proceeds of Funded Debt (other than revolving

Indebtedness) of the Borrower or the Restricted Subsidiaries (unless such Funded Debt has been repaid and other than intercompany loans made to effect the underlying transaction),

(V) without duplication of amounts deducted pursuant to clause (VII) below in prior Excess Cash Flow Periods, at the election of the Borrower, the amount of Capital Expenditures, Capitalized Software Expenditures or acquisitions of Intellectual Property accrued or made in cash during such Excess Cash Flow Period (or, at the option of the Borrower, after such Excess Cash Flow Period and prior to the date of the required Excess Cash Flow payment in lieu of being deducted from the Excess Cash Flow prepayment in the Excess Cash Flow Period in which actually accrued or made) by the Borrower and the Restricted Subsidiaries, in each case, except to the extent that such Capital Expenditures, Capitalized Software Expenditures or acquisitions of Intellectual Property financed with the proceeds of other long-term Funded Debt (other than revolving Indebtedness) of the Borrower or the Restricted Subsidiaries (unless such Funded Debt has been repaid and other than intercompany loans made to effect the underlying transaction),

(VI) without duplication of amounts deducted pursuant to clause (VII) below in prior Excess Cash Flow Periods, at the election of the Borrower, the aggregate amount of cash consideration paid by the Borrower and the Restricted Subsidiaries in connection with (A) permitted Investments (including Permitted Acquisitions) and any earnout payments incurred in connection with such permitted Investments (other than clauses (i) and (ii) of the definition of "Permitted Investments"), including any earnout, holdback, seller note or other deferred purchase price payments and payments in respect of any notes initially exchanged for any of the foregoing, (B) long-term liabilities of the Borrower and the Restricted Subsidiaries other than Indebtedness and (C) the amount of Restricted Payments paid in cash during such period (on a consolidated basis) by the Borrower and the Restricted Subsidiaries (other than Restricted Payments made pursuant to clauses (2), (3) and (17)) of Section 10.5(b), in each case during such Excess Cash Flow Period (or, at the option of the Borrower, after such Excess Cash Flow Period and prior to the date of the required Excess Cash Flow payment in lieu of being deducted from the Excess Cash Flow prepayment in the Excess Cash Flow Period in which actually made), in each case, except to the extent financed with the proceeds of (1) other long-term Funded Debt (other than revolving Indebtedness) of the Borrower or the Restricted Subsidiaries (unless such Funded Debt has been repaid and other than intercompany loans made to effect the underlying transaction) or (2) the issuance of Equity Interests, and

(VII) without duplication of amounts deducted from Excess Cash Flow in other periods, and at the option of the Borrower (1) the aggregate consideration required to be paid in cash by the Borrower or any of its Restricted Subsidiaries pursuant to binding agreements, commitments or letters of intent (the "**Contract Consideration**") entered into prior to or during such period and (2) any planned cash expenditures by the Borrower or any of its Restricted Subsidiaries (the "**Planned Expenditures**"), in the case of each of the foregoing clauses (1) and (2), relating to cash expenditures described in clause (V) or (VI) above, in each case, to be consummated or made, as applicable, during the period of eight consecutive fiscal quarters of the Borrower following the end of such Excess Cash Flow Period, in each case, except to the extent financed with the proceeds of

other long-term Funded Debt (other than revolving Indebtedness) of the Borrower or the Restricted Subsidiaries (unless such Funded Debt has been repaid and other than intercompany loans made to effect the underlying transaction); *provided* that to the extent that the aggregate amount of cash actually utilized to finance such expenditures during such following period of eight consecutive fiscal quarters is less than the Contract Consideration and Planned Expenditures, the amount of such shortfall shall be added to the calculation of ECF Payment Amount at the end of such period of eight consecutive fiscal quarters; *provided further* that, with respect to any such expenditure that would constitute Contract Consideration, such eight-fiscal quarter period shall be further extended by two consecutive fiscal quarters and if such amount is not actually utilized to pay such Contract Consideration during such two consecutive fiscal quarter period, then the amount of such shortfall shall be added to the calculation of ECF Payment Amount for the Excess Cash Flow Period ending immediately thereafter;

provided further that (A) a prepayment of the principal amount of Term Loans pursuant to this Section 5.2(a)(ii) in respect of any Excess Cash Flow Period shall only be required if the amount by which the ECF Payment Amount for such Excess Cash Flow Period exceeds the greater of (x) $60,000,000 and (y) 25% of the LTM Consolidated EBITDA (such threshold, the "**ECF Threshold**") (any ECF Payment Amounts at or below the ECF Threshold for the applicable Excess Cash Flow Period from and after the Closing Date, the "**Retained ECF Payments**") and only amount in excess of the ECF Threshold shall be used to prepay the Term Loans; *provided* that (x) if the ECF Threshold is greater than the ECF Payment Amount for any Excess Cash Flow Period, such difference may be carried forward by the Borrower to increase the ECF Threshold for subsequent Excess Cash Flow Periods and (y) at the option of the Borrower, the Borrower may increase the ECF Threshold for any Excess Cash Flow Period by all or a portion of the unused ECF Threshold from the immediately succeeding Excess Cash Flow Period so long as the ECF Threshold for such immediately succeeding Excess Cash Flow Period shall be reduced dollar for dollar and (B) at the option of the Borrower, if the ECF Payment Amount after deducting the foregoing amounts pursuant to clauses (I) through (VII) (but before applying the ECF Threshold) shall be less than zero for the applicable Excess Cash Flow Period, such negative amount may be applied to any subsequent Excess Cash Flow Period to reduce the ECF Payment Amount for such subsequent Excess Cash Flow Period.

(iii) On each occasion that any Term Loan Refinancing Indebtedness, any Refinancing Term Loans or Replacement Term Loans are incurred, in each case to refinance any Class (or Classes) of Term Loans resulting in Net Cash Proceeds (as opposed to such Term Loan Refinancing Indebtedness, Refinancing Term Loans or Replacement Term Loans arising out of an exchange of existing Term Loans for such Term Loan Refinancing Indebtedness, Refinancing Term Loans or Replacement Term Loans), the Borrower shall within five (5) Business Days of receipt of the Net Cash Proceeds of such Term Loan Refinancing Indebtedness, Refinancing Term Loans or Replacement Term Loans prepay, in accordance with Section 5.2(c), such Class (or Classes) of Term Loans in a principal amount equal to 100% of the Net Cash Proceeds from such issuance or incurrence of such Term Loan Refinancing Indebtedness, Refinancing Term Loans or Replacement Term Loans, as applicable.

(iv) Notwithstanding any other provisions of this Section 5.2, (A) to the extent that any or all of the Net Cash Proceeds of any Prepayment Event by a Foreign Subsidiary or CFC Holding Company giving rise to a prepayment pursuant to clause (i) above (a "**Foreign Prepayment Event**") or Excess Cash Flow giving rise to a prepayment pursuant to clause (ii) above are prohibited or delayed by any Requirement of Law (including financial assistance, corporate benefit, restrictions on upstreaming of cash

intra-group and the fiduciary and statutory duties of directors), material constituent documents (including as a result of minority ownership in third parties) or any material agreement binding on such Foreign Subsidiary or a CFC Holding Company (so long as any prohibition is not created in contemplation of such prepayment) from being repatriated to any Credit Party, an amount equal to the portion of such Net Cash Proceeds or Excess Cash Flow so affected will not be required to be applied to repay Term Loans at the times provided in clauses (i) and (ii) above, as the case may be, but only so long as the applicable Requirement of Law or material agreement will not permit repatriation to any Credit Party (the Credit Parties hereby agreeing to cause the applicable Foreign Subsidiary or CFC Holding Company to promptly take all commercially reasonable actions (as determined in the Borrower's reasonable business judgment) for a period of no longer than one (1) year that are reasonably required by the applicable Requirement of Law or material agreement to permit such repatriation to a Credit Party), and once a repatriation of any of such affected Net Cash Proceeds or Excess Cash Flow is permitted in such year under the applicable Requirement of Law or material agreement, an amount equal to such Net Cash Proceeds or Excess Cash Flow will be promptly (and in any event not later than ten (10) Business Days after such repatriation is permitted) applied (net of any taxes (including withholding taxes), costs or expenses that would be payable or reserved against if such amounts were actually repatriated, to the extent not already deducted under the definitions of "Net Cash Proceeds" or "Excess Cash Flow," as applicable, and whether or not they are repatriated) pursuant to clauses (i) and (ii) above, as applicable, and (B) to the extent that the Borrower has determined in good faith that any of or all of the repatriation of Net Cash Proceeds of any Foreign Prepayment Event or Excess Cash Flow could have adverse tax consequences (that are not *de minimis*) to the Borrower or its Restricted Subsidiaries or any direct or indirect parent thereof with respect to such Net Cash Proceeds or Excess Cash Flow, which, for the avoidance of doubt, includes but is not limited to any prepayment whereby doing so the Borrower and/or its Subsidiaries would incur a tax liability including a tax dividend, deemed dividend pursuant to Section 956 of the Code or a withholding tax, an amount equal to the Net Cash Proceeds or Excess Cash Flow so affected will not be required to be applied to repay Term Loans at the times provided in clauses (i) and (ii) above until such time as it may repatriate such amount without incurring such adverse tax consequences (at which time an amount equal to such Net Cash Proceeds or Excess Cash Flow shall be promptly applied to repay the Term Loans in accordance with this Section 5.2). For the avoidance of doubt, even if an amount equal to the amount of Net Cash Proceeds or Excess Cash Flow, as applicable, required to be applied in accordance with Section 5.2(a)(i) or 5.2(a)(ii), respectively, is required to be applied by the Borrower, nothing in this Agreement (including this Section 5) shall be construed to require any Foreign Subsidiary or any CFC Holding Company to repatriate cash. The non-application of any prepayment amounts as a consequence of this clause (iv) will not, for the avoidance of doubt, constitute a Default or Event of Default, and such amounts shall be available for working capital purposes or other general corporate purposes of the Borrower and the Restricted Subsidiaries as long as not required to be prepaid in accordance with the foregoing provisions of this clause (iv).

(v) Upon the consummation of the initial Qualifying IPO after the Closing Date, the Borrower shall, within ten (10) Business Days of receipt by the Borrower or any direct or indirect parent thereof of the Net Cash Proceeds of such Qualifying IPO, prepay (or cause to prepay), in accordance with Section 5.2(c), Term Loans in an aggregate principal amount equal to 100.0% of the Net Cash Proceeds received by the Borrower or any direct or indirect parent thereof from such Qualifying IPO.

(b) [Reserved].

(c) Application to Amounts. Subject to Section 5.2(f), except as may otherwise be set forth in any Incremental Amendment, any Refinancing Amendment, any Extension Amendment or any amendment in respect of Replacement Term Loans, each prepayment of Term Loans required by Section

5.2(a)(i), (ii) or (v) shall be allocated *pro rata* among the Initial Term Loans and any New Term Loans, Refinancing Term Loans, Extended Term Loans and Replacement Term Loans then outstanding based on the applicable remaining principal amounts due thereunder and shall be applied within each Class of Term Loans in respect of such Term Loans in direct forward order of scheduled maturity thereof or as otherwise directed by the Borrower; *provided* that any Class of New Term Loans, Refinancing Term Loans, Extended Term Loans and Replacement Term Loans may specify that one or more other Classes of Term Loans may be prepaid prior to such Class of New Term Loans, Refinancing Term Loans, Extended Term Loans and Replacement Term Loans. Any prepayment of Term Loans with the Net Cash Proceeds of, or in exchange for, Term Loan Refinancing Indebtedness, Refinancing Term Loans or Replacement Term Loans pursuant to Section 5.2(a)(iii) shall be applied solely to each applicable Class or Classes of Term Loans being refinanced as selected by the Borrower.

(d) Application to Term Loans. With respect to each prepayment of Term Loans required by Section 5.2(b), the Borrower may, if applicable, designate the Types of Term Loans that are to be prepaid and the specific Borrowing(s) pursuant to which made; *provided* that, if any Lender has provided a Rejection Notice in compliance with Section 5.2(f), such prepayment shall be applied with respect to the Term Loans to be prepaid on a *pro rata* basis across all outstanding Types of such Term Loans in proportion to the percentage of such outstanding Term Loans to be prepaid represented by each such Class. In the absence of a Rejection Notice or a designation by the Borrower as described in the preceding sentence, the Administrative Agent shall, subject to the above, make such designation in its reasonable discretion.

(e) [Reserved].

(f) Rejection Right. The Borrower shall notify the Administrative Agent in writing of any mandatory prepayment of Term Loans required to be made pursuant to Section 5.2(a)(i), (ii) or (v) no later than 12:00 Noon at least three (3) Business Days prior to the date such prepayment is required to be made (or such shorter period of time as agreed to by the Administrative Agent in its reasonable discretion); *provided* that, notwithstanding anything to the contrary contained in this Agreement, the Borrower may rescind, or extend the date for prepayment specified in, any notice of prepayment under this Section 5.2(f) by giving written notice to the Administrative Agent prior to 10:00 a.m. on the date of such proposed prepayment (or such later time as the Administrative Agent may approve in its sole discretion) if such prepayment would have resulted from a refinancing of all or any portion of any Credit Facility or Credit Facilities or other conditional event, which refinancing or other conditional event shall not be consummated or shall otherwise be delayed. Each such notice shall be in the form of a Notice of Prepayment and shall specify the anticipated date of such prepayment and provide a reasonably detailed estimated calculation of the amount of such prepayment. The Administrative Agent will promptly notify each Lender holding Term Loans to be prepaid in accordance with such Notice of Prepayment of the contents of such Notice of Prepayment and of such Lender's *pro rata* share of the estimated prepayment. Each Term Loan Lender may reject all (but not less than all) of its *pro rata* share of any mandatory prepayment of Term Loans required to be made pursuant to Section 5.2(a) other than any such mandatory prepayment with respect to a Debt Incurrence Prepayment Event under Section 5.2(a)(i) or any mandatory prepayment under Section 5.2(a)(iii) (such declined amounts, the "**Declined Proceeds**") by providing written notice (each, a "**Rejection Notice**") to the Administrative Agent no later than 1:00 p.m. two (2) Business Days prior to the date of such prepayment, and the Administrative Agent shall promptly provide such notice to the Borrower (and no later than 5:00 p.m. one (1) Business Day after the date of such Lender's receipt of notice from the Administrative Agent regarding such prepayment). If a Lender fails to deliver a Rejection Notice to the Administrative Agent within the time frame specified above, any such

failure will be deemed an acceptance of the total amount of such mandatory prepayment of Term Loans. Any Declined Proceeds shall be retained by the Borrower ("**Retained Declined Proceeds**").

5.3 *Method and Place of Payment*.

(a) Except as otherwise specifically provided herein, all payments under this Agreement shall be made by the Borrower, without set-off, counterclaim or deduction of any kind, to the Administrative Agent for the ratable account of the Lenders entitled thereto not later than 2:00 p.m., in each case, on the date when due and shall be made in immediately available funds at the Administrative Agent's Office or at such other office as the Administrative Agent shall specify for such purpose by written notice to the Borrower, it being understood that written or facsimile notice by the Borrower to the Administrative Agent to make a payment from the funds in the Borrower's account at the Administrative Agent's Office shall constitute the making of such payment to the extent of such funds held in such account. All repayments or prepayments of any Loans (whether of principal, interest or otherwise) hereunder shall be made in the applicable currency of the Loans. The Administrative Agent will thereafter cause to be distributed on the same day (if payment was actually received by the Administrative Agent prior to 2:00 p.m. or, otherwise, on the next Business Day in the Administrative Agent's sole discretion) like funds relating to the payment of principal or interest or Fees ratably to the Lenders entitled thereto.

(b) Any payments under this Agreement that are made later than 2:00 p.m. (which time may be extended by the Administrative Agent in its sole discretion in connection with the repayment in full of the Credit Facilities) may be deemed to have been made on the next succeeding Business Day in the Administrative Agent's sole discretion for purposes of calculating interest thereon. Except as otherwise provided herein, whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest shall be payable during such extension at the applicable rate in effect immediately prior to such extension.

5.4 *Net Payments*.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) All payments by or on account of any obligation of any Credit Party hereunder or under any other Credit Document shall to the extent permitted by applicable Requirements of Law be made free and clear of and without reduction or withholding for any Taxes.

(ii) If any applicable Credit Party, the Administrative Agent or any other Withholding Agent shall be required by applicable Requirements of Law to withhold or deduct any Taxes in respect of any payment, then (A) such Withholding Agent shall withhold or make such deductions as are reasonably determined by such Withholding Agent to be required by applicable Requirements of Law, (B) such Withholding Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority, and (C) to the extent that the withholdings or deduction is made on account of Indemnified Taxes or Other Taxes, the sum payable by the applicable Credit Party shall be increased as necessary so that after any required withholdings or deductions have been made (including withholding or deductions applicable to additional sums payable under this Section 5.4) each Lender (or, in the case of a payment to the Administrative Agent for its own account, the Administrative Agent) receives an amount equal to the sum it would have received had no such withholdings or deductions been made.

(b) Payment of Other Taxes by the Borrower. Without duplication of any amounts paid under Section 5.4 (a)(i), (a)(ii) or (c), the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Requirements of Law or, at the option of the Administrative Agent, timely reimburse the Administrative Agent for the payment of any Other Taxes.

(c) Tax Indemnifications. Without duplication of any obligation under Section 5.4(a) or (b) above, the Borrower shall indemnify the Administrative Agent and each Lender, and shall make payment in respect thereof within fifteen (15) days after written demand therefor, for the full amount of Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 5.4) paid or payable by the Administrative Agent or such Lender, as the case may be, and any reasonable out-of-pocket expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of any such payment or liability (along with a written statement setting forth in reasonable detail the basis and calculation of such amounts) delivered to the Borrower by a Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. If the Borrower reasonably believes that any such Indemnified Taxes or Other Taxes were not correctly or legally asserted, the Administrative Agent and/or each affected Lender will use reasonable efforts to cooperate with the Borrower in pursuing a refund of such Indemnified Taxes or Other Taxes so long as such efforts would not, in the sole determination exercised in good faith of the Administrative Agent or affected Lender, result in any additional costs, expenses or risks or be otherwise disadvantageous to it. Notwithstanding anything to the contrary contained in this Section 5.4(c), the Borrower shall not be required to indemnify the Administrative Agent or any Lender pursuant to this Section 5.4(c) for any incremental amount resulting from the failure of the Administrative Agent or such Lender, as applicable, to notify the Borrower of such possible indemnification claim within 120 days after the Administrative Agent or such Lender, as applicable, receives written notice from the applicable Governmental Authority of the specific tax assessment giving rise to such indemnification claim.

(d) Evidence of Payments. As soon as practicable after any payment of Taxes by any Credit Party or the Administrative Agent to a Governmental Authority as provided in this Section 5.4, the Borrower shall deliver to the Administrative Agent or the Administrative Agent shall deliver to the Borrower, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by applicable Requirements of Law to report such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders and Tax Documentation.

(i) Each Lender that is entitled to an exemption from or a reduction of withholding Tax with respect to payments made hereunder shall deliver to the Borrower and to the Administrative Agent, at such time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and duly executed documentation prescribed by applicable Requirements of Law and such other reasonably requested information as will permit the Borrower or the Administrative Agent, as the case may be, to determine (A) whether or not any payments made hereunder or under any other Credit Document are subject to withholding Taxes, (B) if applicable, the required rate of withholding or deduction, and (C) such Lender's entitlement to any available exemption from, or reduction of, applicable withholding Taxes in respect of any payments to be made to such Lender by any Credit Party pursuant to any Credit Document or otherwise to establish such Lender's status for withholding Tax purposes in the applicable jurisdiction. Any documentation and information required to be delivered by a Lender

pursuant to this Section 5.4(e) (including any specific documentation set forth in subsection (ii) below) shall be delivered by such Lender (I) on or prior to the Closing Date (or on or prior to the date it becomes a party to this Agreement), (II) on or before any date on which such previously provided documentation expires or becomes obsolete or invalid, (III) after the occurrence of any change in the Lender's circumstances requiring a change in the most recent documentation previously delivered by it to the Borrower and the Administrative Agent, and (IV) from time to time thereafter if reasonably requested by the Borrower or the Administrative Agent, and each such Lender shall promptly notify in writing the Borrower and the Administrative Agent if such Lender is no longer legally eligible to provide any documentation previously provided.

(ii) Without limiting the generality of the foregoing:

(A) any Lender that is a "United States person" within the meaning of Section 7701(a)(30) of the Code (a "**US Lender**") shall deliver to the Borrower and the Administrative Agent properly completed and duly executed originals of Internal Revenue Service Form W-9 or such other documentation or information prescribed by applicable Requirements of Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent, as the case may be, to certify that such Lender is exempt from US federal backup withholding or information reporting requirements;

(B) each Non-US Lender that is entitled under the Code or any applicable treaty to an exemption from or reduction of US federal withholding Tax with respect to any payments hereunder or under any other Credit Document shall deliver to the Borrower and the Administrative Agent two properly completed and duly executed originals of whichever of the following is applicable:

(1) Internal Revenue Service Form W-8BEN or W-8BEN-E (or, in each case, any successor form thereto) claiming eligibility for benefits of an income Tax treaty to which the United States is a party;

(2) Internal Revenue Service Form W-8ECI or W-8EXP (or, in each case, any successor form thereto);

(3) in the case of a Non-US Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) or 871(h) of the Code, (x) a certificate, substantially in the form of Exhibit K-1, K-2, K-3 or K-4, as applicable (each, a "**Non-Bank Tax Certificate**"), to the effect that such Non-US Lender is not (A) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" related to the Borrower described in Section 881(c)(3)(C) of the Code and that no payments under any Credit Documents are effectively connected with the Non-US Lender's conduct of a US trade or business and (y) Internal Revenue Service Form W-8BEN or W-8BEN-E (or, in each case, any successor thereto);

(4) to the extent a Non-US Lender is not the beneficial owner (e.g., where such Lender has sold a participation or is treated as a partnership for US federal income tax purposes), Internal Revenue Service Form W-8IMY (or any successor thereto) accompanied by Internal Revenue Service Form W-9, Form W-8ECI, Form W-8BEN or Form W-8BEN-E each, as applicable (or, in each case, any successor thereto) and all other required supporting documentation (including, where one or more of the underlying beneficial owner(s) is claiming the benefits of the portfolio interest exemption, a Non-Bank Tax Certificate of such beneficial owner(s)) (*provided* that, if the Non-US Lender is a partnership and not a

participating Lender, the Non-Bank Tax Certificate(s) may be provided by the Non-US Lender on behalf of the direct or indirect partner(s)); and/or

(5) any other documentation prescribed by applicable Requirements of Law as a basis for claiming exemption from or a reduction in United States federal withholding Tax together with such supplementary documentation as may be prescribed by applicable Requirements of Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(C) if a payment made to a Lender under any Credit Document would be subject to US federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by applicable Requirements of Law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable Requirements of 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, to determine whether such Lender has complied with such Lender's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (C), FATCA shall include any amendments made to FATCA after the date of this Agreement.

(iii) Each Lender hereby authorizes the Administrative Agent to deliver to the Credit Parties and to any successor Administrative Agent any documentation provided by such Lender to the Administrative Agent pursuant to this Section 5.4(e).

(iv) On or before the date the Administrative Agent becomes a party to this Agreement, the Administrative Agent shall provide to the Borrower two properly completed and duly executed originals of the documentation prescribed in clause (A) or (B) below, as applicable (together with all required attachments thereto): (A) if the Administrative Agent is a US Person, Internal Revenue Service Form W-9 (or any successor thereto), certifying that it is exempt from or not subject to US federal backup withholding Tax, or (B) if the Administrative Agent is not a US Person, (1) with respect to payments received for its own account, Internal Revenue Service Form W-8ECI (or any successor thereto), and (2) with respect to payments received on account of any Lender, either (x) Internal Revenue Service Form W-8IMY (or any successor thereto) certifying that it is a "qualified intermediary" that has assumed primary withholding responsibility under Chapters 3 and 4 of the Code for payments it receives for the account of others or (y) a US branch withholding certificate on Internal Revenue Service Form W-8IMY (or any successor thereto) evidencing its agreement with the Borrower to be treated as a US Person for US federal withholding Tax purposes as contemplated by Section 1.1441-1(b)(2)(iv)(A) of the United States Treasury Regulations. The Administrative Agent hereby assumes primary U.S. withholding, backup withholding and information reporting obligations with respect to all amounts paid or payable to it by the Credit Parties under the Credit Documents. At any time thereafter, the Administrative Agent shall provide updated documentation previously provided (or any successor thereto) when any documentation previously delivered has expired or become obsolete or invalid or otherwise upon the reasonable request of the Borrower. Notwithstanding anything to the contrary in this Section 5.4(e)(iv), the Administrative Agent shall not be required to provide any documentation that the Administrative Agent is not legally eligible to deliver as a result of a Change in Law after the Closing Date.

(f) Treatment of Certain Refunds. If the Administrative Agent or any Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by any Credit Party or with respect to which any Credit Party has paid additional amounts pursuant to this Section 5.4, the Administrative Agent or such Lender (as applicable) shall promptly pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Credit Parties under this Section 5.4 with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses (including any Taxes) incurred by the Administrative Agent or such Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); *provided* that the Borrower, upon the request of the Administrative Agent or such Lender, shall repay the amount paid over to the Borrower (*plus* any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. In such event, the Administrative Agent or such Lender, as the case may be, shall, at the Borrower's request, provide the Borrower with a copy of any notice of assessment or other evidence of the requirement to repay such refund received from the relevant Governmental Authority (*provided* that the Administrative Agent or such Lender may delete any information therein that it deems confidential). Notwithstanding anything to the contrary in this Section 5.4(f), in no event will the Administrative Agent or any Lender be required to pay any amount to an indemnifying party pursuant to this Section 5.4(f) the payment of which would place the Administrative Agent or any Lender in a less favorable net after-Tax position than the Administrative Agent or any Lender 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 Section 5.4(f) shall not be construed to require the Administrative Agent or any Lender to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to any Credit Party or any other Person.

(g) For the avoidance of doubt, for purposes of this Section 5.4 (and associated definitions used herein, including the definition of "**Excluded Taxes**"), the term "applicable Requirements of Law" includes FATCA.

(h) Each party's obligations under this Section 5.4 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 the Credit Documents.

5.5 *Computations of Interest and Fees*.

(a) Except as provided in the next succeeding sentence, interest on Term SOFR Loans shall be payable in arrears and calculated on the basis of a 360-day year for the actual days elapsed. Interest on ABR Loans shall be payable in arrears and calculated on the basis of a 365- (or 366-, in the case of a leap year) day year for the actual days elapsed.

(b) Fees shall be payable in arrears and calculated on the basis of a 360-day year for the actual days elapsed.

5.6 *Limit on Rate of Interest*.

(a) No Payment Shall Exceed Lawful Rate. Notwithstanding any other term of this Agreement, the Borrower shall not be obliged to pay any interest or other amounts under or in connection with this Agreement or otherwise in respect of the Obligations in excess of the amount or rate permitted under or consistent with any applicable law, rule or regulation.

(b) Payment at Highest Lawful Rate. If the Borrower is not obliged to make a payment that it would otherwise be required to make, as a result of Section 5.6(a), the Borrower shall make such payment to the maximum extent permitted by or consistent with applicable laws, rules, and regulations.

(c) Adjustment if Any Payment Exceeds Lawful Rate. If any provision of this Agreement or any of the other Credit Documents would obligate the Borrower to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate that would be prohibited by any applicable law, rule or regulation, then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law (the "**Maximum Rate**"), such adjustment to be effected, to the extent necessary, by reducing the amount or rate of interest required to be paid by the Borrower to the affected Lender under Section 2.8; *provided* that to the extent lawful, the interest or other amounts that would have been payable but were not payable as a result of the operation of this Section shall be cumulated and the interest payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

Notwithstanding the foregoing, and after giving effect to all adjustments contemplated thereby, if any Lender shall have received from the Borrower an amount in excess of the maximum permitted by any applicable law, rule or regulation, then the Borrower shall be entitled, by notice in writing to the Administrative Agent, to obtain reimbursement from that Lender in an amount equal to such excess, and pending such reimbursement, such amount shall be deemed to be an amount payable by that Lender to the Borrower.

SECTION 6
Conditions Precedent to Initial Borrowing

6.1 *Conditions Precedent*. The initial Borrowing under this Agreement is subject to the satisfaction or waiver (by the Lead Arrangers, in their sole discretion) of the following conditions precedent:

(a) Credit Documents. The Administrative Agent (or its counsel) shall have received:

(i) this Agreement, executed and delivered by a duly Authorized Officer of Holdings and the Borrower;

(ii) the Guarantee, executed and delivered by a duly Authorized Officer of each Guarantor;

(iii) the Pledge Agreement, executed and delivered by a duly Authorized Officer of each Credit Party;

(iv) the Security Agreement, executed and delivered by a duly Authorized Officer of each Credit Party;

(v) any IP Security Agreements required to be delivered pursuant to the Security Documents, executed and delivered by a duly Authorized Officer of each applicable Credit Party; and

(vi) the ABL Intercreditor Agreement, executed and delivered by each of the parties party thereto.

(b) Collateral. Except for any items referred to on Schedule 9.14:

(i) The Collateral Agent (or its bailee) shall have received the certificates representing securities of the Borrower and each Credit Party's Wholly-Owned Restricted Subsidiaries to the extent required to be delivered and pledged under the Security Documents (to the extent certificated, accompanied by undated stock (or equivalent) powers endorsed in blank); and

(ii) All Uniform Commercial Code financing statements in the jurisdiction of organization of each Credit Party to be filed, registered or recorded to perfect the Liens intended to be created by any Security Document to the extent required by, and with the priority required by, such Security Document shall have been delivered to the Collateral Agent for filing, registration or recording;

provided that each of the requirements set forth in this clause (b) (except to the extent that a Lien on such Collateral may be perfected (x) by the filing of a financing statement under the Uniform Commercial Code or (y) by the delivery of certificates, if any, representing the Equity Interests of the Borrower and each Wholly-Owned Restricted Subsidiary of any Credit Party that is a Domestic Subsidiary and constitutes a Material Subsidiary that is part of the Collateral to the extent possession of such certificates perfects a security interest therein shall not constitute conditions precedent to the initial Borrowing on the Closing Date after the Borrower's use of commercially reasonable efforts to provide such items on or prior to the Closing Date or without undue burden or expense if the Borrower agrees to deliver, or cause to be delivered, such documents and instruments, or agrees to take or cause to be taken such other actions as may be required to perfect, subject to Section 9.11(b), such security interests within 90 days after the Closing Date (subject to extensions approved by the Administrative Agent in its reasonable discretion pursuant to Section 9.14(b)).

(c) Financial Information. The Lead Arrangers shall have received copies of the Historical Financial Statements.

(d) Patriot Act, Know Your Customer Regulation. The Administrative Agent shall have received (at least three Business Days prior to the Closing Date) all documentation and other information about each Credit Party as has been reasonably requested in writing at least ten (10) Business Days prior to the Closing Date by the Administrative Agent that is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and Beneficial Ownership Regulation.

(e) Representations and Warranties. The representations and warranties set forth in Section 8 shall be true and correct in all material respects as of the Closing Date (unless such representations and

warranties relate to an earlier date, in which case, such representations and warranties shall have been true and correct in all material respects as of such earlier date).

(f) Beneficial Ownership Certification. The Administrative Agent shall have received (at least three (3) Business Days prior to the Closing Date) a Beneficial Ownership Certification for the Borrower to the extent that it qualifies as a "legal entity customer" under the Beneficial Ownership Regulation.

(g) No Material Adverse Effect. Since December 31, 2024, there shall not have occurred and be continuing any Material Adverse Effect.

(h) Solvency Certificate. On the Closing Date, the Administrative Agent shall have received a certificate from the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer of the Borrower (or other officer of the Borrower with similar responsibilities) to the effect that after giving effect to the consummation of the Transactions, the Borrower, together with its Subsidiaries on a consolidated basis, is Solvent (or, at the sole option and discretion of the Borrower, a third party opinion as to the solvency of the Borrower and its Subsidiaries on a consolidated basis issued by a nationally recognized firm).

(i) Legal Opinions and Closing Date Certificate. The Administrative Agent (or its counsel) shall have received (x) an executed legal opinion, in customary form, from Ropes & Gray LLP, as counsel to the Credit Parties and (y) a certificate with respect to each Credit Party and signed by an Authorized Officer of each Credit Party, dated the Closing Date, with appropriate insertions and attaching (i) a copy of the resolutions of the applicable governing body of each Credit Party (or a duly authorized committee thereof) authorizing (a) the execution, delivery, and performance of the Credit Documents (and any agreements relating thereto) to which it is a party and (b) in the case of the Borrower, the extensions of credit contemplated hereunder to be made on the Closing Date, (ii) the applicable Organizational Documents of each Credit Party and, to the extent applicable in the jurisdiction of organization of such Credit Party, a certificate as to its good standing as of a recent date from an applicable Governmental Authority in such jurisdiction of organization and (iii) signature and incumbency certificates (or other comparable documents evidencing the same) of the Authorized Officers of each Credit Party executing the Credit Documents to which it is a party.

(j) Fees and Expenses. All fees required to be paid on the Closing Date pursuant to the Fee Letter and reasonable and documented out-of-pocket expenses required to be paid on the Closing Date pursuant to the Engagement Letter, in each case to the extent invoiced at least three (3) Business Days prior to the Closing Date, shall have been paid, or shall be paid substantially concurrently with, the initial Borrowings hereunder (which amounts may, at the Borrower's option, be offset against the proceeds of the Loans).

(k) Notice of Borrowing. The Administrative Agent (or its counsel) shall have received a Notice of Borrowing with respect to the Initial Term Loans to be made on the Closing Date meeting the requirements of Section 2.3.

(l) No Default or Event of Default. No Default or Event of Default shall have occurred and be continuing on the Closing Date immediately after giving effect to the Transactions.

For purposes of determining compliance with the conditions specified in this Section 6.1 on the Closing Date, each Lender that has funded a Loan under this Agreement on such date shall be deemed to

have consented to, approved or accepted or be satisfied with, each document or other matter required hereunder to be consented to or approved by or acceptable or satisfactory to a Lender.

SECTION 7
[RESERVED]

SECTION 8
Representations and Warranties

In order to induce the Lenders to enter into this Agreement, to make the Loans as provided for herein, the Borrower makes the following representations and warranties to the Lenders, all of which shall survive the execution and delivery of this Agreement and the making of the Loans (it being understood that the following representations and warranties shall be deemed made with respect to any Foreign Subsidiary only to the extent relevant under applicable law);

8.1 *Corporate Status*. Each Credit Party (a) is a duly organized and validly existing corporation, limited liability company or other entity in good standing (if applicable) under the laws of the jurisdiction of its organization and has the corporate, limited liability company or other organizational power and authority to own its property and assets and to transact the business in which it is engaged and (b) has duly qualified and is authorized to do business and is in good standing (if applicable) in all jurisdictions where it is required to be so qualified, except, in each case, where the failure to be so qualified, authorized and in good standing or to have such power and authority would not reasonably be expected to result in a Material Adverse Effect.

8.2 *Corporate Power and Authority*. Each Credit Party has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of the Credit Documents to which it is a party and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of the Credit Documents to which it is a party. Each Credit Party has duly executed and delivered each Credit Document to which it is a party and each such Credit Document constitutes the legal, valid, and binding obligation of such Credit Party enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and subject to general principles of equity (*provided* that, with respect to the creation and perfection of security interests with respect to Indebtedness, Capital Stock and Stock Equivalents of Foreign Subsidiaries (other than a Foreign Subsidiary that becomes a Guarantor pursuant to the definition of "Guarantor" and to the extent local law security documents are delivered pursuant to Section 9.11), if any, only to the extent the creation and perfection of such obligation is governed by the Uniform Commercial Code).

8.3 *No Violation*. Neither the execution, delivery or performance by any Credit Party of the Credit Documents to which it is a party nor compliance with the terms and provisions thereof will (a) contravene any applicable provision of any law, statute, rule, regulation, order, writ, injunction or decree of any court or governmental instrumentality, other than any such contravention that would not reasonably be expected to result in a Material Adverse Effect, (b) result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any Lien upon any of the property or assets of such Credit Party or any of the Restricted Subsidiaries (other than Liens created under the Credit Documents or Permitted Liens) pursuant to, the terms of any material Contractual Requirement in respect of Indebtedness for borrowed money of such Credit Party or any of the Restricted Subsidiaries, other than any such breach, default or Lien that would not reasonably be expected to result in a Material Adverse Effect or (c) violate any provision of the certificate of

incorporation, by-laws, articles or other Organizational Documents of such Credit Party, other than any such violation that would not reasonably be expected to result in a Material Adverse Effect.

8.4 *Litigation*. There are no actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened in writing against Holdings, the Borrower or any of the Restricted Subsidiaries that would reasonably be expected to result in a Material Adverse Effect.

8.5 *Margin Regulations*. Neither the making of any Loan hereunder nor the use of the proceeds thereof will violate the provisions of Regulation T, U or X of the Board.

8.6 *Governmental Approvals*. The execution, delivery and performance of each Credit Document by any Credit Party does not require any consent or approval of, registration or filing with, or other action by, any Governmental Authority, except for (i) such as have been obtained or made and are in full force and effect, (ii) filings, consents, approvals, registrations and recordings in respect of the Liens created pursuant to the Security Documents (and to release existing Liens), and (iii) such licenses, approvals, authorizations, registrations, filings, consents or other actions the failure of which to obtain or make would not reasonably be expected to result in a Material Adverse Effect.

8.7 *Investment Company Act*. No Credit Party is required to be registered as an "investment company" under the Investment Company Act of 1940.

8.8 *True and Complete Disclosure*.

As of the Closing Date, none of the written factual information and written data (taken as a whole) concerning Holdings, the Borrower and the Restricted Subsidiaries and their respective businesses heretofore or contemporaneously furnished by or on behalf of Holdings, the Borrower or any of the Restricted Subsidiaries or any of their respective authorized representatives, to the Administrative Agent, the Lead Arrangers, and/or any Lender on or before the Closing Date for purposes of or in connection with this Agreement or any transaction contemplated herein contained any untrue statement of any material fact or omitted to state any material fact necessary to make such information and data (taken as a whole) not materially misleading at such time in light of the circumstances under which such information or data was furnished (after giving effect to all supplements and updates from time to time), it being understood and agreed that for purposes of this Section 8.8, such factual information and data shall not include *pro forma* financial information, projections, estimates (including financial estimates, forecasts, and other forward-looking information) or other forward looking information or information of a general economic or general industry nature.

8.9 *Financial Condition; Financial Statements*.

(a) To the knowledge of the Borrower, the Historical Financial Statements present fairly, in all material respects, the consolidated financial position of the Borrower and its Subsidiaries, in each case, at the respective dates thereof and their consolidated results of operations and cash flows for the respective periods covered thereby in accordance with GAAP in all material respects, except as otherwise expressly noted therein or in the notes thereto (subject, in the case of any unaudited Historical Financial Statements, to changes resulting from normal year-end adjustments and the absence of footnotes).

(b) There has been no Material Adverse Effect since December 29, 2024.

Each Lender and the Administrative Agent hereby acknowledges and agrees that the Borrower and its Subsidiaries may be required to restate historical financial statements as the result of the

implementation of changes in GAAP or IFRS, or the respective interpretation thereof, and that such restatements will not result in a Default or an Event of Default under the Credit Documents.

8.10 *Compliance with Laws*. Each Credit Party is in compliance with all Requirements of Law applicable to it or its property, except where the failure to be so in compliance would not reasonably be expected to result in a Material Adverse Effect.

8.11 *Tax Matters*. Except as would not reasonably be expected to have a Material Adverse Effect, Holdings, the Borrower and each of the Restricted Subsidiaries has filed all Tax returns required to be filed by it and has timely paid all income and other material Taxes payable by it (whether or not shown on a Tax return and including in its capacity as withholding agent) that have become due, other than those being contested in good faith and by proper actions if it has maintained adequate reserves (in the good faith judgment of management of Holdings, the Borrower or such Restricted Subsidiary, as applicable) with respect thereto to the extent required by GAAP. As of the Closing Date, neither Holdings, the Borrower nor any Restricted Subsidiary has received written notice of, or has any current or proposed Tax assessment, deficiency or other claim in process, that would reasonably be expected to result in a Material Adverse Effect.

8.12 *Compliance with ERISA*.

(a) Except as would not reasonably be expected to have a Material Adverse Effect, no ERISA Event has occurred or is reasonably expected to occur.

(b) Except as would not reasonably be expected to have a Material Adverse Effect, no Foreign Plan Event has occurred or is reasonably expected to occur.

8.13 *Subsidiaries*. Schedule 8.13 lists each Subsidiary of the Borrower, in each case, existing on the Closing Date, after giving effect to the Transactions.

8.14 *Intellectual Property*. Each of the Borrower and the Restricted Subsidiaries owns or has the right to use all Intellectual Property that is used in or otherwise necessary for the operation of their respective businesses as currently conducted, except where the failure of the foregoing would not reasonably be expected to have a Material Adverse Effect. The operation of their respective businesses by the Borrower and the Restricted Subsidiaries does not infringe upon, misappropriate or otherwise violate the Intellectual Property of any third party, except, in each case, as would not reasonably be expected to have a Material Adverse Effect.

8.15 *Environmental Laws*.

(a) Except as set forth on Schedule 8.15, or as would not reasonably be expected to have a Material Adverse Effect: (i) each of the Borrower and the Restricted Subsidiaries and their respective operations and properties are in compliance with all applicable Environmental Laws; (ii) none of the Borrower or any Restricted Subsidiary has received written notice of any Environmental Claim; (iii) none of the Borrower or any Restricted Subsidiary is conducting any investigation, removal, remedial or other corrective action pursuant to any Environmental Law at any location; and (iv) to the knowledge of the Borrower, no underground or above ground storage tank or related piping, or any impoundment or other disposal area containing Hazardous Materials is located at, on or under any Real Estate currently owned or leased by the Borrower or any of the Restricted Subsidiaries.

(b) Except as set forth on Schedule 8.15, none of the Borrower or any of the Restricted Subsidiaries has treated, stored, transported, released or arranged for disposal or transport for disposal or treatment of Hazardous Materials at, on, under or from any currently or formerly owned or operated property nor has there been any other Release of Hazardous Materials at, on, under or from any such properties, in each case, in a manner that would reasonably be expected to have a Material Adverse Effect.

8.16 *Properties*. Each of the Borrower and the Restricted Subsidiaries has good and valid record title to, valid leasehold interests in, or rights to use, all properties that are necessary for the ordinary operation of their respective businesses as currently conducted, free and clear of all Liens (other than any Liens permitted by this Agreement) except where the failure to have such title, interest or rights would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

8.17 *Solvency*. On the Closing Date, after giving effect to the Transactions (including the incurrence of the Loans and the Borrowing of any ABL Loans on the Closing Date), the Borrower, on a consolidated basis with its Subsidiaries, will be Solvent.

8.18 *Patriot Act; Anti-Corruption Laws; Anti-Terrorism Laws*.

No proceeds of the Loans will be used by the Borrower and its Subsidiaries (a) in violation of United States Foreign Corrupt Practices Act of 1977, (b) in violation of the Patriot Act or (c) for the purpose of financing the activities of any person that, at the time of the financing, is the target of any US sanctions administered by the Office of Foreign Assets Control of the US Treasury Department ("**OFAC**") in violation of applicable sanctions.

8.19 *Security Interest in Collateral*. Subject to the terms of the proviso contained in Section 6.1(b) and the applicable limitations, thresholds and exceptions with respect to Collateral in the Credit Documents, the provisions of this Agreement and the other Credit Documents (taken as a whole) create legal and valid Liens on all of the Collateral in favor of the Collateral Agent, for the benefit of itself and the other Secured Parties; *provided* that, with respect to the creation and perfection of security interests with respect to Indebtedness, Capital Stock and Stock Equivalents of Foreign Subsidiaries (other than a Foreign Subsidiary that becomes a Guarantor pursuant to the Excluded Subsidiary Joinder Exception and to the extent local law security documents are delivered pursuant to Section 9.11), if any, only to the extent the creation and perfection of such obligation is governed by the Uniform Commercial Code, and upon the making of such filings and taking of such other actions required to be taken hereby or by the applicable Credit Documents (including the filing of appropriate Uniform Commercial Code financing statements with the office of the Secretary of State of the state of organization of each Credit Party and the filing of appropriate notices with the US Patent and Trademark Office and the US Copyright Office in each case in favor of the Collateral Agent for the benefit of the Secured Parties and the delivery to the Collateral Agent of any stock or equivalent certificates or promissory notes required to be delivered pursuant to the applicable Credit Documents), such Liens constitute perfected Liens on the Collateral of the type required by the Security Documents securing the Obligations to the extent such Liens may be perfected by such filings and the taking of such other actions.

8.20 *Anti-Terrorism Laws; Anti-Corruption Laws*.

(a) To the extent applicable, each of Holdings, the Borrower and each Restricted Subsidiary is in compliance, in all material respects, with (i) the Trading with the Enemy Act and each of the foreign assets control regulations of the United States Treasury Department (31 CFR Subtitle B, Chapter V) and

any other enabling legislation or executive order relating thereto, (ii) the United States Foreign Corrupt Practices Act of 1977 and (iii) the Patriot Act.

(b) No part of the proceeds of the Loans will be used by the Borrower or any of the Restricted Subsidiaries, directly or, to the knowledge of the Borrower, indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office or anyone else acting in an official capacity, in order to obtain, retain or direct business, or to obtain any improper advantage, in violation in any applicable material respect of the United States Foreign Corrupt Practices Act of 1977.

(c) None of Holdings, the Borrower or any Restricted Subsidiary nor, to the knowledge of the Borrower, any director, officer or employee of the Borrower or any Restricted Subsidiary (i) is a Person on the list of "*Specially Designated Nationals and Blocked Persons*" administered by OFAC or (ii) is currently the target of any US sanctions administered by OFAC or the US Department of State.

8.21 *Use of Proceeds*. The proceeds of the Initial Term Loans will be used in accordance with Section 9.13. The proceeds of any New Term Loans may be used for any purpose agreed to by the lenders thereof and otherwise not prohibited by this Agreement.

SECTION 9

Affirmative Covenants

The Borrower hereby covenants and agrees that on the Closing Date and thereafter, until (x) the Commitments have been terminated and (y) the Loans, together with interest, Fees and all other Obligations incurred hereunder (other than contingent obligations, Secured Hedge Obligations, Secured Bank Product Obligations and Secured Cash Management Obligations), are paid in full:

9.1 *Information Covenants*. The Borrower will furnish to the Administrative Agent (which shall promptly make such information available to the Lenders in accordance with its customary practice):

(a) Annual Financial Statements. On or before the date that is 120 days after the end of each fiscal year of the Borrower ending after the Closing Date, the consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of operations and cash flows for such fiscal year, setting forth, commencing with the financial statements delivered for the fiscal year ending on or about December 28, 2025, comparative consolidated figures for the preceding fiscal year (to the extent such comparative presentation is permitted under GAAP), all in reasonable detail and prepared in accordance with GAAP in all material respects, and, in each case, certified by independent certified public accountants of recognized national standing or such other independent certified public accountants approved by the Administrative Agent in its reasonable judgment whose opinion shall not contain a going concern qualification or exception (except to the extent such qualification or exception is solely a result of (w) the impending maturity of any Credit Facility or any other Indebtedness of the Borrower or any Subsidiary of the Borrower, (x) a prospective or actual Default, Event of Default or other default or event of default resulting from a breach of the ABL Financial Covenant under the ABL Credit Agreement or any other financial maintenance covenant in any agreement governing Indebtedness of the Borrower or any Subsidiary of the Borrower, (y) the activities, operations, financial results, assets or liabilities of Unrestricted Subsidiaries); *provided* that if at the end of any applicable fiscal year there are any Unrestricted Subsidiaries or (z) changes in accounting principles or practices reflecting changes in accounting standards and required or approved by the Borrower's (or its direct and indirect parent company's) independent certified public accounting firm

(but, for the avoidance of doubt, may contain emphasis of matter, explanatory paragraph or like statement), the Borrower shall also furnish a reasonably detailed presentation, either on the face of the annual financial statements delivered pursuant to this clause (a) or in the footnotes thereto, of the financial condition and results of operations of the Borrower and the Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Borrower.

(b) Quarterly Financial Statements. Commencing with the fiscal quarter ending on or about September 28, 2025, on or before the date that is 60 days after the end of each of the first three fiscal quarters in each fiscal year of the Borrower, (i) the consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such quarterly period, (ii) the related consolidated statements of operations for such quarterly accounting period and for the elapsed portion of the fiscal year ended with the last day of such quarterly period and (iii) the related consolidated statement of cash flows for the elapsed portion of the fiscal year ended with the last day of such quarterly period, and setting forth, in the case of such financial statements delivered for the fiscal quarter ending on or about September 28, 2025, comparative consolidated figures for the corresponding periods in the prior fiscal year (to the extent such comparative presentation is permitted under GAAP) or, in the case of such consolidated balance sheet, for the last day of the corresponding period in the prior fiscal year, all of which shall be certified by an Authorized Officer of the Borrower as fairly presenting in all material respects the financial condition, results of operations and cash flows of the Borrower and its Subsidiaries in accordance with GAAP in all material respects (except as noted therein), subject to changes resulting from normal year-end adjustments and the absence of footnotes.

(c) Budgets. Prior to a Qualifying IPO, together with the delivery of the audit required under Section 9.1(a) (beginning with the budget for the fiscal year ending on or about January 3, 2027), a budget of the Borrower and the Restricted Subsidiaries in reasonable detail on a quarterly basis for such fiscal year prepared by management of the Borrower, setting forth the principal assumptions upon which such budget is based (collectively, the "**Projections**"), which Projections shall in each case be accompanied by a certificate of an Authorized Officer of the Borrower stating that such Projections have been prepared based on good faith estimates and assumptions believed by management of the Borrower to be reasonable at the time of preparation and delivery of such Projections, it being understood and agreed that such Projections and assumptions as to future events are not to be viewed as facts or a guarantee of performance, are subject to significant uncertainties and contingencies, many of which are beyond the control of the Borrower and its Subsidiaries, that no assurance can be given that any particular Projections will be realized and that actual results during the period or periods covered by any such Projections may differ from the projected results and such differences may be material.

(d) Officer's Certificates. Not later than five (5) Business Days after the delivery of the financial statements provided for in Sections 9.1(a) and (b), a certificate of an Authorized Officer of the Borrower to the effect that no Event of Default exists or, if any Event of Default does exist, specifying the nature and extent thereof, as the case may be, which certificate shall set forth a specification of any change in the identity of the Unrestricted Subsidiaries as at the end of such fiscal year or period, as the case may be, from the Unrestricted Subsidiaries, respectively, identified to the Administrative Agent on the Closing Date, the date of the most recent certificate delivered pursuant to this clause (d) or the most recent disclosure of any such information to the Administrative Agent, as the case may be. At the time of the delivery of the financial statements provided for in Section 9.1(a), a certificate of an Authorized Officer of the Borrower setting forth changes to the legal name, jurisdiction of formation, type of entity and organizational number (or equivalent) (to the extent such Person is organized in a jurisdiction where an organizational identification number is required to be included in a Uniform Commercial Code financing statement (or equivalent document)), in each case for each Credit Party or confirming that there

has been no change in such information since the Closing Date, the date of the most recent certificate delivered pursuant to this clause (d) or the most recent disclosure of any such information to the Administrative Agent, as the case may be. Not later than fifteen (15) Business Days after the date on which financial statements are required to be delivered pursuant to Section 9.1(a) for any fiscal year, commencing with the fiscal year ending on or about January 3, 2027, a certificate of an Authorized Officer of the Borrower setting forth the ECF Payment Amount for the most recently completed Excess Cash Flow Period.

(e) Notice of Default, Event of Default, Litigation or ERISA Event. Promptly after an Authorized Officer of the Borrower or any Restricted Subsidiary obtains knowledge thereof, notice of (i) the occurrence and continuance of any event that constitutes a Default or Event of Default, which notice shall specify the nature thereof and what action the Borrower proposes to take with respect thereto, (ii) any litigation or governmental proceeding pending against the Borrower or any of the Restricted Subsidiaries that would reasonably be expected to result in a Material Adverse Effect and (iii) the occurrence of any ERISA Event or Foreign Plan Event that would reasonably be expected to result in a Material Adverse Effect.

(f) Other Information. Promptly upon filing thereof, copies of any filings (including on Form 10-K, 10-Q or 8-K) or effective registration statements with, and reports to, the SEC or any analogous Governmental Authority in any relevant jurisdiction by the Borrower or any of the Restricted Subsidiaries (other than amendments to any registration statement (to the extent such registration statement, in the form it becomes effective, is delivered to the Administrative Agent), exhibits to any registration statement and, if applicable, any registration statements on Form S-8) and copies of all financial statements, notices of default, and reports that the Borrower or any of the Restricted Subsidiaries shall send or otherwise make available to the holders of any publicly issued debt (which shall include securities issued pursuant to a Rule 144A offering (including to holders of Permitted Debt Exchange Notes)) in excess of the Threshold Amount of the Borrower or any of the Restricted Subsidiaries, in their capacity as such holders (in each case to the extent not theretofore delivered to the Administrative Agent pursuant to this Agreement) and, with reasonable promptness, such other information (financial or otherwise) as the Administrative Agent on its own behalf or on behalf of any Lender (acting through the Administrative Agent) may reasonably request in writing from time to time; *provided* that none of the Borrower nor any Restricted Subsidiary will be required to disclose or permit the inspection or discussion of, any document, information or other matter (unless such information is otherwise in such filing or other information sent or made available to the holders of any publicly issued debt in their capacity as such holders) (i) that constitutes non-registered Intellectual Property, non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective contractors) is prohibited by law or any binding agreement (or would otherwise cause a breach or default thereunder) or (iii) that is subject to attorney-client or similar privilege or constitutes attorney work product.

Notwithstanding the foregoing, the obligations in clauses (a) and (b) of this Section 9.1 may be satisfied with respect to financial information of the Borrower and the Restricted Subsidiaries by furnishing (A) the applicable financial statements of the Borrower or any other direct or indirect parent of the Borrower or (B) the Form 10-K, 10-Q or 8-K, as applicable, of the Borrower or any other direct or indirect parent of the Borrower, as applicable, filed with the SEC; *provided* that, with respect to each of the immediately preceding clauses (A) and (B) of this paragraph, to the extent such information relates to a direct or indirect parent of the Borrower, such information is accompanied by unaudited consolidating or other information that explains in reasonable detail the differences between the information relating to

such parent, on the one hand, and the information relating to the Borrower and the Restricted Subsidiaries on a standalone basis, on the other hand.

Documents required to be delivered pursuant to clauses (a), (b) and (f) of this Section 9.1 may be delivered electronically and if so delivered, shall be deemed to have been delivered on the earliest date on which (i) the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet, (ii) such documents are posted on the Borrower's behalf on IntraLinks/IntraAgency or another website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent), or (iii) such financial statements and/or other documents are posted on the SEC's website on the internet at www.sec.gov; *provided* that, (A) the Borrower shall, at the request of the Administrative Agent, continue to deliver copies (which delivery may be by electronic transmission) of such documents to the Administrative Agent and (B) the Borrower shall notify (which notification may be by facsimile or electronic transmission) the Administrative Agent of the posting of any such documents on any website described in this paragraph. Each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such documents from the Administrative Agent and maintaining its copies of such documents.

9.2 *Books, Records, and Inspections*.

(a) The Borrower will, and will cause each Restricted Subsidiary to, permit officers and designated representatives of the Administrative Agent to visit and inspect any of the properties or assets of the Borrower and any such Restricted Subsidiary in whomsoever's possession to the extent that it is within such party's control to permit such inspection (and shall use commercially reasonable efforts to cause such inspection to be permitted to the extent that it is not within such party's control to permit such inspection), and to examine the books and records of the Borrower and any such Restricted Subsidiary and discuss the affairs, finances and accounts of the Borrower and any such Restricted Subsidiary with, and be advised as to the same by, its and their officers and independent accountants, all at such reasonable times and intervals, and reasonable advance notice, and to such reasonable extent as the Administrative Agent may request (and subject, in the case of any such meetings or advice from such independent accountants, to (I) such accountants' customary policies and procedures and (II) representatives of the Borrower having a reasonable opportunity to attend); *provided* that, excluding any such visits and inspections during the continuation of an Event of Default, (1) only the Administrative Agent on behalf of the Required Lenders may exercise rights of the Administrative Agent and the Lenders under this Section 9.2, (2) the Administrative Agent shall not exercise such rights more than one time in any calendar year, which such visit will be at the Borrower's reasonable expense, and (3) notwithstanding anything to the contrary in this Section 9.2, none of the Borrower or any of the Restricted Subsidiaries will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (x) constitutes non-registered Intellectual Property, non-financial trade secrets or non-financial proprietary information, (y) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by law or any binding agreement (or would otherwise cause a breach or default thereunder) or (z) is subject to attorney-client or similar privilege or constitutes attorney work product; *provided further* that when an Event of Default exists, the Administrative Agent (or any of its respective representatives or independent contractors) may do any of the foregoing at the reasonable expense of the Borrower at any time during normal business hours and upon reasonable advance notice. The Administrative Agent shall give the Borrower and its advisors the opportunity to participate in any discussions with the Borrower's independent accountants.

(b) The Borrower will, and will cause each Restricted Subsidiary to, maintain proper books of record and account, in which entries that are full, true and correct in all material respects and are in conformity, in all material respects, with GAAP shall be made of all material financial transactions and matters involving the assets of the business of the Borrower or such Restricted Subsidiary, as the case may be (it being understood and agreed that any Restricted Subsidiary may maintain its individual books and records in conformity with local standards or customs and that such maintenance shall not constitute a breach of the representations, warranties or covenants hereunder).

9.3 *Maintenance of Insurance*. The Borrower will, and will cause each Restricted Subsidiary that constitutes a Material Subsidiary to, at all times maintain in full force and effect, pursuant to self-insurance arrangements or with insurance companies that the Borrower believes (in the good faith judgment of the management of the Borrower) are financially sound and responsible at the time the relevant coverage is placed or renewed, insurance in at least such amounts (after giving effect to any self-insurance which the Borrower believes (in the good faith judgment of management of the Borrower) is reasonable and prudent in light of the size, location and nature of its business and the availability of insurance on a cost-effective basis) and against at least such risks (and with such risk retentions) as the Borrower believes (in the good faith judgment of management of the Borrower) is reasonable and prudent in light of the size, location and nature of its business and the availability of insurance on a cost-effective basis; and will furnish to the Administrative Agent, promptly following written request from the Administrative Agent, information presented in reasonable detail as to the insurance so carried (*provided* that, for so long as no Event of Default has occurred and is continuing, the Administrative Agent shall be entitled to make such request only once in any calendar year). Subject to the ABL Intercreditor Agreement, the Borrower shall use commercially reasonable efforts to provide that each such policy of insurance with respect to any Credit Party shall (i) in the case of each general liability and umbrella liability insurance policy, name the Collateral Agent, on behalf of the Secured Parties, as an additional insured thereunder as its interests may appear and (ii) in the case of each casualty insurance policy, contain a loss payable clause or endorsement that names the Collateral Agent, on behalf of the Secured Parties, as a lenders' loss payee thereunder; *provided* that notwithstanding any provision hereof to the contrary, compliance with this Section 9.3 by the Borrower and its Subsidiaries shall not be required until the date that is at least 90 days after the Closing Date (as such deadline may be extended by the Administrative Agent).

9.4 *Payment of Taxes*. The Borrower will pay and discharge, and will cause each of the Restricted Subsidiaries to pay and discharge, all Taxes imposed upon it or upon its income or profits, or upon any properties belonging to it, prior to the date on which penalties attach thereto, and all lawful claims in respect of any Taxes imposed, assessed or levied that, if unpaid, would reasonably be expected to become a material Lien upon any properties of the Borrower or any of the Restricted Subsidiaries; *provided* that neither the Borrower nor any of the Restricted Subsidiaries shall be required to pay or discharge any such Tax (x) that is being contested in good faith and by proper actions if it has maintained adequate reserves (in the good faith judgment of management of the Borrower) with respect thereto to the extent required by GAAP or (y) if the failure to pay or discharge such tax would not reasonably be expected to result in a Material Adverse Effect.

9.5 *Preservation of Existence; Consolidated Corporate Franchises*. The Borrower will, and will cause each Material Subsidiary to, take all actions necessary (a) to preserve and keep in full force and effect its existence, organizational rights and authority and (b) to maintain its rights, privileges (including its good standing (if applicable)), permits, licenses and franchises necessary in the normal conduct of its business, in each case, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect; *provided* that the Borrower and its Subsidiaries may consummate any

transaction otherwise permitted hereunder, including pursuant to Permitted Investments, transactions permitted by the definition of "Asset Sale" and Sections 9.10 or 10.

9.6 *Compliance with Statutes, Regulations, Etc.* The Borrower will, and will cause each Restricted Subsidiary to, comply with all laws, rules, regulations and orders of any Governmental Authority (including all Environmental Laws) applicable to it or its property (owned or leased), except where the failure to do so would not reasonably be expected to have a Material Adverse Effect; *provided* that this Section 9.6 shall not apply to laws related to Taxes.

9.7 *Unrestricted Subsidiaries*. The Borrower will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the definition of "Unrestricted Subsidiary." For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by the Borrower and the Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be an Investment in an amount determined as set forth in the penultimate sentence of the definition of "Investment." Such designation will be permitted only if an Investment in an Unrestricted Subsidiary in such amount would be permitted at such time, whether pursuant to Section 10.5(a), under an applicable Basket under Section 10.5(b), pursuant to the definition of "Permitted Investments" or otherwise, and if such Subsidiary otherwise meets the definition of an "Unrestricted Subsidiary." Unrestricted Subsidiaries will not be subject to any of the restrictive covenants set forth in this Agreement.

9.8 *Maintenance of Tangible Properties*. The Borrower will, and will cause each of the Restricted Subsidiaries to, keep and maintain all tangible property material to the conduct of its business in good working order and condition, ordinary wear and tear, casualty, and condemnation excepted, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect; *provided* that the Borrower and its Subsidiaries may consummate any transaction otherwise permitted hereunder, including pursuant to Permitted Investments, transactions permitted by the definition of "Asset Sale" and Sections 9.10 or 10.

9.9 *Changes to Fiscal Year*. The Borrower will not change its fiscal year to end on a date inconsistent with past practice; *provided* that the Borrower may, upon written notice from the Borrower to the Administrative Agent, change the fiscal year and/or financial reporting convention specified above in this Section 9.9 to any other fiscal year and/or financial reporting convention, in which case the Borrower and the Administrative Agent will, and are hereby authorized by the Lenders to, make any adjustments to this Agreement that are necessary in order to reflect such change in financial reporting.

9.10 *Affiliate Transactions*. The Borrower will not conduct, and will not permit the Restricted Subsidiaries to conduct, any transactions (or series of related transactions) with an aggregate value in excess of the greater of (x) $36,000,000 and (y) 15% of the LTM Consolidated EBITDA with any of the Borrower's Affiliates (other than Holdings, the Borrower and the Restricted Subsidiaries or any entity that becomes a Restricted Subsidiary as a result of such transaction), unless such transaction is on terms (taken as a whole) that are not materially less favorable to the Borrower or such Restricted Subsidiary than those that would have been obtained in a comparable arm's-length transaction at such time (as determined in good faith by the Borrower) with a Person that is not an Affiliate; *provided* that the foregoing restrictions shall not apply to:

(a) (i) the payment of management, monitoring, consulting, oversight, advisory and other fees (including transaction, guaranty and termination fees) pursuant to any Sponsor Management Agreement (*plus* any unpaid management, monitoring, consulting, oversight advisory and other fees

(including transaction, guaranty and termination fees) accrued in any prior year); *provided* that the annual management fee payable under this clause (a)(i) shall accrue but may not be paid during the continuance of a Specified Event of Default and may be paid upon cure, waiver or cessation of such Specified Event of Default, (ii) customary payments by the Borrower or any of the Restricted Subsidiaries to any Permitted Holder made for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities (including in connection with acquisitions or divestitures) and (iii) indemnification and reimbursement of expenses either (x) pursuant to any Sponsor Management Agreement or (y) pursuant to arrangements approved by, the board of directors (or similar body) of the Borrower (or any direct or indirect parent thereof) (*plus*, in each case under this clause (a)(iii), any unpaid indemnities and expenses accrued in any prior year),

(b) (i) Restricted Payments permitted by Section 10.5, (ii) Investments permitted by the definition of "Permitted Investments" (other than clause (x) of the definition thereof), (iii) dispositions described in the definition of "Asset Sale" and (iv) other transactions not prohibited under Sections 10.1 through 10.8 (other than solely by reference to this Section 9.10),

(c) the consummation of the Transactions and the payment of fees and expenses (including the Transaction Expenses) related to the Transactions,

(d) the issuance and transfer of Qualified Stock or Stock Equivalents of the Borrower (or any direct or indirect parent thereof) or any of its Subsidiaries not otherwise prohibited by the Credit Documents,

(e) loans, advances and other transactions between or among the Borrower, any Restricted Subsidiary or any joint venture (regardless of the form of legal entity) in which the Borrower or any Restricted Subsidiary has invested (and which Restricted Subsidiary or joint venture would not be an Affiliate of the Borrower but for the Borrower's or a Restricted Subsidiary of the Borrower's ownership of Capital Stock or Stock Equivalents in such joint venture or Restricted Subsidiary) to the extent permitted under Section 10,

(f) (i) employment, consulting and severance arrangements between the Borrower and the Restricted Subsidiaries (or any direct or indirect parent of the Borrower) and their respective officers, employees, directors or consultants in the ordinary course of business (including loans and advances in connection therewith) and (ii) issuances of securities, other payments, awards, or grants in cash, securities or otherwise and other transactions pursuant to any management equityholder, employee or director equity plan or stock or other equity option plan or any other management or employee benefit plan or agreement, other compensatory arrangement or any other stock or other equity subscription, co-invest or equityholder agreement,

(g) payments by the Borrower (and any direct or indirect parent thereof) and any Subsidiaries thereof pursuant to tax sharing agreements among the Borrower (and any such parent thereof) and such Subsidiaries on customary terms to the extent attributable to the ownership or operations of the Borrower and the Restricted Subsidiaries; *provided* that in each case the amount of such payments with respect to any taxable year does not exceed the amount permitted to be paid under Section 10.5(b)(15)(B),

(h) the payment of customary fees and reasonable out of pocket costs to, and indemnities provided on behalf of, directors, managers, consultants, officers and employees of the Borrower (or any direct or indirect parent thereof) and the other Subsidiaries,

(i) transactions undertaken pursuant to membership in a purchasing consortium,

(j) transactions in which the Borrower or any Restricted Subsidiary, as the case may be, delivers to the Administrative Agent a letter from an Independent Financial Advisor stating that such transaction is fair to the Borrower or such Restricted Subsidiary from a financial point of view or meets the requirements of Section 9.10,

(k) the existence and performance of agreements and transactions with any Unrestricted Subsidiary that were entered into prior to the designation of a Restricted Subsidiary as such Unrestricted Subsidiary to the extent that the transaction was permitted at the time that it was entered into with such Restricted Subsidiary and transactions entered into by an Unrestricted Subsidiary with an Affiliate prior to the redesignation of any such Unrestricted Subsidiary as a Restricted Subsidiary; *provided* that such transaction was not entered into in contemplation of such designation or redesignation, as applicable,

(l) Affiliate repurchases or buybacks of (i) the Loans or Commitments to the extent permitted hereunder or any other First Lien Obligations, (ii) any Junior Lien Obligation or (iii) other Indebtedness of the Borrower and its Subsidiaries, and (to the extent not otherwise prohibited hereunder), in the case of each of the foregoing, the payments and other transactions reasonably related thereto,

(m) (i) investments by Permitted Holders in securities or indebtedness of the Borrower or any Restricted Subsidiary (and payment of reasonable out-of-pocket expenses incurred by such Permitted Holders in connection therewith) so long as the investment is being offered by the Borrower or such Restricted Subsidiary generally to other investors on the same or more favorable terms, and (ii) payments to Permitted Holders in respect of securities or indebtedness of the Borrower or any Restricted Subsidiary contemplated in the foregoing clause (i) or that were acquired from Persons other than the Restricted Subsidiaries, in each case, in accordance with the terms of such securities or indebtedness,

(n) transactions pursuant to any arrangement or agreement as in effect on the Closing Date, and to the extent in excess of $20,000,000 set forth on Schedule 9.10,

(o) any customary transactions with a Receivables Subsidiary effected as part of a Receivables Facility and any customary transactions with a Securitization Subsidiary effected as part of a Qualified Securitization Financing,

(p) transactions constituting any part of a Permitted Reorganization or a Permitted IPO Reorganization,

(q) the payment of reasonable out-of-pocket costs and expenses relating to registration rights and indemnities provided to shareholders of the Borrower or any direct or indirect parent thereof pursuant to the equityholders agreement, limited liability company agreement, registration rights agreement, or similar agreement entered into on or after the Closing Date,

(r) Intercompany License Agreements,

(s) payments to or from, and transactions with, joint ventures (to the extent any such joint venture is only an Affiliate as a result of Investments by the Borrower and the Restricted Subsidiaries in such joint venture) in the ordinary course of business, and

(t) with respect to any of the foregoing transactions permitted pursuant to this Section 9.10, any amendment, extension, renewal, modification or replacement of any such arrangement or agreement (so long as any such amendment, extension, renewal, modification or replacement is not materially adverse to the Lenders in the good faith judgment of the Borrower when taken as a whole).

9.11 *Additional Guarantors and Grantors*.

(a) In each case subject to any applicable limitations set forth in the Credit Documents, the Borrower shall cause each (x) direct or indirect Wholly-Owned Restricted Subsidiary that is a Domestic Subsidiary (other than, in each case, any Excluded Subsidiary) of the Borrower formed or otherwise purchased or acquired after the Closing Date (including pursuant to a Permitted Acquisition), (y) other Restricted Subsidiary that is a Domestic Subsidiary of the Borrower (other than the Borrower) which would otherwise be required to provide a Guarantee but for its classification as an Excluded Subsidiary that ceases to constitute an Excluded Subsidiary (including as a result of a designation pursuant to the definition of "Guarantor") and (z) any other Subsidiary of the Borrower that is designated as an Additional Borrower or a Guarantor in accordance with the applicable provisions of this Agreement, within ninety (90) days from the date of the applicable formation, acquisition or cessation (which (I) in the case of any Excluded Subsidiary that ceases to constitute an Excluded Subsidiary (other than as a result of any designation described under clause (z) above), shall commence on the date of delivery of the certificate required by Section 9.1(d) and (II) with respect to any Subsidiary designated as an Additional Borrower or Guarantor as described in clause (z) above, shall commence at the time of such designation), as applicable (or such later date as the Administrative Agent may determine in its reasonable discretion), and the Borrower, in accordance with the applicable provision of the Credit Documents, may at its option cause any Subsidiary of the Borrower to, execute a supplement to each of the Guarantee, the Pledge Agreement and the Security Agreement in order to become a Guarantor under the Guarantee and a grantor under such Security Documents, respectively, or, to the extent reasonably requested by the Collateral Agent, enter into an appropriate new guarantee and appropriate new Security Documents substantially consistent with the analogous existing Guarantee and Security Documents or otherwise in form and substance reasonably satisfactory to Borrower and Collateral Agent (it being understood and agreed that (x) no such guarantee shall be required to be governed by the laws of any non-US jurisdiction and (y) the scope of collateral provided by any Foreign Subsidiary shall be consistent with the prevailing market practice in such jurisdiction, as reasonably determined by the Borrower and the Administrative Agent) and take all other action reasonably requested by the Collateral Agent to grant a perfected (with respect to Collateral consisting of Intellectual Property, if and to the extent required under the Security Agreement or any other applicable Security Document) security interest in its assets constituting Collateral to substantially the same extent as created by the Credit Parties (other than with respect to any Foreign Subsidiary) and only if and to the extent required under, and in accordance with, the Security Documents.

(b) Notwithstanding anything to the contrary herein or in any other Credit Document to the contrary, it is understood and agreed that:

(i) subject to the Excluded Subsidiary Joinder Exception, no Credit Party or any Subsidiary (other than any Foreign Subsidiary that becomes an Additional Borrower pursuant to Section 2.17) shall be required to take any action outside the United States to grant, maintain or perfect (including with respect to any Intellectual Property registered outside the United States) any security interest in the Collateral (including the execution of any agreement, document or other instrument governed by the law of any jurisdiction other than the United States, any State thereof or the District of Columbia);

(ii) there shall be no Guarantees governed under the laws of any non-US jurisdiction and the Guarantees will be limited, where appropriate or necessary pursuant to the laws of the jurisdiction of incorporation or organization of the relevant Guarantors, as to their scope and the amount that can be recovered from such Guarantors;

(iii) no environmental reports shall be required to be delivered hereunder or under any other Credit Document;

(iv) other than to the extent required pursuant to the ABL Credit Agreement, no control agreements or perfection by "control" with respect to any Collateral shall be required (including control agreements related to deposit accounts, securities accounts, commodities accounts or pledges of uncertificated securities) (for the avoidance of doubt, other than the delivery of possessory Collateral required pursuant to the Security Documents);

(v) no landlord waivers, collateral access agreements, bailee waivers or other similar agreements with respect to the Collateral shall be required hereunder or under any other Credit Document;

(vi) no notice to obtain the consent of any Governmental Authority under the Federal Assignment of Claims Act (or any state equivalent thereof) shall be required; and

(vii) there shall be no requirement to enter into any source code escrow arrangement (or any obligation to register Intellectual Property).

9.12 *Pledge of Additional Stock and Evidence of Indebtedness*. Subject to any applicable limitations set forth in the Credit Documents (including those in respect of Excluded Stock and Stock Equivalents and Excluded Property) and other than when in the reasonable determination of the Administrative Agent and the Borrower (as agreed to in writing), the cost, burden or other consequences (including adverse tax, regulatory or accounting consequences, in each case, that are not de minimis (as determined in good faith by the Borrower)) of doing so would outweigh the benefits to be obtained by the Lenders therefrom, the Borrower will cause (i) all certificates representing Capital Stock of any Restricted Subsidiary (other than any Excluded Stock and Stock Equivalents) held directly by each Credit Party, (ii) all evidences of Indebtedness for borrowed money in excess of $25,000,000 received by any of the Credit Parties in connection with any disposition of assets pursuant to Section 10.4(b), (iii) [reserved] and (iv) any promissory notes executed after the Closing Date evidencing Indebtedness for borrowed money in excess of $25,000,000 that is owing to any Credit Party, in each case, to be delivered to the Collateral Agent as security for the Obligations accompanied by undated instruments of transfer executed in blank pursuant to the terms of the applicable Security Documents. Notwithstanding the foregoing, any promissory note among the Borrower or its Subsidiaries need not be delivered to the Collateral Agent pursuant to this Section 9.12 so long as (i) a global intercompany note, including any Intercompany Note, superseding or supplementing such promissory note has been delivered to the Collateral Agent and (ii) such promissory note is not delivered to any other party other than the Borrower or its Subsidiaries, in each case, owed money thereunder.

9.13 *Use of Proceeds*.

The proceeds of the Initial Term Loans, together with certain cash on the balance sheet of the Borrower, will be applied on and after the Closing Date, together with certain cash on the balance sheet of the Borrower, to (A) finance the Closing Distribution, (B) pay the Transaction Expenses and (C) fund cash to the Borrower's balance sheet and for other general corporate purposes.

9.14 *Further Assurances*.

(a) Subject to the terms of, and limitations and exceptions contained in, Sections 9.11, 9.12, this Section 9.14 and the Security Documents, the Borrower will, and will cause each other Credit 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 and other documents) that may be required under any applicable law, or that the Collateral Agent or the Required Lenders may reasonably request, in order to grant, preserve, protect, and perfect (if and to the extent required under the Security Documents) the validity and priority (subject to Liens permitted by this Agreement) of the security interests created or intended to be created by the applicable Security Documents, all at the expense of the Borrower.

(b) The Borrower agrees that it will deliver, or will cause to be delivered, to the Administrative Agent the items described on Schedule 9.14 by the times specified on such Schedule 9.14 with respect to such items, or such later time as the Administrative Agent may agree in its reasonable discretion. All conditions precedent, covenants and representations and warranties contained in this Agreement and the other Credit Documents shall be deemed modified to the extent necessary to effect the foregoing (and to permit the taking of the actions described on Schedule 9.14 within the time periods required by this Section 9.14(b), rather than as elsewhere provided in the Credit Documents).

9.15 *Maintenance of Ratings*. Commencing on the date of launch of general syndication of the Initial Term Loans as contemplated under the Fee Letter, the Borrower will use commercially reasonable efforts to obtain and maintain (but not obtain or maintain any specific rating) a corporate family and/or corporate credit rating, as applicable, and ratings in respect of the Initial Term Loans provided pursuant to this Agreement, in each case, from each of S&P and Moody's.

9.16 *Lines of Business*. The Borrower and the Restricted Subsidiaries, taken as a whole, will not fundamentally and materially and substantively alter the character of their business, taken as a whole, from the business conducted by the Borrower and the Restricted Subsidiaries, taken as a whole, on the Closing Date and other business activities which are extensions thereof or otherwise similar, incidental, complementary, corollary, synergistic, reasonably related, or ancillary to any of the foregoing (and non-core incidental businesses acquired in connection with any Permitted Acquisition or permitted Investment), in each case as determined by the Borrower in good faith.

SECTION 10
Negative Covenants

Holdings (solely with respect to Section 10.8) and the Borrower, as applicable, hereby covenants and agrees that on the Closing Date and thereafter, until (x) the Commitments have been terminated and (y) the Loans, together with interest, Fees and all other Obligations incurred hereunder (other than contingent obligations, Secured Hedge Obligations, Secured Bank Product Obligations and Secured Cash Management Obligations), are paid in full:

10.1 *Limitation on Indebtedness*. The Borrower will not, and will not permit any Restricted Subsidiary to, create, incur, issue, assume, guarantee or otherwise become liable, contingently or otherwise, with respect to any Indebtedness (including Acquired Indebtedness) and the Borrower will not, and will not permit any Restricted Subsidiary to, issue any shares of Disqualified Stock or, in the case of Restricted Subsidiaries that are not Credit Parties, preferred Capital Stock.

The foregoing limitations will not apply to:

(a) Indebtedness arising under or secured by the Credit Documents (including, for the avoidance of doubt, any New Term Loans, any Refinancing Term Loans, any Extended Term Loans and any Replacement Term Loans);

(b) Indebtedness representing deferred compensation to, or similar arrangements with, employees and independent contractors of the Borrower or any Restricted Subsidiary to the extent incurred in the ordinary course of business or consistent with past practice;

(c) (i) Indebtedness (including any unused commitment) outstanding on the Closing Date and, to the extent the principal amount is in excess of $20,000,000, listed on Schedule 10.1 and (ii) intercompany Indebtedness (including any unused commitment) outstanding on the Closing Date owed by the Borrower to a Restricted Subsidiary, by a Restricted Subsidiary to the Borrower or by a Restricted Subsidiary to another Restricted Subsidiary; *provided* that any such Indebtedness incurred under this clause (c)(ii) that is owing by a Credit Party to a Restricted Subsidiary that is not a Credit Party shall be subordinated in right of payment to the Obligations pursuant to an Intercompany Note or otherwise, in either case, to prohibit the repayment thereof after the acceleration of the Loans or bankruptcy of such Credit Party;

(d) Indebtedness (including Finance Lease Obligations), Disqualified Stock and preferred Capital Stock incurred or issued by the Borrower or any Restricted Subsidiary to finance the purchase, lease, construction, installation, maintenance, replacement or improvement of property (real or personal) or equipment that is used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets and Indebtedness arising from the conversion of the obligations of the Borrower or any Restricted Subsidiary under or pursuant to any "synthetic lease" transactions to on-balance sheet Indebtedness of the Borrower or such Restricted Subsidiary (or any such Indebtedness, Disqualified Stock or preferred Capital Stock incurred to refinance any such Indebtedness, Disqualified Stock or preferred Capital Stock outstanding under this clause (d)), in an aggregate outstanding principal amount which, when aggregated with the principal amount of all other Indebtedness, Disqualified Stock and preferred Capital Stock then outstanding and incurred or issued pursuant to this clause (d), does not exceed the sum of (i) an amount equal to the greater of (x) $96,000,000 and (y) 40% of the LTM Consolidated EBITDA at the time of incurrence or issuance, (ii) the amount of such Indebtedness outstanding on the Closing Date and (iii) an unlimited amount (including at any time prior to the utilization of the amounts under clause (i) or (ii) above) so long as the First Lien Net Leverage Ratio (*provided* that, solely for purpose of calculating such First Lien Net Leverage Ratio in connection with this clause (iii), such Indebtedness incurred pursuant to this Section 10.1(d)(iii) shall be included in determining the Consolidated First Lien Secured Debt) determined on a Pro Forma Basis, shall not exceed the greater of (x) 1.75 to 1.00 and (y) the First Lien Net Leverage Ratio immediately prior to the incurrence of such Indebtedness; *provided* that Finance Lease Obligations incurred by the Borrower or any Restricted Subsidiary pursuant to this clause (d) in connection with a Permitted Sale Leaseback shall not be subject to the foregoing limitations so long as the net cash proceeds of such Permitted Sale Leaseback are used by the Borrower or such Restricted Subsidiary to permanently repay outstanding Term Loans or other Indebtedness secured by a Lien on the assets subject to such Permitted Sale Leaseback;

(e) Indebtedness incurred by the Borrower or any Restricted Subsidiary (including letter of credit obligations and reimbursement obligations with respect to letters of credit issued in the ordinary course of business), in respect of workers' compensation claims, bid, appeal, performance or surety bonds, performance or completion guarantees, trade contracts, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance and similar obligations in the ordinary course of business or other Indebtedness with respect to reimbursement or indemnification type obligations regarding workers' compensation claims, bid, appeal, performance or surety bonds, performance or completion guarantees, trade contracts, health, disability or other employee benefits or

property, casualty or liability insurance or self-insurance and similar obligations in the ordinary course of business or consistent with past practice;

(f) Indebtedness constituting any part of any Permitted Reorganization or a Permitted IPO Reorganization;

(g) Indebtedness of the Borrower owing, or Disqualified Stock of the Borrower issued, to a Restricted Subsidiary; *provided* that any Indebtedness under this clause (g) owing to a Restricted Subsidiary that is not a Credit Party must be subordinated in right of payment to the Obligations pursuant to an Intercompany Note or otherwise, in either case, to prohibit the repayment thereof after the acceleration of the Loans or bankruptcy of such Credit Party; *provided further* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any applicable Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness or Disqualified Stock (except to the Borrower or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) shall be deemed, in each case to be an incurrence of such Indebtedness, or issuance of such Disqualified Stock, as applicable, not permitted by this clause (g);

(h) Indebtedness of a Restricted Subsidiary owing, or Disqualified Stock or preferred Capital Stock of a Restricted Subsidiary issued, to the Borrower or another Restricted Subsidiary; *provided* that if a Credit Party incurs such Indebtedness owing to a Restricted Subsidiary that is not a Credit Party, such Indebtedness is subordinated in right of payment to the Obligations owed or guaranteed by such Credit Party to prohibit the repayment thereof after the acceleration of the Loans or bankruptcy of such Credit Party; *provided further* that any subsequent transfer of any such Indebtedness, Disqualified Stock or preferred Capital Stock (except to the Borrower or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) shall be deemed, in each case to be an incurrence of such Indebtedness, or issuance of Disqualified Stock or preferred Capital Stock, as applicable, not permitted by this clause (h);

(i) to the extent constituting Indebtedness, customer deposits and advance payments (including progress payments) received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business;

(j) (x) Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes) and obligations in respect of Bank Products and Cash Management Services and (y) Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes) and obligations in respect of Bank Products and Cash Management Services (in each case under this clause (y), as defined in the ABL Credit Agreement);

(k) obligations in respect of self-insurance, performance, bid, appeal, and surety bonds and completion guarantees and similar obligations provided by the Borrower or any Restricted Subsidiary or obligations in respect of letters of credit, bankers' acceptances, warehouse receipts, bank guarantees or similar instruments related thereto, in each case, in the ordinary course of business;

(l) (i) Indebtedness, Disqualified Stock and preferred Capital Stock of the Borrower or any Restricted Subsidiary in an aggregate outstanding principal amount or liquidation preference, which when aggregated with the outstanding principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and preferred Capital Stock then outstanding and incurred or issued pursuant to this clause (l)(i), does not at any one time outstanding exceed 200.0% of the net cash proceeds received by the

Borrower since immediately after the Closing Date from the issue or sale of Equity Interests of the Borrower or cash contributed to the capital of the Borrower (in each case, other than Excluded Contributions, proceeds of Disqualified Stock or proceeds of sales of Equity Interests to the Borrower or any of its Subsidiaries) to the extent such net cash proceeds or cash have not been applied pursuant to such clauses to make Restricted Payments pursuant to Section 10.5(b) or to make Permitted Investments pursuant to clause (ix) of the definition thereof (this clause (l)(i), the "**Contribution Debt Basket**") and (ii) Indebtedness, Disqualified Stock or preferred Capital Stock of the Borrower or any Restricted Subsidiary in an aggregate outstanding principal amount or liquidation preference, which when aggregated with the outstanding principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and preferred Capital Stock then outstanding and incurred or issued pursuant to this clause (l)(ii), does not at any one time outstanding (other than with respect to Incremental Amounts) exceed the sum of the greater of (I) $120,000,000 and (II) 50% of the LTM Consolidated EBITDA at the time of incurrence or issuance (this clause (l)(ii), the "**General Debt Basket**") (it being understood that any Indebtedness, Disqualified Stock or preferred Capital Stock incurred or issued pursuant to this clause (l)(ii) shall cease to be deemed incurred, issued or outstanding for purposes of this clause (l)(ii) and, in lieu thereof, shall be deemed incurred or issued under an applicable Basket under clause (B) of the Ratio Debt Basket from and after the first date on which the Borrower or such Restricted Subsidiary could have incurred or issued such Indebtedness, Disqualified Stock or preferred Capital Stock under an applicable Basket under clause (B) of the Ratio Debt Basket without reliance on this clause (l)(ii));

(m) the incurrence or issuance by the Borrower or any Restricted Subsidiary of Indebtedness, Disqualified Stock or preferred Capital Stock which serves to refinance any Indebtedness, Disqualified Stock or preferred Capital Stock incurred or issued as permitted under (i) Sections 10.1(c), (d), (l)(i), (n), (r), (v), (w), (x), (y), (ee), (gg) and (ii) and this Section 10.1(m) or (ii) any Indebtedness, Disqualified Stock or preferred Capital Stock incurred or issued to so refinance, replace, refund, extend, renew, defease, restructure, amend, restate or otherwise modify (collectively, "**refinance**") such Indebtedness, Disqualified Stock or preferred Capital Stock (the "**Refinancing Indebtedness**"), so long as the aggregate principal amount, accreted value or liquidation preference, as applicable, of such Refinancing Indebtedness shall equal no more than the sum of (I) the aggregate outstanding principal amount, accreted value or liquidation preference of the refinanced Indebtedness, Disqualified Stock or preferred Capital Stock, *plus* (II) amounts otherwise permitted under other Baskets under this Section 10.1, *plus* (III) the amount of any unused commitments under the refinanced Indebtedness, Disqualified Stock or preferred Capital Stock and any accrued interest, fees, defeasance costs and premium (including call and tender premiums), if any, under the refinanced Indebtedness, Disqualified Stock or preferred Capital Stock, and underwriting discounts, fees, commissions and expenses (including original issue discount, upfront fees and similar items) in connection with the refinancing of the applicable Indebtedness, Disqualified Stock or preferred Capital Stock and the incurrence or issuance of the applicable Refinancing Indebtedness (amounts of the type described in this clause (III), "**Incremental Amounts**"); *provided* that such Refinancing Indebtedness (other than with respect to Refinancing Indebtedness incurred or issued in respect of Indebtedness under Section 10.1(d) and 10.1(v)), (1) other than with respect to Refinancing Indebtedness incurred pursuant to the Inside Maturity Basket or Refinancing Indebtedness incurred or issued in respect of Indebtedness, Disqualified Stock or preferred Capital Stock incurred pursuant to Sections 10.1(c), (d), (l)(i), (n), (r), (ee) or (gg), has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is incurred which is not less than the remaining Weighted Average Life to Maturity of the Indebtedness, Disqualified Stock or preferred Capital Stock being refinanced (or, if shorter, the Term Loans), (2) to the extent such Refinancing Indebtedness refinances (X)(A) unsecured Indebtedness, such Refinancing Indebtedness shall be unsecured, (B) Indebtedness that is secured by a Lien on the Collateral ranking junior to the Liens on the Collateral securing any First Lien Obligations, such Refinancing Indebtedness shall be secured by a Lien on the Collateral ranking junior to the Liens on

the Collateral securing any First Lien Obligations or unsecured or (C) Indebtedness secured by assets that are not Collateral, such Refinancing Indebtedness shall be secured solely by a Lien on assets that are not Collateral, or (Y) Disqualified Stock or preferred Capital Stock, such Refinancing Indebtedness must consist of Disqualified Stock or preferred Capital Stock, respectively, (3) shall not include Indebtedness, Disqualified Stock or preferred Capital Stock of a Subsidiary of the Borrower that is not a Credit Party that refinances Indebtedness, Disqualified Stock or preferred Capital Stock of a Credit Party (unless otherwise permitted by this Section 10.1), and (4) if such Indebtedness constitutes Subordinated Indebtedness, such new Indebtedness is subordinated to the Obligations or the applicable Guarantee at least to the same extent (taken as a whole) as determined by the Borrower in good faith, in all material respects, as such Subordinated Indebtedness so refinanced; *provided further* that in the case of a refinancing of Indebtedness incurred pursuant to Section 10.1(x)(b) with other Refinancing Indebtedness, such Refinancing Indebtedness, if secured, may only be secured by a Lien ranking junior to the Lien securing the First Lien Obligations outstanding under this Agreement and in the case of Refinancing Indebtedness with respect to clauses (d), (l)(i), (n) (but only to the extent such Refinancing Indebtedness is incurred by non-Credit Parties), (v), (gg) and (ii) of this Section 10.1, the incurrence of such Refinancing Indebtedness shall be without duplication of any amounts outstanding under any such clauses; *provided further* that without limitation of sub-clauses (I), (II) and (III) above, in no event shall the amount available under any Fixed Basket be increased as a result of any Indebtedness that was assumed or incurred under such Fixed Basket being refinanced by Refinancing Indebtedness under this clause (m) (including, for the avoidance of doubt, any subsequent refinancing under this clause (m) of such Refinancing Indebtedness);

(n) Indebtedness, Disqualified Stock or preferred Capital Stock of (x) the Borrower or a Restricted Subsidiary incurred, assumed or issued for any purpose (including to finance an acquisition, Investment, merger, amalgamation or consolidation) and (y) Persons that are acquired by the Borrower or any Restricted Subsidiary or merged into, or amalgamated or consolidated with, the Borrower or a Restricted Subsidiary in accordance with the terms hereof (including designating an Unrestricted Subsidiary as a Restricted Subsidiary); *provided* that any such incurrence, assumption or issuance of Indebtedness, Disqualified Stock or preferred Capital Stock (other than, in each case, Acquired Indebtedness that is not incurred, assumed or issued in contemplation of the applicable acquisition, Investment, merger, amalgamation or consolidation) shall not exceed at the time of incurrence, assumption or issuance thereof an aggregate outstanding principal amount equal to the sum of (A) the greater of $96,000,000 and 40% of the LTM Consolidated EBITDA at the time of such assumption, incurrence or issuance (this clause (A), the "**Starter Debt Basket**"), *plus* (B) an unlimited amount, so long as in the case of this clause (B) only, such amount at such date of determination can be assumed, incurred or issued without causing (this clause (B), the "**Ratio Debt Basket**") (I) in the case of Indebtedness that constitutes a First Lien Obligation, the First Lien Net Leverage Ratio to exceed the greater of (x) 1.75 to 1.00 and (y) the First Lien Net Leverage Ratio immediately prior to the incurrence of such Indebtedness, (II) in the case of Indebtedness that constitutes a Junior Lien Obligation, the Secured Net Leverage Ratio to exceed the greater of (x) 2.75 to 1.00 and (y) the Secured Net Leverage Ratio as of immediately prior to the incurrence of such Indebtedness or (III) in the case of (1) Indebtedness that is (x) unsecured, (y) is secured solely by Liens on assets that do not constitute Collateral or (z) constitutes a Third Lien Obligation or (2) Disqualified Stock or preferred Capital Stock, either, at the Borrower's election, (I) the Total Net Leverage Ratio to exceed the greater of (A) 3.75 to 1.00 and (B) the Total Net Leverage Ratio as of immediately prior to the incurrence of such Indebtedness, Disqualified Stock or preferred Capital Stock or (II) the Interest Coverage Ratio to be less than the lesser of (A) 2.00 to 1.00 and (B) the Interest Coverage Ratio for the most recently ended Test Period as of immediately prior to the incurrence of such Indebtedness, Disqualified Stock or preferred Capital Stock (it being understood that any Disqualified Stock or preferred Capital Stock incurred pursuant to this clause (III) that is

outstanding shall, for all purpose under this clause (III), be deemed to constitute Indebtedness for purposes of calculating Consolidated Total Debt) (*provided* that if amounts incurred, assumed or issued under clause (B) are incurred, assumed or issued concurrently with the incurrence, assumption or issuance of Indebtedness in reliance on clause (A) or any other Fixed Amount, the First Lien Net Leverage Ratio, the Secured Net Leverage Ratio, the Total Net Leverage Ratio and the Interest Coverage Ratio, as applicable, shall be calculated without giving effect to such amounts incurred, assumed or issued in reliance on the foregoing clause (A) or any other Fixed Amount); *provided* that any cash proceeds of any new Indebtedness, Disqualified Stock or preferred Capital Stock, as applicable, then being incurred, assumed or issued shall not be netted from the numerator in the First Lien Net Leverage Ratio, the Secured Net Leverage Ratio or the Total Net Leverage Ratio, as applicable, for such purposes of calculating the First Lien Net Leverage Ratio, Secured Net Leverage Ratio or the Total Net Leverage Ratio, as applicable under this clause (B) for purposes of determining whether such Indebtedness, Disqualified Stock or preferred Capital Stock can then be incurred, issued or assumed; *provided*, *further*, for the avoidance of doubt, to the extent the proceeds of any new Indebtedness, Disqualified Stock or preferred Capital Stock, as applicable, are to be utilized to repay Indebtedness or redeem Disqualified Stock or preferred Capital Stock, such calculations shall give Pro Forma Effect to such repayments or redemptions; *provided*, *further*, that the amount of Indebtedness, Disqualified Stock and preferred Capital Stock (other than Acquired Indebtedness that is not incurred, assumed or issued in contemplation of the applicable acquisition, merger, amalgamation or consolidation) that may be incurred, assumed or issued pursuant to this clause (n) by Restricted Subsidiaries that are not Credit Parties shall not exceed the greater of $120,000,000 and 50% of LTM Consolidated EBITDA at any one time outstanding; *provided further* that if such Indebtedness is incurred by a Credit Party in reliance on this clause (n) in the form of term loans constituting First Lien Obligations, the MFN Adjustment shall apply to any such Indebtedness as if such Indebtedness were New Term Loans (and, for the avoidance of doubt, subject to the MFN Exceptions);

(o) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business;

(p) (i) Indebtedness of the Borrower or any Restricted Subsidiary supported by a letter of credit, in a principal amount not in excess of the stated amount of such letter of credit so long as such letter of credit is otherwise permitted to be incurred pursuant to this Section 10.1 or (ii) obligations in respect of letters of support, guarantees or similar obligations issued, made or incurred for the benefit of the Borrower or any Subsidiary of the Borrower to the extent required by law or in connection with any statutory filing or the delivery of audit opinions performed in jurisdictions other than within the United States;

(q) (i) any guarantee by the Borrower or any Restricted Subsidiary of Indebtedness or other obligations of any Restricted Subsidiary so long as in the case of a guarantee of Indebtedness by a Restricted Subsidiary that is not a Credit Party, such Indebtedness could have been incurred directly by the Restricted Subsidiary providing such guarantee or (ii) any guarantee by a Restricted Subsidiary of Indebtedness or other obligations of the Borrower;

(r) Indebtedness of (or Disqualified Stock or preferred Capital Stock issued by) Restricted Subsidiaries that are not Credit Parties (including, for the avoidance of doubt, in respect of working capital lines) in an aggregate outstanding principal amount or liquidation preference amount which, when aggregated with the principal amount of all other Indebtedness, Disqualified Stock and preferred Capital Stock then outstanding and incurred or issued pursuant to this clause (r), does not exceed, an amount equal to the greater of (x) $96,000,000 and (y) 40% of the LTM Consolidated EBITDA (it being

understood that any Indebtedness, Disqualified Stock or preferred Capital Stock incurred or issued pursuant to this clause (r) shall cease to be deemed incurred, issued or outstanding for purposes of this clause (r) but shall be deemed incurred or issued under the Ratio Debt Basket from and after the first date on which such Restricted Subsidiary could have incurred such Indebtedness or issued such Disqualified Stock or preferred Capital Stock under the Ratio Debt Basket);

(s) Indebtedness of the Borrower or any Restricted Subsidiary consisting of (i) the financing of insurance premiums or (ii) take or pay obligations contained in supply arrangements in each case, incurred in the ordinary course of business or consistent with past practice;

(t) Indebtedness of the Borrower or any Restricted Subsidiary undertaken in connection with cash pooling arrangements, cash management (including netting services, automatic clearinghouse arrangements, overdraft protections, employee credit card programs and related or similar services or activities) with respect to the Borrower or any of its Subsidiaries or with respect to any joint venture in the ordinary course of business, including with respect to financial accommodations of the type described in the definitions of "Cash Management Services" and "Bank Products";

(u) Indebtedness consisting of Indebtedness issued by the Borrower or any Restricted Subsidiary to future, current or former officers, directors, consultants, managers and employees thereof (or of any direct or indirect parent company thereof), their respective Related Persons, in each case to finance the purchase or redemption of Equity Interests of the Borrower or any direct or indirect parent company of the Borrower to the extent described in Section 10.5(b)(4);

(v) Indebtedness outstanding under the ABL Credit Documents, and any guarantee thereof, in each case under this clause (v), in an aggregate outstanding principal amount not to exceed the product of (A) 125% and (B) the greater of (i) $155,000,000 and (ii) the sum of the applicable borrowing bases under the ABL Credit Documents (including in respect of the ABL Facility) as of the date of the incurrence of such debt (it being understood, for the avoidance of doubt, that this clause (v) shall permit the Borrower or any Restricted Subsidiary to receive commitments under the ABL Credit Documents in excess of such maximum amount, so long as the total outstanding principal amount of Indebtedness under the ABL Credit Documents incurred under this clause (v) shall not exceed such amount at any time);

(w) Indebtedness satisfying the Permitted Other Indebtedness Provisions and the Net Cash Proceeds of which are applied to the prepayment of one or more Classes of Term Loans in the manner set forth in Section 5.2(a)(iii) (such Indebtedness, the "**Term Loan Refinancing Indebtedness**");

(x) Indebtedness satisfying the Permitted Other Indebtedness Provisions; *provided* that either (a) (i) the aggregate principal amount of such Indebtedness issued or incurred pursuant to this clause (x)(a) shall not exceed the Maximum Incremental Facilities Amount at the time of incurrence or issuance thereof and (ii) if such Indebtedness is incurred by a Credit Party in the form of term loans constituting First Lien Obligations, the MFN Adjustment shall apply to any such Indebtedness as if such Indebtedness were New Term Loans (and, for the avoidance of doubt, subject to the MFN Exceptions) or (b) the Net Cash Proceeds thereof shall be applied no later than 15 Business Days after the receipt or redesignation thereof to repurchase, repay, redeem or otherwise defease any Indebtedness that is secured on a junior lien basis to the Lien securing the First Lien Obligations, unsecured Indebtedness or Subordinated Indebtedness (*provided* that, in the case of this clause (x)(b), such Indebtedness is secured by a Lien ranking junior to the Lien securing any First Lien Obligations, unsecured or subordinated, respectively, as applicable);

(y) Indebtedness in respect of Permitted Debt Exchange Notes incurred pursuant to a Permitted Debt Exchange in accordance with Section 2.15;

(z) Indebtedness arising from agreements of the Borrower or a Restricted Subsidiary providing for indemnification, adjustment of purchase price, earnout or any similar obligations, in each case, incurred or assumed in connection with any transaction not expressly prohibited by this Agreement;

(aa) Indebtedness to the seller of any business or assets permitted to be acquired by the Borrower or any Restricted Subsidiary under this Agreement;

(bb) obligations in respect of Disqualified Stock and preferred Capital Stock in an aggregate outstanding principal amount or liquidation preference amount which, when aggregated with the principal amount or liquidation preference amount of all other Disqualified Stock and preferred Capital Stock then outstanding and incurred pursuant to this clause (bb) does not exceed an amount equal to the greater of (x) $25,200,000 and (y) 10.5% of the LTM Consolidated EBITDA at the time of issuance;

(cc) Indebtedness incurred in connection with any accounts receivable factoring facility in compliance with clause (h) of the definition of "Asset Sale";

(dd) Indebtedness consisting of management fees to the Permitted Holders and other fees to the Sponsor not permitted to be paid (but permitted to accrue) pursuant to Section 9.10(a);

(ee) Indebtedness incurred for the benefit of joint ventures in an aggregate outstanding principal amount which, when aggregated with the principal amount of all other Indebtedness then outstanding and incurred pursuant to this clause (ee), does not exceed an amount equal to the greater of (x) $84,000,000 and (y) 35% of the LTM Consolidated EBITDA at the time of incurrence;

(ff) to the extent constituting Indebtedness, guarantee obligations in the ordinary course of business of the obligations of suppliers, customers, franchisees and licensees of the Borrower and its Subsidiaries;

(gg) Indebtedness incurred in connection with any Permitted Sale Leaseback (or any Indebtedness incurred to refinance such Indebtedness incurred under this clause (gg)) in an aggregate principal amount under this sub-clause (ii) not to exceed the greater of (x) $60,000,000 and (y) 25% of the LTM Consolidated EBITDA outstanding at any time;

(hh) Indebtedness of (a) any Securitization Subsidiary arising under any Securitization Facility (or, if applicable, the Borrower or any Restricted Subsidiary the assets of which are being sold, conveyed or secured in connection with such Securitization Facility) or (b) any Receivables Subsidiary arising under any Receivables Facility (or, if applicable, the Borrower or any Restricted Subsidiary the assets of which are being sold, conveyed or secured in connection with such Receivables Facility);

(ii) Indebtedness in an aggregate outstanding principal amount not to exceed, together with any other Indebtedness incurred and outstanding under this Section 10.1(ii), the sum of (x) the amount of Restricted Payments that may be made at the time of determination pursuant to clauses (A) through (H) of the Available Additional Basket (which outstanding incurrence in reliance on this clause (ii)(x) shall reduce capacity under the Available Additional Basket in an amount equal to the aggregate outstanding principal amount of such Indebtedness incurred under this clause (ii)(x)) (this clause (ii)(x), the "**Available Additional Debt Basket**"), (y) at the option of the Borrower, any amount available for use under the General Investments Basket and the General Subordinated Payments Basket (after taking into

account any past amounts that have been re-designated or re-allocated by the Borrower) that have been re-allocated by the Borrower to this Section 10.1(ii)(y) from time to time and (z) at the option of the Borrower, any amount available for use under the Available RP Capacity Basket;

(jj) commercial letters of credit, letters of guarantee and bankers' acceptances (in each case, for the avoidance of doubt, to the extent constituting Indebtedness) not issued under the Letter of Credit Commitment (as defined in the ABL Credit Agreement) (and reimbursement and backstop obligations in connection therewith) in an aggregate amount under this clause (jj) not to exceed the available Letter of Credit Commitment (as defined in the ABL Credit Agreement) at the time incurred (provided that outstanding commercial letters of credit, letters of guarantee and bankers' acceptances incurred under this clause (jj) shall be deemed to reduce the available Letter of Credit Commitment (as defined in the ABL Credit Agreement) by a corresponding amount at such time outstanding); and

(kk) to the extent constituting Indebtedness, all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in clauses (a) through (jj) above.

Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or preferred Capital Stock will be deemed to be a permitted incurrence or issuance of Indebtedness, Disqualified Stock or preferred Capital Stock for purposes of this Section 10.1 and will be deemed to be Indebtedness otherwise permitted under this Section 10.1 for purposes of determining basket usage in respect of this Section 10.1.

For purposes of determining compliance with any Dollar-denominated restriction on the incurrence of Indebtedness, the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred (or at Borrower's election, at the time of "pricing" and allocation of commitments in respect thereof) in the case of term debt, or first committed (or at Borrower's election, at the time of "pricing" and allocation of commitments in respect thereof) in the case of revolving credit Indebtedness; *provided* that if such Indebtedness is incurred to refinance other Indebtedness denominated in another currency, and such refinancing would cause the applicable Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such Dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed (i) the principal amount of such Indebtedness being refinanced (*plus* unused commitments thereunder), *plus* (ii) Incremental Amounts incurred in connection with such refinancing.

The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

This Agreement will not treat (1) unsecured Indebtedness as subordinated or junior to secured Indebtedness merely because it is unsecured or (2) senior Indebtedness as subordinated or junior to any other senior Indebtedness merely because it has a junior priority with respect to the same collateral.

10.2 *Limitation on Liens*.

(a) The Borrower will not, and will not permit any of the Restricted Subsidiaries to, create, incur, assume or suffer to exist any Lien upon any property or assets of any kind (real or personal,

tangible or intangible) of the Borrower or any Restricted Subsidiary, whether now owned or hereafter acquired (each, a "**Subject Lien**") that secures obligations under any Indebtedness on any asset or property of the Borrower or any Restricted Subsidiary, except:

(i) in the case of Subject Liens on any Collateral, if such Subject Lien is a Permitted Lien; and

(ii) in the case of any other asset or property, any Subject Lien if (x) the Obligations are equally and ratably secured (but without regard to control of remedies) with (or on a senior basis to, in the case such Subject Lien secures any Indebtedness that is secured on a junior lien basis to the Lien securing the Initial Term Loans) the obligations secured by such Subject Lien or (y) such Subject Lien is a Permitted Lien.

(b) Any Lien created for the benefit of the Secured Parties pursuant to Section 10.2(a)(ii)(x) shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release and discharge of the Subject Lien that gave rise to the obligation to so secure the Obligations.

(c) Accrual or interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or preferred Capital Stock which is deemed to be a permitted incurrence or issuance of Indebtedness, Disqualified Stock or preferred Capital Stock for purposes of Section 10.1 and deemed to be Indebtedness otherwise permitted under Section 10.1 for purposes of determining basket usage in respect of Section 10.1 may be secured by a Lien on the same assets securing the Indebtedness whose interest is paid in the form of such additional Indebtedness, Disqualified Stock or preferred Capital Stock.

10.3 *Limitation on Fundamental Changes*. The Borrower will not, and will not permit any of the Restricted Subsidiaries to, (i) merge, consolidate or amalgamate, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution) or (ii) convey, sell, lease, assign, transfer or otherwise dispose of, all or substantially all of its business units, assets or other properties, except that:

(a) so long as (subject, in the case of a Limited Condition Transaction, to Section 1.12) no Specified Event of Default (or with respect to clause (B) below, no Event of Default) has occurred and is continuing or would result therefrom, any Subsidiary of the Borrower or any other Person may be merged, amalgamated or consolidated with or into the Borrower; *provided* that (A) the Borrower shall be the continuing or surviving entity or (B) if the Person formed by or surviving any such merger, amalgamation or consolidation is not the Borrower (such other Person, the "**Successor Borrower**"), (1) the Successor Borrower shall be an entity organized or existing under the laws of the United States, any state thereof or the District of Columbia, (2) the Successor Borrower shall expressly assume all the obligations of the Borrower under this Agreement and the other Credit Documents in a manner and pursuant to documentation reasonably satisfactory to the Administrative Agent, (3) each Guarantor, unless it is the other party to such merger, amalgamation or consolidation, shall have by a supplement to the Guarantee confirmed that its guarantee thereunder shall apply to any Successor Borrower's obligations under this Agreement, (4) each Subsidiary grantor and each Subsidiary pledgor, unless it is the other party to such merger, amalgamation or consolidation, shall have by a supplement to any applicable Security Document affirmed that its obligations thereunder shall apply to its Guarantee as reaffirmed pursuant to clause (3), (5) [reserved], (6) the Successor Borrower shall have delivered to the Administrative Agent (x) a certificate of an Authorized Officer stating that such merger, amalgamation, or

consolidation complies with the applicable requirements set forth in this clause (a) and (y) if reasonably requested by the Administrative Agent, a customary opinion of counsel, (7) such transaction does not result in any materially adverse tax consequences to any Lender (unless reimbursed hereunder) or to the Administrative Agent (unless reimbursed hereunder), and (8) the Administrative Agent shall have received at least five (5) Business Days' prior written notice of the proposed transaction (or such shorter period of time as agreed by the Administrative Agent in its reasonable discretion) and the Borrower shall promptly and in any event at least two (2) Business Days prior to the consummation of the transaction provide all information any Lender or any Agent may reasonably request to satisfy its "know your customer" and other similar requirements necessary for such Person to comply with its internal compliance and regulatory requirements with respect to the proposed Successor Borrower (it being understood that if the foregoing are satisfied, the Successor Borrower will succeed to, and be substituted for, the Borrower under this Agreement);

(b) any Subsidiary of the Borrower or any other Person (other than the Borrower) may be merged, amalgamated or consolidated with or into any one or more Subsidiaries of the Borrower; *provided* that, in each case under this clause (b), (A) a Restricted Subsidiary shall be the continuing or surviving Person or (B) the Borrower shall cause the Person formed by or surviving any such merger, amalgamation or consolidation (if other than a Restricted Subsidiary) to become a Restricted Subsidiary;

(c) the Transactions may be consummated;

(d) any Restricted Subsidiary may convey, sell, lease, assign, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or dissolution or otherwise) to the Borrower or to any other Restricted Subsidiary; *provided* that any Subsidiary that is an Additional Borrower shall resign as an Additional Borrower hereunder pursuant to Section 2.18 prior to or concurrently with the consummation of any voluntary liquidation or dissolution;

(e) any Restricted Subsidiary may liquidate, dissolve or wind up if the Borrower determines in good faith that such liquidation, dissolution or winding up is in the best interests of the Borrower and the Restricted Subsidiaries, taken as a whole, and is not materially disadvantageous to the Lenders; *provided* that any Subsidiary that is an Additional Borrower shall resign as an Additional Borrower hereunder pursuant to Section 2.18 prior to or concurrently with the consummation of any such transaction;

(f) the Borrower and the Restricted Subsidiaries may consummate a merger, amalgamation, dissolution, liquidation, consolidation, investment or conveyance, sale, lease, license, sublicense, assignment or disposition, the purpose of which is to effect (i) a disposition otherwise permitted hereunder, other than a disposition effected pursuant to clause (b) of the definition of "Asset Sale" or (ii) a Restricted Payment or Investment permitted pursuant to Section 10.5 or the definition of "Permitted Investments" (other than an Investment effected pursuant to clause (x) of the definition of "Permitted Investments");

(g) the Borrower or any Restricted Subsidiary may change its legal form;

(h) the Borrower or any Restricted Subsidiary may consummate any Permitted Reorganization or Permitted IPO Reorganization;

(i) the Borrower and the Restricted Subsidiaries may enter into and consummate any Intercompany License Agreement; and

(j) any merger, consolidation or amalgamation the purpose and only substantive effect of which is to reincorporate or reorganize the Borrower or any Restricted Subsidiary in a jurisdiction in the United States, any state thereof or the District of Columbia shall be permitted.

10.4 *Limitation on Sale of Assets*. The Borrower will not, and will not permit any Restricted Subsidiary to, consummate an Asset Sale, unless:

(a) if the property or assets sold or otherwise disposed of pursuant to the applicable transaction or related series of transactions have a Fair Market Value in excess of the greater of (x) $42,000,000 and (y) 17.5% of the LTM Consolidated EBITDA, the Borrower or such Restricted Subsidiary, as the case may be, receives consideration at least equal to the Fair Market Value (as determined by the Borrower at the time of contractually agreeing to such Asset Sale) of the assets sold or otherwise disposed of; and

(b) except in the case of a Permitted Asset Swap, if the property or assets sold or otherwise disposed of have a Fair Market Value in excess of the greater of: (x) $42,000,000 and (y) 17.5% of the LTM Consolidated EBITDA, either (i) with respect to all transactions made in reliance on this Section 10.4(b)(i), at least 75% of all consideration of all Asset Sales made in reliance on this clause (b)(i) received by the Borrower or such Restricted Subsidiary after the Closing Date is in the form of cash or Cash Equivalents or (ii) with respect to each transaction made in reliance on this Section 10.4(b)(ii), at least 50% of the consideration of each such Asset Sale received by the Borrower or such Restricted Subsidiary after the Closing Date is in the form of cash or Cash Equivalents, in each case of clauses (i) and (ii), determined at the time of the consummation of such Asset Sale; *provided* that for purposes of clauses (i) and (ii) above, the amount of:

(i) any liabilities (as reflected on the Borrower's or such Restricted Subsidiary's most recent consolidated balance sheet or in the footnotes thereto, or if incurred or accrued subsequent to the date of such balance sheet, such liabilities that would have been reflected on the Borrower's consolidated balance sheet or in the footnotes thereto if such incurrence or accrual had taken place on or prior to the date of such balance sheet, as determined in good faith by the Borrower) of the Borrower or such Restricted Subsidiary that (A) are assumed by the transferee of any such assets or (B) are otherwise cancelled, extinguished or terminated in connection with the transactions relating to such Asset Sale and, in the case of clause (A) only, for which the Borrower and all such Restricted Subsidiaries have been validly released by all applicable creditors in writing or by operation of law;

(ii) any securities, notes or other obligations or assets received by the Borrower or such Restricted Subsidiary from such transferee that are converted by the Borrower or such Restricted Subsidiary into cash or Cash Equivalents, or by their terms are required to be satisfied for cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received), in each case, within 180 days following the closing of such Asset Sale;

(iii) Indebtedness that is of any Person that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Borrower and all Restricted Subsidiaries have been validly released from any guarantee of payment of such Indebtedness in connection with such Asset Sale;

(iv) consideration consisting of Indebtedness of any Credit Party (other than Subordinated Indebtedness) received after the Closing Date from Persons who are not the Borrower or a Restricted Subsidiary; and

(v) any Designated Non-Cash Consideration received by the Borrower or such Restricted Subsidiary in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (v) that is at that time outstanding, not to exceed the greater of $42,000,000 and 17.5% of the LTM Consolidated EBITDA at the time of the receipt of such Designated Non-Cash Consideration, with the Fair Market Value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value,

shall be deemed to be cash for purposes of clauses (b)(i) and (b)(ii) and for no other purpose.

An amount equal to any Net Cash Proceeds of any Asset Sale permitted by this Section 10.4 shall be applied to prepay Term Loans and other Indebtedness in accordance with, and to the extent required by, Section 5.2(a)(i).

Pending the final application of an amount equal to any Net Cash Proceeds from any Asset Sale made pursuant to this Section 10.4, the Borrower or the applicable Restricted Subsidiary may apply such Net Cash Proceeds temporarily to reduce Indebtedness outstanding under the ABL Facility or any other revolving credit facility or otherwise invest such Net Cash Proceeds in any manner not prohibited by this Agreement.

10.5 *Limitation on Restricted Payments*.

(a) The Borrower will not, and will not permit any Restricted Subsidiary to:

(1) declare or pay any dividend or make any payment or distribution on account of the Borrower's or any Restricted Subsidiary's Equity Interests, including any dividend or distribution payable in connection with any merger or consolidation, other than:

(i) dividends or distributions by the Borrower payable in Equity Interests (other than Disqualified Stock unless otherwise permitted hereby) of the Borrower or in options, warrants or other rights to purchase such Equity Interests; or

(ii) dividends or distributions by any Restricted Subsidiary, so long as, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Non-Wholly Owned Subsidiary, the Borrower or a Restricted Subsidiary, as applicable, receives at least its pro rata share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities;

(2) purchase, redeem, defease or otherwise acquire or retire for value any Equity Interests of the Borrower or any direct or indirect parent of the Borrower, including in connection with any merger, amalgamation or consolidation, in each case held by Persons other than the Borrower or a Restricted Subsidiary which is a Credit Party;

(3) make any voluntary principal payment on, or voluntarily redeem, purchase, repurchase, defease or otherwise acquire or retire for value, in each case, prior to any scheduled repayment or in anticipation of a sinking fund obligation, any third-party Subordinated Indebtedness having a principal amount in excess of the Threshold Amount (it being understood that payments of regularly scheduled principal, interest and mandatory prepayments, redemptions and repurchases shall be permitted), other than (A) Indebtedness permitted under clauses (e)(ii), (g) and (h) of Section 10.1 or (B) any prepayment, purchase, repurchase, redemption, defeasance, retirement for value or other acquisition of such Subordinated

Indebtedness purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of payment, redemption, repurchase, defeasance, acquisition or retirement; or

(4) make any Restricted Investment;

(all such payments and other actions set forth in clauses (1) through (4) above (other than any exception thereto) being collectively referred to as "**Restricted Payments**"), unless, at the time of such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Borrower and the Restricted Subsidiaries after the Closing Date (excluding Restricted Payments permitted by Section 10.5(b)) and the aggregate outstanding principal amount of Indebtedness incurred by the Borrower and the Restricted Subsidiaries pursuant to the Available Additional Debt Basket at such time of determination, is less than the sum of (without duplication) (the following clauses (A) through (H), collectively, the "**Available Additional Basket**"):

(A) the greater of (1) an amount equal to 50.0% of the Consolidated Net Income of the Borrower for the period (taken as one accounting period) from the first day of the fiscal quarter during which the Closing Date occurs to the end of the Borrower's most recently ended fiscal quarter for which financial statements have been delivered pursuant to Section 9.1(a) or (b), (which amount in this clause (1) shall not be less than zero for any component fiscal quarter (and, in any case if such amount is less than zero for any component fiscal quarter, such amount for the applicable fiscal quarter shall be deemed to be zero)) and (2) the Cumulative Retained Excess Cash Flow Amount (which amount in this clause (2) shall not be less than zero) (this clause (A), the "**Available Amount Growing Prong**"); *provided* that the amount in respect of this clause (A) may only be used to make Restricted Payments described in clauses (a)(1), (2) and (3) above to the extent no Specified Event of Default shall have occurred and be continuing, *plus*

(B) 100% of the aggregate net cash proceeds and the Fair Market Value (or, with respect to a contribution of loans to the Borrower for cancellation, the purchase price thereof) of marketable securities or other property received by the Borrower since immediately after the Closing Date (other than to the extent such net cash proceeds have been used to incur or issue Indebtedness, Disqualified Stock or preferred Capital Stock pursuant to the Contribution Debt Basket) from the issue or sale of (x) (1) Equity Interests of the Borrower, including Retired Capital Stock, but excluding cash proceeds and the Fair Market Value of marketable securities or other property received from the sale of (A) Equity Interests to any employee, director, officer, manager or consultant of the Borrower, any direct or indirect parent of the Borrower and any of the Borrower's Restricted Subsidiaries after the Closing Date to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of Section 10.5(b) below and (B) Designated Preferred Stock and (2) to the extent such net cash proceeds or the Fair Market Value of marketable securities or other property are actually contributed to the Borrower, Equity Interests of any direct or indirect parent of the Borrower, including the purchase price of any loans or other Indebtedness contributed to the Borrower for cancellation (excluding contributions of the proceeds from the sale of Designated Preferred Stock to any such parent or contributions to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of Section 10.5(b) below) and (y) Equity Interests of the Borrower or any direct or indirect parent of the Borrower converted or exchanged from Indebtedness, Disqualified Stock or preferred Capital Stock issued by the Borrower or a Restricted Subsidiary since immediately after the Closing Date; *provided* that this clause (B) shall not include the proceeds from (a) Refunding Capital Stock, (b) Equity Interests or Indebtedness that has been converted or exchanged for Equity Interests of the Borrower sold to a Restricted Subsidiary, as the case

may be, (c) Disqualified Stock or Indebtedness that has been converted or exchanged into Disqualified Stock or (d) Excluded Contributions, *plus*

(C) 100% of the aggregate amount of cash, Cash Equivalents and the Fair Market Value of marketable securities or other property contributed to the capital of the Borrower following the Closing Date, including any loans or other Indebtedness contributed to the Borrower for cancellation, which contribution shall increase the amount under this clause (C) by an amount equal to the purchase price of such loans or other Indebtedness contributed to the Borrower for cancellation (other than to the extent such net cash proceeds (i) have then been used to incur Indebtedness, or issue Disqualified Stock or preferred Capital Stock, pursuant to the Contribution Debt Basket, (ii) are contributed by the Borrower or a Restricted Subsidiary or (iii) constitute Excluded Contributions), *plus*

(D) 100% of the aggregate amount received in cash, Cash Equivalents and the Fair Market Value of marketable securities or other property received by means of (x) the sale or other disposition (other than to the Borrower or a Restricted Subsidiary) of Investments made by the Borrower or any Restricted Subsidiary and repurchases and redemptions of such Investments from the Borrower or any Restricted Subsidiary and repayments of loans or advances, and releases of guarantees, which Investments were made by the Borrower or any Restricted Subsidiary, in each case, in reliance upon this Section 10.5(a) or (y) the sale (other than to the Borrower or a Restricted Subsidiary) of the stock or other ownership interest of an Unrestricted Subsidiary or a distribution from an Unrestricted Subsidiary or joint venture or a dividend from an Unrestricted Subsidiary or joint venture after the Closing Date, *plus*

(E) in the case of the redesignation of an Unrestricted Subsidiary as, or merger, consolidation or amalgamation of an Unrestricted Subsidiary with or into, a Restricted Subsidiary after the Closing Date, the Fair Market Value of the Investment in such Unrestricted Subsidiary at the time of the redesignation of such Unrestricted Subsidiary as, or merger, consolidation or amalgamation of such Unrestricted Subsidiary with or into, a Restricted Subsidiary, other than to the extent the Investment in such Unrestricted Subsidiary was made by the Borrower or a Restricted Subsidiary pursuant to Section 10.5(b)(7) below or to the extent such Investment constituted a Permitted Investment; *plus*

(F) the aggregate amount (without duplication of other amounts included pursuant to clause (A) hereof) of any (1) Retained Declined Proceeds, (2) Retained ECF Payments, (3) Net Cash Proceeds of Asset Sales and Casualty Prepayment Events below the Asset Sale/Casualty Individual De Minimis Amount since the Closing Date, (4) Net Cash Proceeds of Asset Sales and Casualty Prepayment Events not in excess of the Asset Sale/Casualty Annual De Minimis Amount for each fiscal year since the Closing Date and (5) Retained Asset Sale Proceeds, *plus*

(G) an amount equal to the greater of $84,000,000 and 35% of the LTM Consolidated EBITDA, *plus*

(H) without duplication of any amounts above, any (x) returns, profits, distributions and similar amounts received on account of a Restricted Investment made in reliance upon this Section 10.5(a) and (y) reduction in the outstanding principal amount of Indebtedness incurred pursuant to the Available Additional Debt Basket.

(b) The foregoing provisions of Section 10.5(a) will not prohibit:

(1) the payment of any dividend or distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration thereof or the giving of such irrevocable notice, as

applicable, if at the date of declaration or the giving of such notice such payment would have complied with the provisions of this Agreement;

(2) (x) the redemption, repayment, repurchase, extinguishment, defeasance, retirement or other acquisition of any Equity Interests of the Borrower or any direct or indirect parent of the Borrower, including any accrued and unpaid dividends or distributions thereon ("**Retired Capital Stock**"), or Subordinated Indebtedness, made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of, the substantially concurrent sale (other than to the Borrower or a Restricted Subsidiary) of, Equity Interests of the Borrower or any direct or indirect parent of the Borrower to the extent contributed to the Borrower (in the case of proceeds only) (in each case, other than Excluded Contributions, Disqualified Stock or sales of Equity Interests to any Subsidiary) ("**Refunding Capital Stock**"), (y) the declaration and payment of dividends or distributions on Retired Capital Stock out of the proceeds of the substantially concurrent sale or issuance (other than to the Borrower or a Restricted Subsidiary) of Refunding Capital Stock and (z) if immediately prior to the retirement of Retired Capital Stock, the declaration and payment of dividends or distributions thereon was permitted under Section 10.5(b)(6) and not made pursuant to clause (y) above, the declaration and payment of dividends or distributions on the Refunding Capital Stock (other than Refunding Capital Stock the proceeds of which were used to redeem, repurchase, retire or otherwise acquire any Equity Interests of any direct or indirect parent of the Borrower) in an aggregate amount per year no greater than the aggregate amount of dividends per annum that were declarable and payable on such Retired Capital Stock immediately prior to such retirement;

(3) the prepayment, redemption, repayment, defeasance, extinguishment, repurchase or other acquisition or retirement for value of Subordinated Indebtedness made by exchange for, or out of the proceeds of, the substantially concurrent sale of, new Indebtedness of the Borrower or a Restricted Subsidiary, as the case may be, which is incurred or issued in compliance with Section 10.1(m);

(4) any Restricted Payment to pay for the repurchase, retirement or other acquisition or retirement for value of Equity Interests (other than Disqualified Stock) of the Borrower or any direct or indirect parent of the Borrower held by any future, present or former employee, director, officer, manager or consultant of the Borrower, any of its Subsidiaries or any direct or indirect parent of the Borrower, or their respective Related Persons pursuant to any equityholder, employee or director equity plan or stock or other equity option plan or any other management or employee benefit plan or agreement, other compensatory arrangement or any stock or other equity subscription, co-invest or equityholder agreement (including, for the avoidance of doubt, any principal and interest payable on any notes issued by the Borrower or any direct or indirect parent of the Borrower in connection with such repurchase, retirement or other acquisition); *provided* that, except with respect to non-discretionary purchases, the aggregate Restricted Payments made under this clause (4) subsequent to the Closing Date do not exceed (i) before the occurrence of a Qualifying IPO, in any calendar year the greater of (x) $25,200,000 and (y) 10.5% of the LTM Consolidated EBITDA or (ii) on and after the occurrence of a Qualifying IPO, in any calendar year the greater of (x) $60,000,000 and (y) 25% of the LTM Consolidated EBITDA; *provided* that, without duplication, (I) unused amounts in any calendar year (including unused amounts previously carried over under this sub-clause (I)) shall be automatically carried over to succeeding calendar years and (II) at the Borrower's election, Basket amounts under this clause (4) for any subsequent year (other than any calendar year ending after the calendar year in which the Latest Term Loan Maturity Date will occur) may be re-allocated and used in any prior calendar year (subject to reduction in the amount under this clause (4) for such subsequent calendar year in an amount equal to such re-allocated amount); *provided further* that such amount in any calendar year may be increased by an amount not to exceed: (A) the cash

proceeds from the sale of Equity Interests (other than Disqualified Stock) of the Borrower and, to the extent contributed to the Borrower, the cash proceeds from the sale of Equity Interests of any direct or indirect parent of the Borrower, in each case to any future, present or former employees, directors, officers, managers or consultants of the Borrower, any of its Subsidiaries or any direct or indirect parent of the Borrower that occurs after the Closing Date, to the extent the cash proceeds from the sale of such Equity Interests have not otherwise been applied to the payment of Restricted Payments by virtue of clauses (A) through (H) of Section 10.5(a), *plus* (B) the cash proceeds of key man life insurance policies received by the Borrower and the Restricted Subsidiaries after the Closing Date, *less* (C) the amount of any Restricted Payments previously made pursuant to subclauses (A) and (B) of this clause (4); *provided further* that cancellation of Indebtedness owing to the Borrower or any Restricted Subsidiary from any future, present or former employees, directors, officers, managers or consultants of the Borrower, any direct or indirect parent of the Borrower or any Restricted Subsidiary, or their Related Persons in connection with a repurchase of Equity Interests of the Borrower or any direct or indirect parent of the Borrower will be deemed not to constitute a Restricted Payment for purposes of this Section 10.5 or any other provision of this Agreement;

(5) the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of the Borrower or any Restricted Subsidiary or any class or series of preferred Capital Stock of any Restricted Subsidiary, in each case, issued in accordance with Section 10.1;

(6) (A) Restricted Payments to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) issued by the Borrower or any Restricted Subsidiary after the Closing Date, (B) Restricted Payments to any direct or indirect parent of the Borrower, the proceeds of which will be used to fund the payment of Restricted Payments to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) of such parent; *provided* that the amount of Restricted Payments declared or paid pursuant to this clause (B) shall not exceed the aggregate amount of cash actually contributed to the Borrower from the sale of such Designated Preferred Stock or (C) Restricted Payments on Refunding Capital Stock in excess of the Restricted Payments declarable and payable thereon pursuant to clause (2) of Section 10.5(b); *provided* that, in the case of each of sub-clauses (A), (B), and (C) of this clause (6), for the most recently ended Test Period as of the date of issuance of such Designated Preferred Stock or the declaration of such dividends on Refunding Capital Stock, after giving effect to such issuance or declaration on a Pro Forma Basis, the Interest Coverage Ratio would be less than or equal to 2.00 to 1.00;

(7) Investments in Unrestricted Subsidiaries, taken together with all other Investments made pursuant to this clause (7) that are at the time outstanding, in an aggregate amount outstanding not to exceed the sum of (x) the greater of (i) $84,000,000 and (ii) 35% of the LTM Consolidated EBITDA at the time of such Investment, *plus* (y) at the option of the Borrower, any amounts available to make Investments pursuant to clause (21) below (after taking into account any past amounts that have been redesignated by the Borrower) and redesignated by the Borrower as increasing amounts available for use under this clause (7), *minus* (z) any amounts under this clause (7) redesignated by the Borrower as increasing amounts available for use under clause (21);

(8) payments made or expected to be made by the Borrower or any Restricted Subsidiary in respect of withholding, employment or similar taxes payable by any future, present or former employee, director, manager, or consultant of the Borrower or any Restricted Subsidiary or any direct or indirect parent of the Borrower upon, or in connection with, any purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Equity Interests deemed to occur upon the exercise, vesting or settlement of, or payment with respect to, any equity or equity-based award, including, stock or other

equity options, stock or other equity appreciation rights, warrants, restricted equity units, restricted equity, deferred equity units or similar rights if such Equity Interests are used by the holder of such award to pay a portion of the exercise price of such options, appreciation rights, warrants or similar rights or to satisfy any required withholding or similar taxes with respect to any such award, and any repurchases or withholdings of Equity Interests in connection with the exercise, vesting or settlement of any equity or equity-based award, including, stock or other equity options, stock or other equity appreciation rights, warrants, restricted equity units, restricted equity, deferred equity units or similar rights;

(9) so long as no Specified Event of Default is continuing or would immediately result therefrom, Restricted Payments, following consummation of the first Qualifying IPO after the Closing Date, in an aggregate amount *per annum* not to exceed the sum of (x) 7.0% of the net cash proceeds received by or contributed to the Borrower in or from any such public offering and subsequent public equity offerings, in each case under this clause (x), other than public offerings with respect to the Borrower's (or its direct or indirect parent's) Equity Interests registered on Form S-8 and other than any public sale constituting an Excluded Contribution and (y) 7.0% of the Market Capitalization;

(10) Restricted Payments in an amount that does not exceed the amount of Excluded Contributions made since the Closing Date;

(11) Restricted Payments in an aggregate amount taken together with all other Restricted Payments made pursuant to this clause (11) not to exceed the sum of (x) the greater of (I) $84,000,000 and (II) 35% of the LTM Consolidated EBITDA at the time made (this clause (11)(x) shall be referred to as the "**General Restricted Payments Basket**"), *plus* (y) [reserved], *minus* (z) any amount available for use under this General Restricted Payments Basket (after taking into account any other amounts that have been re-designated or re-allocated by the Borrower) that has been re-allocated by the Borrower to the General Subordinated Payments Basket or the General Investments Basket (*provided* that, for the avoidance of doubt, any amounts re-allocated by the Borrower to the General Investments Basket or the General Subordinated Payments Basket from the General Restricted Payments Basket may be subsequently re-allocated by the Borrower to the General Restricted Payments Basket from the General Investments Basket or the General Subordinated Payments Basket);

(12) Restricted Payments of Receivables Fees, Securitization Fees and Securitization Repurchase Obligations;

(13) any Restricted Payment made in connection with the Transactions (and the fees and expenses related thereto) or used to fund amounts owed to Affiliates in connection with the Transactions (including dividends or distributions to any direct or indirect company of the Borrower to permit payment by such parent of such amount) to the extent permitted by Section 9.10 (other than clause (b), (e), (j) or (t) thereof), including pursuant to any Sponsor Management Agreement to the extent permitted under Section 9.10(a), and Restricted Payments in respect of working capital adjustments or purchase price adjustments pursuant to any Permitted Acquisition or other permitted Investment and to satisfy indemnity and other similar obligations under any Permitted Acquisition or other permitted Investment;

(14) Restricted Payments pursuant to clauses (a)(1), (2) and (3) above; *provided* that after giving Pro Forma Effect to such Restricted Payments, (x) in the case of Restricted Payments described in clauses (a)(1) and (2) above, the Total Net Leverage Ratio is equal to or less than 1.75 to 1.00 as of the most recently ended Test Period and (y) in the case of Restricted Payments described in clause (3) above, the Total Net Leverage Ratio is equal to or less than 1.75 to 1.00 as of the most recently ended Test Period;

(15) the declaration and payment of dividends or distributions by the Borrower to, or the making of loans or advances to, any direct or indirect parent of the Borrower in amounts required for any such direct or indirect parent (or such parent's direct or indirect equity owners) to pay:

(A) (i) franchise, excise and similar taxes, and other fees and expenses, required to maintain its corporate, legal and organizational existence and (ii) distributions to such direct or indirect parent's equity owners in proportion to their equity interests sufficient to allow each such equity owner to receive an amount at least equal to the aggregate amount of its out-of-pocket costs to any unaffiliated third parties directly attributable to creating (including any incorporation or registration fees) and maintaining the existence of the applicable equity owner (including doing business fees, franchise taxes, excise taxes and similar taxes, fees, or expenses), and legal and accounting and other costs directly attributable to maintaining its corporate, legal, or organizational existence and complying with applicable legal requirements, including such costs attributable to the preparation of tax returns or the conduct of tax audits or other proceedings,

(B) for any taxable period (or portion thereof) in which the Borrower and/or any of its Subsidiaries is a member of a consolidated, combined, affiliated, unitary or similar income Tax group of which a direct or indirect parent of the Borrower is the common parent (a "**Tax Group**") (including if the Borrower is treated as a disregarded entity for US federal income tax purposes and its taxable income is included on an income tax return of Holdings (or another direct or indirect owner) that is treated as a subchapter C corporation), any distributions (including, for the avoidance of doubt, any Restricted Payments) in amounts necessary to pay US federal, state and local and non-US income Taxes (including estimated Tax payments) of such Tax Group that are attributable to the taxable income of the Borrower and its Restricted Subsidiaries (which, for the avoidance of doubt, shall include any GILTI, Subpart F or similar type of income from a CFC or any subsidiary that is a US Person) and, to the extent of the amount actually received from any Unrestricted Subsidiaries, in amounts required to pay any such Taxes that are attributable to the taxable income of such Unrestricted Subsidiaries; *provided* that for each taxable period, the amount of such payments made in respect of such taxable period in the aggregate shall not exceed the amount of US federal, state and local and non-US income Taxes that the Borrower and its applicable Subsidiaries would have been required to pay in respect of such taxable period had the Borrower and its Subsidiaries been a stand-alone taxpayer or a stand-alone Tax Group for all taxable periods ending after the Closing Date,

(C) customary salary, bonus, severance (including, in each case, payroll, social security and similar taxes in respect thereof) and other benefits payable to, and indemnities provided on behalf of, officers, employees, directors, consultants and managers of any direct or indirect parent of the Borrower to the extent such salaries, bonuses, and other benefits are attributable to the ownership or operation of the Borrower and the Restricted Subsidiaries, including the Borrower's and the Restricted Subsidiaries' proportionate share of such amount relating to such parent being a public company and Public Company Costs,

(D) general corporate, administrative, compliance or other operating (including expenses related to auditing or other accounting matters and director indemnities, fees and expenses) and overhead costs and expenses of any direct or indirect parent of the Borrower to the extent such costs and expenses are attributable to the ownership or operation of the Borrower and the Restricted Subsidiaries, including the Borrower's and the Restricted Subsidiaries' proportionate share of such amount relating to such parent company being a public company and Public Company Costs,

(E) amounts required for any direct or indirect parent of the Borrower to pay fees and expenses incurred by any direct or indirect parent of the Borrower related to (i) the maintenance by such parent entity of its corporate or other entity existence and (ii) transactions of such parent of the type described in clause (xi) of the definition of "Consolidated Net Income",

(F) cash payments in lieu of issuing fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests of the Borrower or any direct or indirect parent of the Borrower,

(G) repurchases deemed to occur upon the cashless exercise of stock or other equity options,

(H) to finance Permitted Acquisition and other Investments or other acquisitions otherwise permitted to be made pursuant to this Section 10.5 if made by the Borrower or a Restricted Subsidiary; *provided* that (i) such Restricted Payment shall be made substantially concurrently with the closing of such Investment or other acquisition, (ii) such direct or indirect parent of the Borrower shall, promptly following the closing thereof, cause (1) all property acquired (whether assets or Equity Interests) to be contributed to the Borrower or a Restricted Subsidiary or (2) the merger, amalgamation, consolidation, or sale of the Person formed or acquired into the Borrower or a Restricted Subsidiary (in a manner not prohibited by Section 10.3) in order to consummate such Investment or other acquisition, (iii) such direct or indirect parent of the Borrower and its Affiliates (other than the Borrower or a Restricted Subsidiary) receives no consideration or other payment in connection with such transaction except to the extent the Borrower or a Restricted Subsidiary could have given such consideration or made such payment in compliance herewith, (iv) any property received in connection with such transaction shall not constitute an Excluded Contribution or increase amounts available for Restricted Payments pursuant to Section 10.5(a)(C) and (v) to the extent constituting an Investment, such Investment shall be deemed to be made by the Borrower or such Restricted Subsidiary pursuant to another provision of this Section 10.5 or pursuant to the definition of "Permitted Investments,"

(I) to the extent constituting Restricted Payments, amounts that would be permitted to be paid directly by the Borrower or its Restricted Subsidiaries under Section 9.10 (other than Section 9.10(b), (e), (j) or (t)),

(J) AHYDO Payments with respect to Indebtedness of any direct or indirect parent of the Borrower; *provided* that the proceeds of such Indebtedness have been contributed to the Borrower as a capital contribution, and

(K) expenses incurred by any direct or indirect parent of the Borrower in connection with any public offering or other sale of Capital Stock or Indebtedness (i) where the net proceeds of such offering or sale are intended to be received by or contributed to the Borrower or a Restricted Subsidiary, (ii) in a pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed or (iii) otherwise on an interim basis prior to completion of such offering so long as any direct or indirect parent of the Borrower shall cause the amount of such expenses to be repaid to the Borrower or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed;

(16) the repurchase, redemption or other acquisition for value of Equity Interests of the Borrower or Restricted Subsidiary deemed to occur in connection with paying cash in lieu of fractional shares of such Equity Interests in connection with a share dividend, distribution, share split, reverse share

split, merger, consolidation, amalgamation or other business combination of the Borrower or any Restricted Subsidiary, in each case, permitted under this Agreement;

(17) the distribution, by dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to the Borrower or a Restricted Subsidiary by, or assets of, any Unrestricted Subsidiary or the proceeds thereof;

(18) any Restricted Payment constituting any part of a Permitted Reorganization or a Permitted IPO Reorganization;

(19) the prepayment, redemption, defeasance, repurchase or other acquisition or retirement for value of Subordinated Indebtedness in an aggregate amount (in the case of any repurchase or buyback of any such Subordinated Indebtedness, in an aggregate purchase amount) pursuant to this clause (19) not to exceed the sum of (x) the greater of (I) $120,000,000 and (II) 50% of the LTM Consolidated EBITDA at the time such prepayment, redemption, defeasance, repurchase or other acquisition or retirement for value is made (this clause (19)(x) shall be referred to as the "**General Subordinated Payments Basket**"), *plus* (y)(1) at the option of the Borrower, any amounts available for use under the General Investments Basket and the General Restricted Payments Basket (after taking into account any other amounts that have been re-designated or re-allocated by the Borrower) that have been re-allocated by the Borrower to the General Subordinated Payments Basket from time to time and (2) at the option of the Borrower, any amounts available for use under the Available RP Capacity Basket, *minus* (z) any amount available for use under this General Subordinated Payments Basket (after taking into account any other amounts that have been re-designated or re-allocated by the Borrower) that has been re-allocated by the Borrower for incurrence of Indebtedness under Section 10.1(ii)(y) (*provided* that, for the avoidance of doubt, any amounts re-allocated by the Borrower for incurrence of Indebtedness under Section 10.1(ii)(y) from the General Subordinated Payments Basket may be subsequently re-allocated by the Borrower to the General Subordinated Payments Basket from such Section 10.1(ii)(y)) or the General Investments Basket (*provided* that, for the avoidance of doubt, any amounts re-allocated by the Borrower to the General Investments Basket may be subsequently re-allocated by the Borrower to the General Subordinated Payments Basket from the General Investments Basket);

(20) AHYDO Payments with respect to Indebtedness of Credit Parties permitted under Section 10.1 or Indebtedness of any direct or indirect parent of the Borrower; provided that the proceeds of such Indebtedness have been contributed to the Borrower or any Restricted Subsidiary as a capital contribution;

(21) Investments in joint ventures, taken together with all other Investments made pursuant to this clause (21) that are at the time outstanding, in an aggregate amount outstanding not to exceed the sum of (x) the greater of (I) $84,000,000 and (II) 35% of the LTM Consolidated EBITDA at the time of such Investment, *plus* (y) at the option of the Borrower, any amounts available to make Investments pursuant to clause (7) above (after taking into account any past amounts that have been redesignated by the Borrower) and redesignated by the Borrower as increasing amounts available for use under this clause (21), *minus* (z) any amounts under this clause (21) redesignated by the Borrower as increasing amounts available for use under clause (7) above;

(22) Restricted Payments made by any Specified Person to the extent that such Restricted Payment is funded by, or consists of assets or proceeds received by any Specified Person from a Restricted Payment made to any Specified Person that was otherwise permitted under this Section 10.5, as applicable; and

(23) the Closing Distribution.

For purposes of determining compliance with this Section 10.5, the amount of any Restricted Payment in the form of a dividend or distribution of property in a form other than cash or Cash Equivalents shall be deemed to be the Fair Market Value of such property at the applicable time of determination.

10.6 *Limitation on Subsidiary Distributions; No Further Negative Pledges*.

(a) The Borrower will not, and will not permit any Restricted Subsidiary that is not a Credit Party to create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any such Restricted Subsidiary to:

(i) pay dividends or make any other distributions to the Borrower or any Restricted Subsidiary that is a Credit Party on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits or pay any Indebtedness owed to the Borrower or any Restricted Subsidiary that is a Credit Party;

(ii) make loans or advances to the Borrower or any Restricted Subsidiary that is a Credit Party; or

(iii) sell, lease or transfer any of its properties or assets to the Borrower or any Restricted Subsidiary that is a Credit Party.

(b) The Borrower will not, and will not permit any other Credit Party to, enter into any agreement prohibiting the creation of any Lien upon any of its Collateral, whether now owned or hereafter acquired, to secure the Obligations.

Notwithstanding the foregoing clauses (a) and (b), this Section 10.6 shall be deemed to permit (and shall not be deemed to prohibit) such encumbrances or restrictions (x) which the Borrower has reasonably determined in good faith will not materially impair the Borrower's ability to make payments under this Agreement when due or (y) existing under or by reason of:

(i) contractual encumbrances or restrictions in effect on the Closing Date, including pursuant to this Agreement and the related documentation and related (x) Hedging Obligations or obligations in respect of Cash Management Services and (y) Hedging Obligations (as defined under the ABL Credit Documents) or obligations in respect of Cash Management Services (as defined under the ABL Credit Documents);

(ii) restrictions and encumbrances imposed by the ABL Credit Documents;

(iii) purchase money obligations and Finance Lease Obligations that impose restrictions of the nature discussed in clause (a) or (b) above on the property so acquired, any replacements of such property or assets and additions and accessions thereto, after-acquired property subject to such arrangement, the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment (or assets affixed or appurtenant thereto and additions and accessions) provided by any lender, other equipment (or assets affixed or appurtenant thereto and additions and accessions) financed by such lender (it being understood that such restriction shall not be permitted to apply to any property to which such restriction would not have applied but for such acquisition);

(iv) Requirements of Law or any applicable rule, regulation or order, or any request of any Governmental Authority having regulatory authority over the Borrower or any of its Subsidiaries;

(v) any agreement or other instrument of a Person acquired by or merged or consolidated with or into the Borrower or any Restricted Subsidiary, or of an Unrestricted Subsidiary that is designated a Restricted Subsidiary, or that is assumed in connection with the acquisition of assets from such Person, in each case that is in existence at the time of such transaction (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired or designated, any replacements of such property or assets and additions and accessions thereto, after-acquired property subject to such agreement or instrument, the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment (or assets affixed or appurtenant thereto and additions and accessions) provided by any lender, other equipment (or assets affixed or appurtenant thereto and additions and accessions) financed by such lender (it being understood that such encumbrance or restriction shall not be permitted to apply to any property to which such encumbrance or restriction would not have applied but for such acquisition);

(vi) contracts for the sale of assets, including customary restrictions with respect to a Subsidiary of the Borrower pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Subsidiary and restrictions on transfer of assets subject to Permitted Liens;

(vii) (x) secured Indebtedness otherwise permitted to be incurred pursuant to Sections 10.1 and 10.2 that limit the right of the debtor to dispose of the assets securing such Indebtedness and (y) restrictions or encumbrances on transfers of assets subject to Permitted Liens (but, with respect to any such Permitted Lien, only to the extent that such transfer restrictions apply solely to the assets that are the subject of such Permitted Lien);

(viii) restrictions or encumbrances on cash or other deposits or net worth imposed by customers under, or made necessary or advisable by, contracts entered into in the ordinary course of business;

(ix) restrictions or encumbrances imposed by other Indebtedness, Disqualified Stock or preferred Capital Stock of Restricted Subsidiaries permitted to be incurred subsequent to the Closing Date pursuant to the provisions of Section 10.1;

(x) customary provisions in joint venture agreements, shareholder agreements or arrangements and other similar agreements or arrangements relating solely to such joint venture (including its assets and Subsidiaries) and the Equity Interests issued thereby;

(xi) customary provisions and encumbrances contained in leases, sub-leases, licenses, sub-licenses or similar agreements, in each case, entered into in the ordinary course of business;

(xii) restrictions and encumbrances created in connection with any Receivables Facility or any Securitization Facility that, in the good faith determination of the board of directors (or analogous governing body) of the Borrower, are necessary or advisable to effect such Receivables Facility or Securitization Facility, as the case may be;

(xiii) customary restrictions and encumbrances on leases, subleases, licenses, sublicenses or asset sale agreements otherwise permitted hereby so long as such restrictions relate to property interest, rights or the assets subject thereto;

(xiv) customary provisions restricting assignment or transfer of any agreement entered into in the ordinary course of business; or

(xv) any encumbrances or restrictions of the type referred to in clauses (a) and (b) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (i) through (xiv) above; *provided* that such amendments, modifications, restatements, renewals, increases, extensions, supplements, refundings, replacements, restructurings or refinancings (x) are, in the good faith judgment of the Borrower, not materially more restrictive with respect to such encumbrance and other restrictions taken as a whole than those prior to such amendment, modification, restatement, renewal, increase, extension, restructuring, supplement, refunding, replacement or refinancing or (y) do not materially impair the Borrower's ability to pay its obligations under the Credit Documents as and when due (as determined in good faith by the Borrower);

provided that (x) the priority of any preferred Capital Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Borrower or any Restricted Subsidiary that is a Credit Party to other Indebtedness incurred by the Borrower or any Restricted Subsidiary that is a Credit Party shall be deemed not to constitute such an encumbrance or restriction.

10.7 *Organizational and Subordinated Indebtedness Documents*. The Borrower will not, and will not permit any Restricted Subsidiary to:

(a) amend its Organizational Documents after the Closing Date in a manner that is materially adverse to the Lenders, except as required by law; or

(b) amend documentation governing Subordinated Indebtedness having a principal amount in excess of the Threshold Amount in a manner materially adverse to the Lenders, other than in connection with (i) a refinancing or replacement of such Indebtedness permitted hereunder or (ii) in a manner expressly permitted by, or not prohibited under, the applicable intercreditor or subordination terms or applicable intercreditor or subordination agreement(s) governing the relationship between the Lenders, on the one hand, and the lenders or purchasers of the applicable Subordinated Indebtedness, on the other hand.

10.8 *Permitted Activities*. Holdings will not engage in any material operating or business activities; *provided* that the following and any activities incidental or related thereto shall be permitted in any event:

(a) its ownership of the Equity Interests of its Subsidiaries, including receipt and payment of Restricted Payments and other amounts in respect of Equity Interests,

(b) the maintenance of its legal existence (including the ability to incur and pay, as applicable, fees, costs and expenses and taxes relating to such maintenance),

(c) the performance of its obligations with respect to the Transactions, the Credit Documents, the ABL Credit Documents and any other documents governing Indebtedness permitted hereby,

(d) any public offering of its or a direct or indirect parent entity's common equity or any other issuance or sale of its or a direct or indirect parent entity's Equity Interests,

(e) financing activities, including the issuance of securities, incurrence of debt, receipt and payment of dividends and distributions, making contributions to the capital of its Subsidiaries and guaranteeing the obligations of the Borrower and its other direct and indirect Subsidiaries and incurrence of Liens that would constitute a Permitted Lien,

(f) if applicable, participating in tax, accounting and other administrative matters as a member of the consolidated group and the provision of administrative and advisory services (including treasury and insurance services) to its Subsidiaries of a type customarily provided by a holding company to its Subsidiaries,

(g) holding any cash or property (but not operate any material property),

(h) making and receiving of any Restricted Payments or Investments permitted hereunder,

(i) providing indemnification to officers and directors,

(j) activities relating to any Permitted Reorganization, a Qualifying IPO or a Permitted IPO Reorganization,

(k) merging, amalgamating or consolidating with or into any direct or indirect parent or subsidiary of Holdings (in compliance with the definitions of "Holdings" and "New Holdings" in this Agreement),

(l) repurchases of Indebtedness through pro rata or non-pro rata purchases and Dutch auctions,

(m) activities incidental to Permitted Acquisitions or similar Investments consummated by the Borrower and its direct and indirect Restricted Subsidiaries, including the formation of acquisition vehicle entities and intercompany loans and/or Investments incidental to such Permitted Acquisitions or similar Investments,

(n) any transaction with the Borrower or any Restricted Subsidiary to the extent permitted under Section 9.10 or this Section 10, and

(o) any activities incidental or reasonably related to the foregoing.

SECTION 11

Events of Default

Each of the following specified events referred to in Sections 11.1 through 11.11 shall constitute an "Event of Default":

11.1 *Payments*. The Borrower shall (a) default in the payment when due of any principal of the Loans, (b) default, and such default shall continue for five or more Business Days, in the payment when due of any interest on the Loans or (c) default, and such default shall continue for ten or more Business Days, in the payment when due of any Fees or of any other amounts in respect of the Credit Facilities owing hereunder or under any other Credit Document; *provided* that with respect to this Section 11.1, (A) a failure to pay caused by administrative or technical error shall not constitute an Event of Default if payment is made within five (5) Business Days of the discovery of such error or of the Administrative Agent notifying the Borrower of such error and (B) if the Borrower has made, on the due date or before the expiry of any grace period, a payment in an amount that is not less than the amount set forth in a calculation, if any, received from the Administrative Agent, and any such payment was less than the amount due and owing under this Agreement (an "**underpayment**"), then such underpayment will not become (i) a Default unless and until such underpayment remains outstanding after the fifth (5th) Business Day after the date (if any) on which the Borrower receives written notice from the Administrative Agent of an underpayment setting forth the amount of the deficiency (such date of notice, the "**underpayment notice date**") or (ii) an Event of Default (and the Default Rate shall not apply) unless and until such underpayment remains outstanding after the later of (x) the fifth (5th) Business Day after such underpayment notice date and (y) the applicable grace period otherwise contained in this Section 11.1 or

11.2 *Representations, Etc.* Any representation and warranty made or deemed made by any Credit Party herein or in any other Credit Document or any certificate delivered or required to be delivered pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made, and, to the extent capable of being cured, such incorrect representation and warranty shall remain incorrect in any material respect for a period of thirty days after written notice thereof from the Administrative Agent to the Borrower; or

11.3 *Covenants*. Any Credit Party shall:

(a) default in the due performance or observance by it of any term, covenant or agreement contained in Section 9.1(e)(i) (*provided* that the delivery of a notice of a Default or an Event of Default, as applicable, at any time will cure any Event of Default resulting from a breach of Section 9.1(e)(i) arising solely from the failure to timely deliver such notice), Section 9.5(a) (solely with respect to the Borrower's existence), Section 10 or Section 3 of the Fee Letter; or

(b) default in the due performance or observance by it of any term, covenant or agreement (other than those referred to in Section 11.1 or 11.2 or clause (a) of this Section 11.3) contained in this Agreement or any Security Document and such default shall continue unremedied for a period of at least 30 days after receipt by the Borrower of written notice thereof from the Administrative Agent; or

11.4 *Default Under Other Agreements*. (a) The Borrower or any of the Restricted Subsidiaries shall (i) default in any payment with respect to any Indebtedness (other than the Obligations) in excess of the Threshold Amount in the aggregate, for the Borrower and such Restricted Subsidiaries, beyond the period of grace and following all required notices, if any, provided in the instrument or agreement under which such Indebtedness was created or (ii) default in the observance or performance of any agreement or

condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto (after giving effect to all applicable grace periods and delivery of all required notices) (other than, with respect to Indebtedness consisting of any Hedge Agreements, termination events or equivalent events pursuant to the terms of such Hedge Agreements (it being understood that clause (i) above shall apply to any failure to make any payment in excess of the Threshold Amount that is required as a result of any such termination or similar event and that is not otherwise being contested in good faith)), the effect of which default is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, any such Indebtedness to become due and payable in full or mandatorily redeemable in full, in each case, prior to its stated maturity, or (b) without limiting the provisions of clause (a) above, any such Indebtedness shall be declared to be due and payable, or required to be prepaid in full other than by a regularly scheduled required prepayment or as a mandatory prepayment or redemption or offer to purchase (and, with respect to Indebtedness consisting of any Hedge Agreements, other than due to a termination event or equivalent event pursuant to the terms of such Hedge Agreements (it being understood that clause (a)(i) above shall apply to any failure to make any payment in excess of the Threshold Amount that is required as a result of any such termination or equivalent event and that is not otherwise being contested in good faith)), prior to the stated maturity thereof; *provided* that clauses (a) and (b) above shall not apply to (x) Indebtedness that becomes due as a result of the sale, transfer or other disposition (including as a result of a casualty or condemnation event) of property or assets (to the extent such sale, transfer or other disposition is not prohibited under this Agreement or is otherwise reasonably expected to be permitted), (y) Indebtedness which is convertible into Equity Interests and converts to Equity Interests in accordance with its terms and such conversion is not prohibited hereunder, or (z) any breach or default that is (I) remedied, or being contested in good faith, by the Borrower or the applicable Restricted Subsidiary or (II) waived (including in the form of amendment or forbearance) by the required holders of the applicable item of Indebtedness, in either case, prior to the acceleration of Loans pursuant to this Section 11; *provided* that with respect to the breach of the ABL Financial Covenant under the ABL Credit Agreement or the breach of any financial covenant under any other revolving credit facility permitted to be incurred under Section 10.1, any such breach shall not constitute an Event of Default hereunder unless and until the applicable holders of such Indebtedness have caused the same to become immediately due and payable prior to the scheduled maturity thereof (or such Indebtedness has been automatically accelerated prior to its scheduled maturity thereof in accordance with its terms). Notwithstanding the foregoing provisions of this Section 11.4, no breach, default or event of default under the ABL Credit Documents (other than a breach of the ABL Financial Covenant) shall constitute an Event of Default under this Section 11.4, unless there has been an acceleration of the ABL Loans or termination of the Revolving Credit Commitments (as defined in the ABL Credit Agreement) prior to the scheduled maturity thereof as a result of an event of default under the ABL Credit Documents.

11.5 *Bankruptcy, Etc.* Except as otherwise permitted by Section 10.3, Holdings, the Borrower or any Significant Subsidiary shall commence a voluntary case, proceeding or action concerning itself under any Bankruptcy Law or a case, proceeding or action is commenced against Holdings, the Borrower or any Significant Subsidiary and the petition, application or other originating process is not dismissed or stayed within sixty (60) days after the filing of the petition, application or other originating process for the applicable case, proceeding or action; or a custodian (as defined in the Bankruptcy Code), judicial manager, compulsory manager, receiver, receiver manager, interim receiver, trustee, liquidator, administrator, administrative receiver or similar Person is appointed for, or takes charge of, all or substantially all of the property of Holdings, the Borrower or any Significant Subsidiary; or Holdings, the Borrower or any Significant Subsidiary is adjudicated bankrupt; or Holdings, the Borrower or any Significant Subsidiary makes a general assignment for the benefit of creditors; or

11.6 *ERISA*. An ERISA Event or a Foreign Plan Event shall have occurred, and such ERISA Event or Foreign Plan Event, alone or together with all other such ERISA Events and Foreign Plan Events, if any, would reasonably be expected to result in a Material Adverse Effect; or

11.7 *Guarantee*. Any Guarantee provided by Holdings or any other Guarantor that is a Material Subsidiary, or any material provision thereof, shall cease to be in full force or effect (other than pursuant to the terms hereof or thereof or as a result of the acts, omissions or mistakes of the Administrative Agent or Collateral Agent) or any Credit Party shall deny or disaffirm in writing any such Guarantor's material obligations under its Guarantee; or

11.8 *Pledge Agreement*. Any Security Document pursuant to which the Capital Stock of the Borrower or any Material Subsidiary of any Credit Party is pledged or any material provision thereof shall cease to be in full force or effect, which results in the Collateral Agent ceasing to have (on behalf of the Lenders) a perfected security interest on a material portion of the Collateral on the terms and conditions set forth in such Security Documents (other than pursuant to the terms hereof or thereof, as a result of acts or omissions of the Collateral Agent or any Lender or as a result of the Collateral Agent's failure to maintain possession of any Capital Stock that has been previously delivered to it) or any Credit Party shall deny or disaffirm in writing such Credit Party's obligations under any such Security Document; or

11.9 *Security Agreement*. The Security Agreement or any other Security Document pursuant to which the assets of the Borrower or any Material Subsidiary constituting a Credit Party are pledged as Collateral or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof or thereof, or as a result of acts or omissions of the Collateral Agent within its control required to be taken (or not taken) under any Credit Document), which results in the Collateral Agent ceasing to have (on behalf of the Lenders) a perfected security interest on a material portion of the Collateral on the terms and conditions set forth in such Security Documents or any such Credit Party shall deny or disaffirm in writing its obligations under the Security Agreement or any other Security Document; or

11.10 *Judgments*. One or more final judgments or decrees shall be entered against Holdings, the Borrower or any of the Significant Subsidiaries involving a liability requiring the payment of money in an amount in excess of the Threshold Amount in the aggregate for all such final judgments and decrees against Holdings, the Borrower and the Significant Subsidiaries (to the extent not paid or covered by insurance or indemnities as to which the applicable insurance company or third party has not denied coverage) and any such final judgments or decrees shall not have been satisfied, vacated, discharged or stayed or bonded pending appeal within sixty (60) consecutive days after the entry thereof; or

11.11 *Change of Control*. A Change of Control shall occur.

11.12 *Remedies Upon Event of Default*. If an Event of Default occurs and is continuing, the Administrative Agent may, or, upon the written request of the Required Lenders, shall, by written notice to the Borrower, take any or all of the following actions, without prejudice to the rights of the Administrative Agent to enforce the claims of itself or the Lenders against Holdings and the Borrower, except as otherwise specifically provided for in this Agreement (i) except as described below, declare any unused Commitments terminated, whereupon the unused Commitments, if any, of each Lender shall forthwith terminate immediately and any Fees theretofore accrued shall forthwith become due and payable without any other notice of any kind; (ii) declare the principal of and any accrued interest and fees in respect of all Loans and all Obligations to be, whereupon the same shall become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby

waived by the Borrower to the extent permitted by applicable law; and/or (iii) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Credit Documents or at law or in equity; *provided* that, if an Event of Default specified in Section 11.5 shall occur with respect to Holdings or the Borrower, the results that would occur upon giving of written notice by the Administrative Agent as specified above shall occur automatically without the giving of any such notice.

Notwithstanding the foregoing provisions of this Section 11.12 or any other provision of this Agreement, with respect to any termination of applicable Commitments pursuant to this Section 11.12, any unfunded Commitments outstanding at any time in respect of any individual facility pursuant to Section 2.14 established to finance a Limited Condition Transaction may be terminated only by the Lenders holding more than 50% of the aggregate amount of the Commitments in respect of such facility (or by the Administrative Agent acting at the request of such Lenders), and not, for the avoidance of doubt, automatically or by the Required Lenders or any other Lenders (or by the Administrative Agent acting at the request of the Required Lenders or any other Lenders).

Notwithstanding anything herein to the contrary or in any other Credit Document, neither the Administrative Agent nor Required Lenders may take any of the actions described in this Section 11.12 with respect to any Default or Event of Default resulting from any action, transaction or the occurrence of any event reported publicly or otherwise disclosed to the Lenders more than two years prior to such date unless the Administrative Agent is exercising remedies or reserved its rights by written notice to the Borrower at such time.

11.13 *Application of Proceeds*. Subject to the terms of the ABL Intercreditor Agreement, Junior Lien Intercreditor Agreement, the Pari Intercreditor Agreement and any other intercreditor agreement or arrangement permitted by this Agreement, any amount received by the Administrative Agent or the Collateral Agent from any Credit Party (or from proceeds of any Collateral) following any acceleration of the Obligations under this Agreement or any Event of Default with respect to the Borrower under Section 11.5 shall be applied:

(i) first, to the payment of all reasonable and documented out-of-pocket costs and expenses incurred by the Administrative Agent or the Collateral Agent in connection with any collection or sale of the Collateral or otherwise in connection with any Credit Document, including all court costs and the reasonable fees and expenses of its agents and legal counsel, the repayment of all advances made by the Administrative Agent or the Collateral Agent hereunder or under any other Credit Document on behalf of any Credit Party and any other reasonable and documented out-of-pocket costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Credit Document, in each case to the extent reimbursable hereunder or thereunder;

(ii) second, to the payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders (including fees, charges and disbursements of counsel to the respective Lenders) arising under the Credit Documents, ratably among them in proportion to the respective amounts described in this clause second payable to them;

(iii) third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans and other Obligations arising under the Credit Documents, ratably among the Lenders in proportion to the respective amounts described in this clause third payable to them;

(iv) fourth, to the payment of that portion of the Obligations constituting unpaid principal of the Loans and Obligations then owing under Secured Hedge Obligations, Secured Cash Management Obligations or Secured Bank Product Obligations, ratably among the Lenders, the Hedge Banks, the Cash Management Banks and Bank Product Providers in proportion to the respective amounts described in this clause fourth held by them;

(v) fifth, to the payment of any other Obligations, ratably among the Lenders, the Hedge Banks, the Cash Management Banks and Bank Product Providers in proportion to the respective amounts described in this clause fifth held by them; and

(vi) sixth, any surplus then remaining shall be paid to the applicable Credit Parties or their successors or assigns or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct;

Notwithstanding the foregoing, amounts received from any Guarantor that is not an "Eligible Contract Participant" (as defined in the Commodity Exchange Act) shall not be applied to its Obligations that are Excluded Swap Obligations.

SECTION 12
The Agents

12.1 *Appointment*.

(a) Each Lender hereby irrevocably designates and appoints the Administrative Agent and Collateral Agent as the agent of such Lender under this Agreement and the other Credit Documents and irrevocably authorizes the Administrative Agent and Collateral Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent or the Collateral Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto. The provisions of this Section 12 (other than Section 12.1(c) with respect to the Lead Arrangers and Sections 12.1, 12.9, 12.11, 12.12, 12.13 and 12.15 with respect to the Borrower) are solely for the benefit of the Agents and the Lenders, and none of Holdings, the Borrower or any other Credit Party shall have rights as third party beneficiary of any such provision. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against the Administrative Agent. In performing its functions and duties hereunder, the Administrative Agent and Collateral Agent shall each act solely as an agent of Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for Holdings, the Borrower or any of its Subsidiaries.

(b) The Administrative Agent and each Lender hereby irrevocably designate and appoint the Collateral Agent as their agent with respect to the Collateral, and each of the Administrative Agent and each Lender irrevocably authorizes the Collateral Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Collateral Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Collateral Agent shall not

have any duties or responsibilities except those expressly set forth herein, or any fiduciary relationship with any of the Administrative Agent or the Lenders, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against the Collateral Agent.

(c) The Lead Arrangers, in their capacity as such, shall not have any obligations, duties or responsibilities under this Agreement but shall be entitled to all benefits of this Section 12. Each Lead Arranger shall be an intended third party beneficiary of the provisions herein applicable thereto.

12.2 *Delegation of Duties*. The Administrative Agent and the Collateral Agent may each execute any of its duties under this Agreement and the other Credit Documents by or through agents, sub-agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties, *provided* that any of the foregoing receiving payments from the Credit Parties shall be a "US person" and a "financial institution" within the meaning of Treasury Regulations Section 1.1441-1. The exculpatory, indemnification and other provisions of this Section 12 shall apply to any such sub-agent and to the Affiliates of the Administrative Agent or the Collateral Agent, as applicable, and any such sub-agent, and shall apply, without limiting the foregoing, to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent. Neither the Administrative Agent nor the Collateral Agent shall be responsible for the negligence or misconduct of any agents, subagents or attorneys-in-fact selected by it in the absence of its bad faith, material breach, gross negligence, or willful misconduct (as determined in the final non-appealable judgment of a court of competent jurisdiction).

12.3 *Exculpatory Provisions*. No Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (a) liable for any action lawfully taken or omitted to be taken by any of them under or in connection with this Agreement or any other Credit Document (except for its or such Person's own bad faith, gross negligence or willful misconduct, or such Person's material breach of this Agreement or any other Credit Document, as determined in the final non-appealable judgment of a court of competent jurisdiction, in connection with its duties expressly set forth herein) or (b) responsible in any manner to any of the Lenders or any participant for any recitals, statements, representations or warranties made by any Credit Party or any officer thereof contained in this Agreement or any other Credit Document or in any certificate, report, statement or other document referred to or provided for in, or received by such Agent under or in connection with, this Agreement or any other Credit Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement, any other Credit Document or the Collateral, or the perfection or priority of any Lien or security interest created or purported to be created under the Security Documents, or for any failure of any Credit Party to perform its obligations hereunder or thereunder. No Agent shall be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Credit Document, or to inspect the properties, books or records of any Credit Party or any Affiliate thereof. The Collateral Agent shall not be under any obligation to the Administrative Agent or any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Credit Document, or to inspect the properties, books or records of any Credit Party.

12.4 *Reliance by Agents*. The Administrative Agent and the Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or instruction believed by it (in good faith) to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to the

Borrower), independent accountants and other experts selected by the Administrative Agent or the Collateral Agent. Each Agent also may rely upon any statement made to it orally and believed by it in good faith to be made by a proper Person, and shall not incur any liability for relying thereon. The Administrative Agent shall deem and treat the Lender specified in the Register with respect to any amount owing hereunder as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent and the Collateral Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Credit Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent and the Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Credit Documents in accordance with a request of the Required Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans; *provided* that the Administrative Agent and the Collateral Agent shall not be required to take any action that, in its opinion or in the opinion of its counsel, may expose it to liability or that is contrary to any Credit Document or applicable law.

12.5 *Notice of Default*. Neither the Administrative Agent nor the Collateral Agent shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Administrative Agent or the Collateral Agent has received written notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default." In the event that the Administrative Agent receives such a notice, it shall give notice thereof to the Lenders and the Collateral Agent. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders; *provided* that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders except to the extent that this Agreement requires that such action be taken only with the approval of the Required Lenders, each directly and adversely affected Lender or each of the Lenders, as applicable.

12.6 *Non-Reliance on Administrative Agent, Collateral Agent, Other Agents and Other Lenders*. Each Lender expressly acknowledges that neither the Administrative Agent, the Collateral Agent, any other Agent, nor any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent, the Collateral Agent or any other Agent hereinafter taken, including any review of the affairs of the Borrower or any other Credit Party, shall be deemed to constitute any representation or warranty by the Administrative Agent, the Collateral Agent or any other Agent to any Lender. Each Lender represents to the Administrative Agent and the Collateral Agent that it has, independently and without reliance upon the Administrative Agent, the Collateral Agent, any other Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of, and investigation into, the business, operations, property, financial and other condition and creditworthiness of the Borrower and each other Credit Party and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender represents that (i) the Credit Documents set forth the terms of a commercial lending facility, (ii) in participating as a Lender, it is engaged in making, acquiring or holding commercial loans and in providing other facilities set forth herein as may be applicable to such Lender in the ordinary course of business, and not for the purpose of investing in the general performance or operations of the Borrower, or for the purpose of purchasing, acquiring or holding any other type of

financial instrument such as a security (and each Lender agrees not to assert a claim in contravention of the foregoing, such as a claim under the federal or state securities laws) and (iii) it is sophisticated with respect to decisions to make, acquire and/or hold commercial loans and to provide other facilities set forth herein, as may be applicable to such Lender, and either it, or the Person exercising discretion in making its decision to make, acquire and/or hold such commercial loans or to provide such other facilities, is experienced in making, acquiring or holding such commercial loans or providing such other facilities. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent, the Collateral Agent, any other Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Credit Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of any of the Credit Parties. Except for notices, reports, and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, neither the Administrative Agent nor the Collateral Agent shall have any duty or responsibility to provide any Lender with any credit or other information concerning the business, assets, operations, properties, financial condition, prospects or creditworthiness of any Credit Party that may come into the possession of the Administrative Agent, the Collateral Agent or any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates.

12.7 *Indemnification*. The Lenders agree to severally indemnify each Agent in its capacity as such (to the extent not reimbursed by the Credit Parties and without limiting the obligation of the Credit Parties to do so), ratably according to their respective portions of the Total Credit Exposure in effect on the date on which indemnification is sought (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with their respective portions of the Total Credit Exposure in effect immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind whatsoever that at any time (including at any time following the payment of the Loans) are imposed on, incurred by or asserted against an Agent in any way relating to or arising out of the Commitments, this Agreement, any of the other Credit Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent or the Collateral Agent under or in connection with any of the foregoing; *provided* that no Lender shall be liable to an Agent for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's bad faith, gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction; *provided further* that no action taken by the Administrative Agent in accordance with the directions of the Required Lenders (or such other number or percentage of the Lenders as shall be required by the Credit Documents) shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section 12.7. In the case of any investigation, litigation or proceeding giving rise to any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time occur (including at any time following the payment of the Loans), this Section 12.7 applies whether any such investigation, litigation or proceeding is brought by any Lender or any other Person. Without limitation of the foregoing, each Lender shall reimburse each Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including attorneys' fees) incurred by such Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice rendered in respect of rights or responsibilities under, this Agreement, any other Credit Document, or any document contemplated by or referred to herein, to the extent that such Agent is not reimbursed for such expenses by or on behalf of the Borrower; *provided* that such reimbursement by the Lenders shall not

affect the Borrower's continuing reimbursement obligations with respect thereto. If any indemnity furnished to any Agent for any purpose shall, in the opinion of such Agent, be insufficient or become impaired, such Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished; *provided* that in no event shall this sentence require any Lender to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement in excess of such Lender's *pro rata* portion thereof; and *provided further* that this sentence shall not be deemed to require any Lender to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement resulting from such Agent's gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction. The agreements in this Section 12.7 shall survive the payment of the Loans and all other amounts payable hereunder. The indemnity provided to each Agent under this Section 12.7 shall also apply to such Agent's respective Affiliates, directors, officers, members, controlling persons, employees, trustees, investment advisors and agents and successors.

12.8 *Agents in Their Individual Capacities*. The agency hereby created shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon, any Agent in its individual capacity as a Lender hereunder. Each Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Credit Party as though such Agent were not an Agent hereunder and under the other Credit Documents. With respect to the Loans made by it, each Agent shall have the same rights and powers under this Agreement and the other Credit Documents as any Lender and may exercise the same as though it were not an Agent, and the terms "Lender" and "Lenders" shall include each Agent in its individual capacity.

12.9 *Successor Agents*.

(a) Each of the Administrative Agent and the Collateral Agent may at any time give 30 days' prior written notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, subject to the consent of the Borrower (not to be unreasonably withheld or delayed) so long as no Event of Default under Section 11.1 or 11.5 (with respect to the Borrower) is continuing, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States (in each case, other than any Disqualified Lender) and in each case such successor shall be a person eligible to assume primary responsibility for US federal tax withholding with respect to payments received on behalf of the Lenders pursuant to Treasury Regulations Section 1.1441-1(b)(2)(ii) or (iv) or as a result of being a "qualified intermediary," and such successor shall provide documentation demonstrating such status in accordance with Section 5.4(e)(iv). If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation (the "**Resignation Effective Date**"), then the retiring Agent may on behalf of the Lenders, appoint a successor Agent meeting the qualifications set forth above (including receipt of the Borrower's consent); *provided* that if the Administrative Agent or the Collateral Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice. It is understood and agreed that in no event shall a Disqualified Lender be the successor Administrative Agent or the successor Collateral Agent.

(b) If the Person serving as the Administrative Agent is a Defaulting Lender, the Required Lenders or the Borrower may, in each case, to the extent permitted by applicable law, by notice in writing to, in the case of a notice from the Required Lenders, the Borrower, or, in the case of a notice from the Borrower, the Required Lenders, and, in each case, such Person, remove such Person as the

Administrative Agent, and, if such appointment is by the Required Lenders (as opposed to the Borrower), with the consent of the Borrower (not to be unreasonably withheld or delayed) so long as no Event of Default under Section 11.1 or 11.5 (with respect to the Borrower) is continuing or, if such appointment is by the Borrower, with the consent of the Required Lenders (not to be unreasonably withheld or delayed), appoint a successor which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States (in each case, other than any Disqualified Lender) and in each case such successor shall be a person eligible to assume primary responsibility for US federal tax withholding with respect to payments received on behalf of the Lenders pursuant to Treasury Regulations Section 1.1441-1(b)(2)(ii) or (iv) or as a result of being a "qualified intermediary," and such successor shall provide documentation demonstrating such status in accordance with Section 5.4(e)(iv). If no such successor shall have been so appointed by the Required Lenders or the Borrower (with the consent of the Borrower or the Required Lenders, as applicable, as required above) and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders and the Borrower) (the "**Removal Effective Date**"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable), (1) the retiring or removed agent shall be discharged from its duties and obligations hereunder (other than its obligations under Section 13.16) and under the other Credit Documents (except that in the case of any collateral security held by the Collateral Agent on behalf of the Lenders under any of the Credit Documents, the retiring or removed Collateral Agent shall continue to hold such collateral security as nominee until such time as a successor Collateral Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the retiring or removed Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders or the Borrower, as applicable, appoint a successor Agent as provided for above in this paragraph (and otherwise subject to the terms in this Section 12.9). Upon the acceptance of a successor's appointment as the Administrative Agent or the Collateral Agent, as the case may be, hereunder, and upon the execution and filing or recording of such financing statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Required Lenders may request, in order to continue the perfection of the Liens granted or purported to be granted by the Security Documents, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) or removed Agent, and the retiring or removed Agent shall be discharged from all of its duties and obligations hereunder (other than its obligations under Section 13.16) or under the other Credit Documents (if not already discharged therefrom as provided above in this Section 12.9). Except as provided above, any resignation or removal of JPMorgan Chase Bank, N.A. as the Administrative Agent pursuant to this Section 12.9 shall also constitute the resignation or removal of such Person as the Collateral Agent. The fees payable by the Borrower (following the effectiveness of such appointment) to such Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor (other than appropriate pro rata reductions for partial periods). After the retiring or removed Agent's resignation or removal hereunder and under the other Credit Documents, the provisions of this Section 12 (including Section 12.7) and Section 13.5 shall continue in effect for the benefit of such retiring or removed Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Agent was acting as an Agent.

(d) Any resignation by or removal of the Administrative Agent pursuant to this Section 12.9 shall also constitute its resignation or removal as Withholding Agent (if applicable); *provided, further,* that, for the avoidance of doubt, any such appointment shall not be a condition to any resignation by or removal of the Administrative Agent in its capacity as such pursuant to this Section 12.9. Upon the

acceptance of a successor's appointment as the Administrative Agent hereunder in accordance with this Section 12.9, such successor shall become the Withholding Agent.

12.10 *Withholding Tax*. To the extent required by any applicable Requirement of Law, the Administrative Agent may withhold from any payment to any Lender under any Credit Document an amount equivalent to any applicable withholding Tax. If the Internal Revenue Service or any other Governmental Authority of the United States or other jurisdiction asserts a claim that the Administrative Agent did not properly withhold Tax from amounts paid to or for the account of any Lender for any reason (including because the appropriate form was not delivered, was not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstances that rendered the exemption from, or reduction of, withholding Tax ineffective) or if the Administrative Agent reasonably determines that a payment was made to a Lender pursuant to this Agreement without deduction of applicable withholding Tax from such payment, such Lender shall indemnify the Administrative Agent (to the extent that the Administrative Agent has not already been reimbursed by any applicable Credit Party and without expanding or limiting the obligation of any applicable Credit Party to do so) fully for all amounts paid, directly or indirectly, by the Administrative Agent as Tax or otherwise, including penalties, additions to Tax and interest, together with all expenses incurred, including legal expenses, allocated staff costs and any out of pocket expenses. 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 Credit Document or from any other sources against any amount due to the Administrative Agent under this Section 12.10. The agreements in this Section 12.10 shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

12.11 *Collateral and Guarantee Matters*. Each Secured Party hereby further authorizes the Administrative Agent or the Collateral Agent, as applicable, on behalf of and for the benefit of the Secured Parties, to be the agent for and representative of the Secured Parties with respect to the Collateral and the Security Documents; *provided* that neither the Administrative Agent nor the Collateral Agent shall owe any fiduciary duty, duty of loyalty, duty of care, duty of disclosure or any other obligation whatsoever to any holder of Secured Hedge Obligations, Secured Cash Management Obligations or Secured Bank Product Obligations.

(a) Any Lien on any property granted to or held by the Administrative Agent or the Collateral Agent under any Credit Document shall be automatically released (i) upon the payment in full of all Obligations (except for contingent obligations in respect of which a claim has not yet been made, Secured Hedge Obligations, Secured Bank Product Obligations and Secured Cash Management Obligations) and termination of all Commitments, (ii) if the property subject to such Lien is sold or to be sold or transferred as part of or in connection with any sale or other transfer permitted hereunder or under any other Credit Document (whether as an Investment, disposition or otherwise) to a Person that is not a Credit Party or in connection with the designation of any Restricted Subsidiary as an Unrestricted Subsidiary (including in connection with the incurrence of any Qualified Securitization Financing or Receivables Facility), (iii) if the property subject to such Lien is owned by a Credit Party, upon the release of such Credit Party from its Guarantee otherwise in accordance with the Credit Documents, (iv) as to the extent provided in the Security Documents, (v) if the property constitutes Excluded Property (or with respect to any property subject to any Lien securing any purchase money obligations, Finance Leases (including capital leases), Sale Leaseback or similar arrangement, at the written request of the Borrower), (vi) if such release is approved, authorized or ratified in writing in accordance with Section 13.1 or (vii) with respect to ABL Priority Collateral, upon the release of any Lien on any such property granted to or held by the ABL Administrative Agent or the ABL Collateral Agent (or any sub-agent thereof) under any

ABL Credit Document, in accordance with the ABL Intercreditor Agreement. Without limitation to the operation of the automatic releases described in the preceding sentence, the Administrative Agent and the Collateral Agent may rely conclusively without further inquiry on a certificate of an Authorized Officer delivered to the Administrative Agent with respect to any release described in this clause (a) stating that such release satisfies the foregoing requirements.

(b) (i) Except as set forth in clause (ii) below, any Guarantor shall be automatically released from its obligations under the Guarantee if such Person ceases to be a Restricted Subsidiary (or becomes an Excluded Subsidiary) as a result of a transaction or designation permitted hereunder and (ii) any Guarantor may be released pursuant to the provisions applicable to the Excluded Subsidiary Joinder Exception; *provided further* that without limitation of the operation of the automatic releases described in this clause (b), a certificate of an Authorized Officer delivered at the option of the Borrower, to the Administrative Agent with respect to any such automatic release stating that such Guarantor has ceased to be a Restricted Subsidiary or becomes an Excluded Subsidiary, as the case may be, shall be conclusive evidence that such release satisfies the foregoing requirement and such automatic release has occurred (and the Administrative Agent and the Collateral Agent may rely conclusively on such certificate without further inquiry); *provided further* that no Wholly-Owned Subsidiary that is a Credit Party that becomes an Excluded Subsidiary solely by virtue of it no longer being a Wholly-Owned Subsidiary shall be released from its obligations under the Guarantee solely by virtue of a transaction pursuant to which the relevant Equity Interests of such Subsidiary are transferred to a third party unless either (a) such Person ceases to constitute a Restricted Subsidiary or (b) such transaction is not entered into with the primary purpose of circumventing the Collateral and/or Guarantee provisions of this Agreement, it being understood that (i) the primary purpose of any such transaction shall be determined by the Borrower in good faith, (ii) in no event shall the foregoing provisions prevent the release of a Subsidiary pursuant to a transaction entered into for a bona fide business purpose or any transaction that is consistent with past practice or customary industry practice and (iii) in no event shall the foregoing provisions prevent the release of a Guarantor that otherwise constitutes an Excluded Subsidiary (other than pursuant to clause (i) of the definition of "Excluded Subsidiary").

(c) Upon the request from time to time by the Borrower, the Administrative Agent shall release or subordinate any Lien on any property granted to or held by the Administrative Agent or the Collateral Agent under any Credit Document to the holder of any Lien permitted under clauses (v), (vi) (solely with respect to Section 10.1(d) or (gg)), (vii), (viii), (ix), (xviii) (solely with respect to a refinancing of each of the foregoing clauses) and (xlii) of the definition of "Permitted Liens"; or

(d) Upon the request from time to time by the Borrower, the Administrative Agent and the Collateral Agent shall enter into subordination or intercreditor agreements with respect to Indebtedness to the extent the Administrative Agent or the Collateral Agent is otherwise contemplated herein as being a party to such intercreditor or subordination agreement, including the ABL Intercreditor Agreement, the Junior Lien Intercreditor Agreement and the Pari Intercreditor Agreement.

In each case of clauses (a) through (d) above, without further written consent or authorization from any Secured Party, the Administrative Agent or the Collateral Agent, as applicable, shall, and shall be authorized by all Secured Parties, to execute and deliver any documents or instruments necessary to evidence such release or subordination, as applicable. In addition, at the written request from the Borrower, the Administrative Agent or the Collateral Agent, from time to time, shall, and shall be authorized by all Secured Parties to execute any written confirmation in favor the holder of any Permitted Lien over any Excluded Property to confirm that the Obligations are not secured by a Lien over such Excluded Property. Any execution and delivery of documents pursuant to this Section shall be without

recourse to or warranty by the Administrative Agent or the Collateral Agent and subject to their rights pursuant to Section 12.4.

The Collateral Agent shall have its own independent right to demand payment of the amounts payable by the Borrower under this Section 12.11, irrespective of any discharge of the Borrower's obligations to pay those amounts to the other Lenders resulting from failure by them to take appropriate steps in insolvency proceedings affecting the Borrower to preserve their entitlement to be paid those amounts.

Any amount due and payable by the Borrower to the Collateral Agent under this Section 12.11 shall be decreased to the extent that the other Lenders have received (and are able to retain) payment in full of the corresponding amount under the other provisions of the Credit Documents and any amount due and payable by the Borrower to the Collateral Agent under those provisions shall be decreased to the extent that the Collateral Agent has received (and is able to retain) payment in full of the corresponding amount under this Section 12.11.

12.12 *Right to Realize on Collateral and Enforce Guarantee*. Anything contained in any of the Credit Documents to the contrary notwithstanding, the Borrower, the Agents, and each Secured Party hereby agree that (i) no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce the Guarantee, it being understood and agreed that all powers, rights, and remedies hereunder may be exercised solely by the Administrative Agent, on behalf of the Secured Parties in accordance with the terms hereof and the other Credit Documents and all powers, rights, and remedies under the Security Documents may be exercised solely by the Collateral Agent, and (ii) in the event of a foreclosure by the Collateral Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Collateral 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 Collateral Agent, as agent for and representative of the Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless 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 Obligations as a credit on account of the purchase price for any collateral payable by the Collateral Agent at such sale or other disposition. No holder of Secured Hedge Obligations, Secured Bank Product Obligations or Secured Cash Management Obligations shall have any rights in connection with the management or release of any Collateral or of the obligations of any Credit Party under this Agreement. No holder of Secured Hedge Obligations, Secured Bank Product Obligations or Secured Cash Management Obligations that obtains the benefits of any Guarantee or any Collateral by virtue of the provisions hereof or of any other Credit Document shall have any right to notice of any action or to consent to or vote on, direct or object to any action hereunder or under any other Credit Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender or Agent and, in such case, only to the extent expressly provided in the Credit Documents. Notwithstanding any other provision of this Agreement to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Hedge Agreements, Secured Bank Product Agreements and Secured Cash Management Agreements, unless the Administrative Agent has received written notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank, Bank Product Provider or Hedge Bank, as the case may be.

12.13 *Intercreditor Agreements Govern*. The Administrative Agent, the Collateral Agent, any Secured Party and each Lender (a) hereby agrees that it will be bound by and will take no actions contrary

to the provisions of any intercreditor agreement entered into pursuant to the terms hereof, (b) hereby authorizes and instructs the Administrative Agent and the Collateral Agent to enter into each intercreditor agreement (including the ABL Intercreditor Agreement, the Junior Lien Intercreditor Agreement and the Pari Intercreditor Agreement) entered into pursuant to the terms hereof (including pursuant to clause (vi), (xlii) or (xlv) of the definition of "Permitted Liens" or Section 12.11(c) or (d)) and to subject the Liens securing the Obligations to the provisions thereof, (c) hereby authorizes and instructs the Administrative Agent and the Collateral Agent to negotiate, execute and deliver on behalf of the Secured Parties any intercreditor agreement contemplated hereby with respect to Indebtedness permitted to be incurred under Section 10.1 and permitted to be secured by Liens on the Collateral by Section 10.2 or any amendment (or amendment and restatement) to the Security Documents or any intercreditor agreement contemplated hereunder (including any such amendment of any such intercreditor agreement to provide for the addition of Indebtedness permitted to be incurred under Section 10.1 and permitted to be secured by Liens on the Collateral by Section 10.2) and (d) hereby consents to the subordination of the Liens on the Collateral other than the Term Priority Collateral securing the Obligations on the terms set forth in the ABL Intercreditor Agreement. In the event of any conflict or inconsistency between the provisions of each intercreditor agreement (including the ABL Intercreditor Agreement, the Junior Lien Intercreditor Agreement and the Pari Intercreditor Agreement) and this Agreement, the provisions of such intercreditor agreement shall control in all respects. With respect to any reference in this Agreement to "another intercreditor agreement, subordination agreement or arrangement reasonably acceptable to the Administrative Agent and the Borrower" (or other similar description), the Administrative Agent and the Collateral Agent hereby agree to, and each Secured Party and each Lender hereby directs the Administrative Agent and the Collateral Agent to, enter into such other intercreditor or subordination agreement upon request by the Borrower.

12.14 *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 not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Credit Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the 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 Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional

Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Credit Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Credit Document or any documents related hereto or thereto).

12.15 *Erroneous Payments*.

(a) If the Administrative Agent notifies a Lender or Secured Party, or any Person who has received funds on behalf of a Lender or Secured Party (any such Lender, 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, 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) (*provided* that, without limiting any other rights or remedies (whether at law or in equity) the Administrative Agent may not make any such demand under this clause (a) with respect to an Erroneous Payment unless such demand is made within ten (10) Business Days of the date of receipt of such Erroneous Payment by the applicable Payment Recipient), such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and such Lender or 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.

(b) Without limiting the immediately preceding clause (a), each Lender or Secured Party, or any Person who has received funds on behalf of a Lender 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 or Secured Party, or other such 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 clauses (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error has been made (in the case of the immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender or Secured Party shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of such error) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 12.15(b).

(c) Each Lender 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 or Secured Party under any Credit Document, or otherwise payable or distributable by the Administrative Agent to such Lender or Secured Party from any source, against any amount due to the Administrative Agent under immediately preceding clause (a) or under the indemnification provisions of this Agreement.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (a), from any Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an "**Erroneous Payment Return Deficiency**"), upon the Administrative Agent's notice to such Lender at any time, (i) such Lender shall be deemed to have assigned its Loans (but not its Commitments) of the relevant Class with respect to which such Erroneous Payment was made (the "**Erroneous Payment Impacted Class**") in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the "**Erroneous Payment Deficiency Assignment**") at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment and Acceptance with respect to such Erroneous Payment Deficiency Assignment, and such Lender shall deliver any promissory note 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 hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall

cease to be a Lender hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender and (iv) the Administrative Agent shall reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. The Administrative Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender 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 (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender and such Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Administrative Agent has sold a Loan (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Administrative Agent may be equitably subrogated, the Administrative Agent shall be contractually subrogated to all the rights and interests of the applicable Lender or Secured Party under the Credit Documents with respect to each Erroneous Payment Return Deficiency (the "**Erroneous Payment Subrogation Rights**").

(e) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Credit Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower or any other Credit Party for the purpose of making such Erroneous Payment.

(f) 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 waiver of any defense based on "discharge for value" or any similar doctrine.

(g) Each party's obligations, agreements and waivers under this Section 12.15 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Credit Document.

(h) Notwithstanding anything to the contrary in this Section 12.15 or in any other Credit Document, the Borrower and the Credit Parties shall have no obligations, liabilities or responsibilities for any actions, consequences or remediation (including the repayment or recovery of any amounts) contemplated by this Section 12.15 (and, for the avoidance of doubt, it is understood and agreed that if a Credit Party has paid principal, interest or any other amounts owed pursuant to a Credit Document, nothing in this Section 12.15 (or Section 13.5 (or any equivalent provision) in connection therewith) shall require any such Credit Party to pay additional amounts that are duplicative of such previously paid amounts).

12.16 *Calculations*. It is understood by all parties hereto that the Administrative Agent may (but shall not be obligated to) deliver calculations to the Borrower from time to time of payment amounts under this Agreement, and that the Administrative Agent shall have no liability with respect thereto. If the Administrative Agent identifies or becomes aware of an update or revision to any calculation previously delivered, the Administrative Agent may (but shall not be obligated to, unless directed by the Required Lenders) deliver an updated or revised calculation with respect to any such amount due hereunder. For

avoidance of doubt, if there is a dispute as to the payment amount due and owing, any calculation or any updated or revised calculation of the Administrative Agent shall control absent manifest error.

SECTION 13
Miscellaneous

13.1 *Amendments, Waivers, and Releases*.

(a) Neither this Agreement nor any other Credit Document, nor any terms hereof or thereof, may be amended, supplemented, modified or waived except in accordance with the provisions of this Section 13.1. Except as provided to the contrary under Section 2.10(d), Section 2.14, Section 2.15, Section 12.11, Section 12.13, Section 13.1(c), (e), (f), (g), (h), (i) or (j) or as otherwise provided hereunder or in any other Credit Document, and other than with respect to any amendment, modification or waiver contemplated in clause (x)(i), clause (x)(ii), clause (x)(iii), clause (x)(vii), clause (x)(viii), clause (y) or clause (z) below, which, in each case, shall only require the consent of the Lenders, the Administrative Agent or the Collateral Agent, as applicable, as expressly set forth herein or therein and not the Required Lenders, the Required Lenders may, or, with the written consent of the Required Lenders, the Administrative Agent and/or the Collateral Agent may, from time to time, (a) enter into with the relevant Credit Party or Credit Parties written amendments, supplements or modifications hereto and to the other Credit Documents for the purpose of adding any provisions to this Agreement or the other Credit Documents, for the purpose of changing in any manner the rights of the Lenders or of the Credit Parties hereunder or thereunder or for any other purpose or (b) waive in writing, on such terms and conditions as the Required Lenders or the Administrative Agent and/or the Collateral Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Credit Documents or any Default or Event of Default and its consequences; *provided* that each such waiver and each such amendment, supplement or modification shall be effective only in the specific instance and for the specific purpose for which given; and *provided further* that no such waiver and no such amendment, supplement or modification shall:

(x) (i) forgive or reduce any portion of any Loan or extend the final scheduled maturity date of any Loan or reduce the stated interest rate (it being understood that only the consent of the Required Lenders shall be necessary to waive any obligation of the Borrower to pay interest at the "default rate" or amend Section 2.8(c)), or reduce any fee payable hereunder, or forgive any portion thereof, or extend the scheduled date for amortization payments of principal or the payment of any interest or fee payable hereunder (other than as a result of waiving the applicability of any post-default increase in interest rates), or make any Loan, interest, Fee or other amount payable in any currency other than expressly provided herein, in each case, without the written consent of each Lender directly and adversely affected thereby; *provided* that, in each case for purposes of this clause (x)(i) and clause (y) below, a waiver of any condition precedent in Section 6 of this Agreement, the waiver of any Default, Event of Default, default interest, mandatory prepayment or reductions, any modification, waiver or amendment to the financial definitions or financial ratios or any component thereof or the waiver of any other covenant shall not constitute an increase of any Commitment of a Lender, a reduction or forgiveness of any portion of any Loan or in the interest rates or the fees or premiums or a postponement of any date scheduled for the payment of principal or interest or fees or an extension of the final maturity of any Loan or the scheduled termination date of any Commitment, or

(ii) consent to the assignment or transfer by the Borrower of its rights and obligations under any Credit Document to which it is a party (except as permitted pursuant to Section 10.3), in each case without the written consent of each Lender directly and adversely affected thereby, or

(iii) amend, modify, or waive any provision of Section 12 without the written consent of the then-current Administrative Agent and Collateral Agent in a manner that directly and adversely affects such Person, or

(iv) release all or substantially all of the value of the Guarantees (except as expressly permitted by the Guarantee, the ABL Intercreditor Agreement, the Junior Lien Intercreditor Agreement, the Pari Intercreditor Agreement, any other intercreditor agreement or arrangement permitted under this Agreement or this Agreement) or release all or substantially all of the Collateral under the Security Documents (except as expressly permitted by the Security Documents, the ABL Intercreditor Agreement, the Junior Lien Intercreditor Agreement, the Pari Intercreditor Agreement, any other intercreditor agreement or arrangement permitted under this Agreement or this Agreement) without the prior written consent of each Lender, or

(v) reduce the percentages specified in the definitions of the terms "Required Lenders" or "Required Facility Lenders" or amend, modify or waive any provision of this Section 13.1 that has the effect of decreasing the number of Lenders that must approve any amendment, modification or waiver, without the written consent of each Lender, or

(vi) [reserved], or

(vii) amend the Credit Documents to provide that the Liens on the Collateral securing any of the Initial Term Loans shall be subordinated to the Liens on the Collateral securing, or any of the Initial Term Loans would be subordinated in right of payment to, any other Indebtedness for borrowed money (any transactions related to such subordination, a "**Priming Transaction**"), without the prior written consent of each directly and adversely affected Lender holding Initial Term Loans; *provided* that this clause (vii) shall not apply with respect to (x) "debtor-in-possession" transactions, (y) transactions otherwise expressly permitted under this Agreement as of the Closing Date and (z) any Priming Transaction in which the Borrower offered the applicable Lenders (other than Defaulting Lenders) holding Initial Term Loans that were directly and adversely affected by such subordination at the time of the applicable Priming Transaction an opportunity to ratably participate in the applicable Priming Transaction on the same terms as the other lenders participating in such Priming Transaction (other than any backstop fee and reimbursement of counsel fees and expenses and similar expenses), or

(viii) except as contemplated by clause (e) below, amend, modify, waive and/or change (A) the proviso to the first sentence of Section 5.2(d), (B) [reserved], (C) the last sentence of Section 5.3(a), (D) Section 11.13 or (E) Section 13.8(a) in a manner that would alter the pro rata sharing of payments required thereby or order of payments specified therein, in each case, without the written consent of each Lender directly and adversely affected thereby; *provided* that this clause (viii) shall not apply with respect to any transaction in which the Borrower offered the applicable Lenders (other than Defaulting Lenders) that are directly and adversely affected by such amendments, modifications, waivers and/or other changes at the time of the applicable transaction an opportunity to ratably participate in the applicable transaction on the same terms as

the other lenders participating in such transaction (other than any backstop fee and reimbursement of counsel fees and expenses and similar expenses),

(y) notwithstanding anything to the contrary in clause (x) above (other than the proviso to clause (x)(i)), (i) extend the final expiration date of any Lender's Commitment or (ii) increase the aggregate amount of the Commitments of any Lender, in each case, without the written consent of such Lender (but no other Lender), or

(z) in connection with an amendment that addresses solely a repricing transaction in which any Class of Commitments and/or Loans is refinanced with a replacement Class of Commitments and/or Loans bearing (or is modified in such a manner such that the resulting Commitments and/or Loans bear) a lower Effective Yield, require the consent of any Lender other than the Lenders holding Commitments and/or Loans subject to such permitted repricing transaction that will continue as Lenders in respect of the repriced Class of Commitments and/or Loans or modified Class of Commitments and/or Loans.

(b) Notwithstanding anything to the contrary herein, (i) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except (x) that the Commitment of such Lender may not be increased or extended without the consent of such Lender (it being understood that any Commitments or Loans held or deemed held by any Defaulting Lender shall be excluded for a vote of the Lenders hereunder requiring any consent of the Lenders and it being further understood that only the consent of the Required Lenders shall be necessary to waive any obligation of the Borrower to pay interest at the "default rate" or amend Section 2.8(c)) and (y) for any such amendment, waiver or consent that treats such Defaulting Lender disproportionately and adversely from the other Lenders of the same Class (other than because of its status as a Defaulting Lender) and (ii) no Net Short Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder or under any of the Credit Documents and instead shall be deemed to have voted its interest as a Lender as provided below.

(c) Notwithstanding the foregoing, except as otherwise set forth in this Section 13.1, including the effectiveness of any amendment, waiver, or modification applicable to all Loans and Commitments under this Agreement entered into by the Borrower and the Required Lenders, with respect to any waiver, amendment, supplement or modification of any term or provision under the Credit Documents which by its terms affects Lenders under one or more Credit Facilities (but not the Lenders under one or more other Credit Facilities), such waiver, amendment, supplement or modification may be made with the consent of the Borrower and the Lenders holding the requisite percentage in interest of the Loans and Commitments under the affected Credit Facility that would be required to consent thereto under this Section 13.1 if such Credit Facility were the only Credit Facility in existence under the Credit Documents at the applicable time (and in the case of multiple Credit Facilities which are so affected, such affected Lenders shall consent together as one Credit Facility); it being understood that, (A) Lenders holding more than 50% of the then-outstanding amount of Term Loans of all Classes entitled to sharing the proceeds of any mandatory prepayments under Section 5.2(a)(i), (ii) or (v) may, without the consent of any other Lender or any other Person, amend, waive or modify the terms applicable to such mandatory prepayments, (B) the Required Facility Lenders with respect to a Class of Loans or Commitments may (I) waive any conditions to the extensions of credit under such Class of Commitments (including the condition to the funding of any delayed draw Term Loan Commitments), (II) change any "MFN protection", prepayment premium, covenant and other terms applicable solely to such Class, including the inclusion of any maturity and/or Weighted Average Life to Maturity protection applicable solely to such Class, (III) waive any mandatory prepayment solely with respect to such Class, (IV) waive any Default or

Event of Default and elect not to exercise any remedies after the occurrence of any Event of Default solely with respect to such Class and (V) amend, modify or waive compliance with any covenant or other term included solely for the benefit of such Class or the breach of any such covenant or other term.

(d) Notwithstanding anything to the contrary herein, in connection with any determination as to whether the requisite Lenders have (A) consented (or not consented) to any amendment or waiver of any provision of this Agreement or any other Credit Document or any departure by the Borrower or any Restricted Subsidiary therefrom, (B) otherwise acted on any matter related to any Credit Document, or (C) directed or required the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) with respect to or under any Credit Document, any Lender (other than any Lender that is a Regulated Bank) (or any Affiliate of any such Lender (*provided* that for purposes of this paragraph, Affiliates shall not include Persons that are subject to customary procedures to prevent the sharing of confidential information between such Lender and such Person and such Person is managed having independent fiduciary duties to the investors or other equityholders of such Person)), that, as a result of its (or its Affiliates') interest in any participation, total return swap, total rate of return swap, credit default swap or other derivative contract (other than any such total return swap, total rate of return swap, credit default swap or other derivative contract entered into pursuant to bona fide market making activities), has a net short position with respect to the Loans and/or Commitments or with respect to any other tranche, class or series of Indebtedness for borrowed money incurred or issued by the Borrower or any of its Restricted Subsidiaries at such time of determination secured by the Collateral on a *pari passu* basis with the Obligations (including commitments with respect to any revolving credit facility) (each such item of Indebtedness, including the Loan and Commitments, "**Specified Indebtedness**") (each, a "**Net Short Lender**") shall have no right to vote with respect to any amendment, modification or waiver of this Agreement or any other Credit Documents and shall be deemed to have voted its interest as a Lender without discretion in the same proportion as the allocation of voting with respect to such matter by Lenders who are not Net Short Lenders. For purposes of determining whether a Lender (alone or together with its Affiliates) has a "net short position" on any date of determination: (i) derivative contracts with respect to any Specified Indebtedness and such contracts that are the functional equivalent thereof shall be counted at the notional amount thereof in Dollars, (ii) notional amounts in other currencies shall be converted to the Dollar equivalent thereof by such Lender in a commercially reasonable manner consistent with generally accepted financial practices and based on the prevailing conversion rate (determined on a mid-market basis) on the date of determination, (iii) derivative contracts in respect of an index that includes the Borrower or any other Restricted Subsidiary or any instrument issued or guaranteed by the Borrower or any other Restricted Subsidiary shall not be deemed to create a short position with respect to such Specified Indebtedness, so long as (x) such index is not created, designed, administered or requested by such Lender or its Affiliates and (y) the Borrower and the other Restricted Subsidiaries and any instrument issued or guaranteed by the Borrower or the other Restricted Subsidiaries collectively, shall represent less than 5% of the components of such index, (iv) derivative transactions that are documented using either the 2014 ISDA Credit Derivatives Definitions or the 2003 ISDA Credit Derivatives Definitions (collectively, the "**ISDA CDS Definitions**") shall be deemed to create a short position with respect to the relevant Specified Indebtedness if such Lender or its Affiliates is a protection buyer or the equivalent thereof for such derivative transaction and (x) the relevant Specified Indebtedness is a "Reference Obligation" under the terms of such derivative transaction (whether specified by name in the related documentation, included as a "**Standard Reference Obligation**" on the most recent list published by Markit, if "**Standard Reference Obligation**" is specified as applicable in the relevant documentation or in any other manner), (y) the relevant Specified Indebtedness would be a "Deliverable Obligation" under the terms of such derivative transaction or (z) the Borrower or any other Restricted Subsidiary is designated as a "Reference Entity" under the terms of such derivative transactions, and (v) credit derivative transactions or other derivatives transactions not documented using the ISDA CDS

Definitions shall be deemed to create a short position with respect to the Loans and/or Commitments if such transactions are functionally equivalent to a transaction that offers the Lender protection in respect of the Loans or the Commitments, or as to the credit quality of any of Holdings or other Credit Parties and (vi) any participation of a Loan shall be deemed to reduce the exposure to the underlying Loan on a dollar-for-dollar basis other than, in each case, as part of an index so long as (x) such index is not created, designed, administered or requested by such Lender and (y) the Borrower and other Credit Parties and any instrument issued or guaranteed by any of the Borrower or other Credit Parties, collectively, shall represent less than 5% of the components of such index. In connection with any such determination, each Lender shall promptly notify the Administrative Agent in writing that it is a Net Short Lender, or shall otherwise be deemed to have represented and warranted to the Borrower and the Administrative Agent that it is not a Net Short Lender (it being understood and agreed that the Borrower and the Administrative Agent shall be entitled to rely on each such representation and deemed representation).

Any such waiver and any such amendment, supplement or modification shall apply equally to each of the affected Lenders and shall be binding upon Holdings, the Borrower, the other Credit Parties, such Lenders, the Administrative Agent, the Collateral Agent and all future holders of the affected Loans. In the case of any waiver, Holdings, the Borrower, the Lenders, the Administrative Agent and the Collateral Agent shall be restored to their former positions and rights hereunder and under the other Credit Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing, it being understood that no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon. In connection with the foregoing provisions, the Administrative Agent may, but shall have no obligation to, with the concurrence of any Lender, execute amendments, modifications, waivers or consents on behalf of such Lender.

(e) Notwithstanding the foregoing, in addition to any credit extensions and related Incremental Amendment(s), Extension Amendment(s) and Refinancing Amendment(s) effectuated without the consent of Lenders in accordance with Section 2.14, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent, Holdings and the Borrower (a) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Credit Documents with the Term Loans and the accrued interest and fees in respect thereof and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders or Required Facility Lenders and other definitions related to such new Term Loans.

(f) In addition, notwithstanding the foregoing, this Agreement may be amended with the written consent of the Administrative Agent, the Borrower and the Lenders providing the relevant Replacement Term Loans to permit the refinancing of all outstanding Term Loans of any Class ("**Refinanced Term Loans**") with a replacement term loan tranche ("**Replacement Term Loans**") hereunder; *provided* that (a) the aggregate principal amount of such Replacement Term Loans shall not exceed the aggregate principal amount of such Refinanced Term Loans (*plus* an amount equal to all accrued but unpaid interest, fees, premiums, and expenses incurred in connection therewith (including original issue discount, upfront fees and similar items) and unused commitments in respect thereof) unless otherwise permitted hereunder (including utilization of any other available baskets or incurrence based amounts), (b) other than Replacement Term Loans incurred under the Inside Maturity Basket, the Weighted Average Life to Maturity of such Replacement Term Loans shall not be shorter than the Weighted Average Life to Maturity of such Refinanced Term Loans at the time of such refinancing, and (c) the covenants, events of default and guarantees applicable to the Replacement Term Loans shall not be materially more restrictive to the Borrower (as determined in good faith by the Borrower), when taken as

a whole, than the terms of the Refinanced Term Loans (except for (1) covenants, events of default and guarantees which are on market terms as determined by the Borrower in good faith, (2) covenants, events of default and guarantees applicable only to periods after the Maturity Date (as of the date of the refinancing) of such Class of Refinanced Term Loans and (3) pricing, fees, rate floors, premiums, optional prepayment or redemption terms) unless the Lenders under the other Classes of Term Loans existing on the refinancing date (other than the Refinanced Term Loans), receive the benefit of such more restrictive terms.

(g) Notwithstanding anything herein to the contrary, the Credit Documents may be amended to (i) add syndication or documentation agents and make customary changes and references related thereto, and (ii) if applicable, add or modify "parallel debt" language in any jurisdiction in favor of the Collateral Agent or add Collateral Agents, in each case under clauses (i) and (ii), with the consent of only the Borrower, and in the case of clause (ii), the Collateral Agent and the Administrative Agent.

(h) Notwithstanding anything in this Agreement (including this Section 13.1) or any other Credit Document to the contrary, (i) this Agreement and the other Credit Documents may be amended to effect an incremental facility, refinancing facility or extension facility pursuant to Section 2.14 (and the Administrative Agent and the Borrower may effect such amendments to this Agreement and the other Credit Documents without the consent of any other party as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the terms of any such incremental facility, refinancing facility or extension facility); (ii) no Lender consent is required to effect any amendment or supplement to the ABL Intercreditor Agreement, the Junior Lien Intercreditor Agreement, the Pari Intercreditor Agreement or other intercreditor agreement or arrangement permitted under this Agreement that is for the purpose of adding the holders of any Indebtedness as expressly contemplated by the terms of the ABL Intercreditor Agreement, the Junior Lien Intercreditor Agreement, the Pari Intercreditor Agreement or such other intercreditor agreement or arrangement permitted under this Agreement, as applicable (it being understood that any such amendment or supplement may make such other changes to the applicable intercreditor agreement as, in the good faith determination oft the Administrative Agent with the consent of the Borrower, are required to effectuate the foregoing); *provided further* that no such agreement shall amend, modify or otherwise directly and adversely affect the rights or duties of the Administrative Agent hereunder (which shall include any such amendment or modification to Section 2.10(d)) or under any other Credit Document without the prior written consent of the Administrative Agent; (iii) any provision of this Agreement or any other Credit Document (including, for the avoidance of doubt, any exhibit, schedule or other attachment to any Credit Document) may be amended by an agreement in writing entered into by the Borrower and the Administrative Agent to (t) implement the "market flex" provisions set forth in the Fee Letter, (u) make the terms of this Agreement or any other Credit Document more restrictive to the Borrower and its Restricted Subsidiaries (as determined by the Borrower), (v) create a fungible Class of Term Loans (including by increasing (but, for the avoidance of doubt, not be decreasing), the amount of amortization due and payable with regard to any Class of Term Loans), (w) give effect to the appointment of an Additional Borrower in accordance with Section 2.17 or the replacement of Holdings with a New Holding or the Borrower with a Successor Borrower, (x) cure any ambiguity, omission, mistake, defect or inconsistency (as reasonably determined by the Administrative Agent and the Borrower), (y) effect administrative changes of a technical or immaterial nature and (z) correct or cure any incorrect cross references or similar inaccuracies (*provided* that, (A) in the case of sub-clauses (x), (y) and (z) above, the Borrower and the Administrative Agent may in their sole discretion make such amendment available to the applicable Lenders prior to the execution thereof (it being understood that, in the case of sub-clauses (x), (y) and (z) above, without limitation, the applicable amendment shall be deemed to have been approved by the Lenders so long as the Administrative Agent shall have not received, within five Business Days of the date such amendment is

made available to the Lenders, a written notice from the Required Lenders stating that such amendment is not of the type contemplated by sub-clauses (x), (y) and (z) above and such Required Lenders object to such amendment) and (B) in the case of sub-clause (t) above, if the Borrower shall fail to execute any amendment necessary to effect the changes contemplated by such "market flex" provisions within five (5) Business Days from the date of the delivery to the Borrower of a draft thereof, then such amendment shall become effective without further consent of or action by any Person; *provided* that such period shall be extended by up to five (5) Business Days if the Borrower has notified the Lead Arrangers of desired changes to such amendment and is negotiating in good faith with respect to such terms); and (iv) guarantees, collateral documents and related documents executed by the applicable Credit Parties in connection with this Agreement may be in a form reasonably determined by the Administrative Agent and may be, together with any other Credit Document, entered into, amended, supplemented or waived, without the consent of any other Person, by the applicable Credit Party or Credit Parties and the Administrative Agent or the Collateral Agent in its or their respective sole discretion, to (A) effect the granting, perfection, protection, expansion or enhancement of any security interest in any Collateral or additional property to become Collateral for the benefit of the Secured Parties, (B) as required by local law or advice of counsel to give effect to, or protect any security interest for the benefit of the Secured Parties, in any property or so that the security interests therein comply with applicable Requirements of Law, or (C) to cure ambiguities, omissions, mistakes or defects (as reasonably determined by the Administrative Agent and the Borrower) or to cause such guarantee, collateral security document or other document to be consistent with this Agreement and the other Credit Documents.

(i) Notwithstanding anything in this Agreement or any Security Document to the contrary, the Administrative Agent may, in its reasonable discretion, grant extensions of time for the satisfaction of any of the requirements under Sections 9.11, 9.12 and 9.14 or any Security Documents in respect of any particular Collateral or any particular Subsidiary.

(j) In addition, notwithstanding the foregoing, (x) this Agreement may be amended, supplemented or modified with the written consent of the Administrative Agent and the Borrower in a manner not materially adverse to any Lender and (y) the Administrative Agent (at the direction of the Requisite Lead Arrangers (as defined in the Fee Letter)) and the Borrower may amend or modify any provision of this Agreement or the other Credit Documents solely to implement the terms of the Fee Letter that the Requisite Lead Arrangers are then entitled to implement thereunder, and such amendments and modifications shall become effective without any further action or consent of any Lender. The Lenders hereby expressly authorize the Administrative Agent to enter into any amendment to the Credit Documents contemplated by the preceding sentence.

13.2 *Notices*. Unless otherwise expressly provided herein, all notices and other communications provided for hereunder or under any other Credit Document shall be in writing (including by facsimile or other electronic transmission). All such written notices shall be mailed, faxed or delivered to the applicable address, facsimile number or electronic mail address, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(a) if to Holdings, the Borrower, the Administrative Agent or the Collateral Agent, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 13.2 or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the other parties; and

(b) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to Holdings, the Borrower, the Administrative Agent and the Collateral Agent.

All such notices and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii) (A) if delivered by hand or by courier, when signed for by or on behalf of the relevant party hereto; (B) if delivered by mail, three (3) Business Days after deposit in the mail, postage prepaid; (C) if delivered by facsimile, when sent and receipt has been confirmed by telephone; and (D) if delivered by electronic mail, when delivered; *provided* that notices and other communications to the Administrative Agent or the Lenders pursuant to Sections 2.3, 2.6, 2.9, 4.2 and 5.1 shall not be effective until received.

13.3 *No Waiver; Cumulative Remedies*. No failure to exercise and no delay in exercising, on the part of the Administrative Agent, the Collateral Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Credit Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers, and privileges provided by law.

13.4 *Survival of Representations and Warranties*. All representations and warranties made hereunder, in the other Credit Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans hereunder.

13.5 *Payment of Expenses; Indemnification; Limitation of Liability*.

The Borrower agrees, if the Closing Date occurs, in each case within thirty (30) days of written demand, (a) to pay or reimburse the Agents for all their reasonable and documented out-of-pocket costs and expenses (without duplication) incurred in connection with the syndication, preparation, negotiation, administration, execution and delivery of, and any amendment, supplement, waiver or modification to, this Agreement and the other Credit Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby (limited (i) in the case of legal fees and expenses, to the reasonable and documented fees, disbursements and other charges of Paul Hastings LLP (or such other counsel as may be agreed by the Administrative Agent and the Borrower) and, if reasonably necessary, of a single firm of local counsel in each relevant material jurisdiction, excluding in all cases allocated costs of in-house counsel, and (ii) in the case of fees and expenses related to any other advisor or consultant, solely to the extent the Borrower has consented to the retention or engagement of such Person), (b) to pay or reimburse each Agent, Lender for all its reasonable and documented out-of-pocket costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Credit Documents and any other documents delivered in connection herewith or therewith upon the occurrence and during the continuance of an Event of Default (limited, in the case of legal fees and expenses, to the reasonable documented fees, disbursements and other charges of one primary counsel and (x) if reasonably necessary, of a single firm of local counsel in each relevant material jurisdiction and (y) if there is an actual conflict of interest, one additional counsel for the affected similarly situated (taken as a whole) Persons), in each case excluding in all cases allocated costs of in-house counsel, and (c) to pay, indemnify, and hold harmless each Lender, each Agent and their respective Affiliates, directors, officers,

members, controlling persons, representatives, advisors, employees and agents and successors of the foregoing (in each case, excluding any Excluded Affiliate (acting in its capacity as such), the "**Indemnified Persons**") from and against any and all actual losses, damages, claims, expenses or liabilities incurred or suffered of any kind or nature whatsoever (limited (i) in the case of legal fees and expenses, to the reasonable and documented out-of-pocket fees, disbursements, and other charges of one primary counsel and, if reasonably necessary, one local counsel in each relevant material jurisdiction for all such Indemnified Persons (taken as a whole) and, if there is an actual conflict of interest, one additional counsel for the affected Indemnified Persons similarly situated (taken as a whole), in each case excluding in all cases allocated costs of in-house counsel, and (ii) in the case of fees and expenses related to any other advisor or consultant, solely to the extent the Borrower has consented to the retention or engagement of such Person in writing), in each case to the extent arising out of or relating to any claim, litigation, investigation or other proceeding, regardless whether any such Indemnified Person is a party thereto or whether such claim, litigation, investigation or other proceeding is brought by a third party or by the Borrower or any of its Affiliates, that is related to the execution, delivery, enforcement, performance, and administration of this Agreement, the other Credit Documents and other documents delivered in connection herewith or therewith or the use of proceeds of any Credit Facility (all the foregoing in this clause (c), collectively, the "Indemnified Liabilities"); *provided* that the Borrower shall have no obligation hereunder to any Indemnified Person with respect to Indemnified Liabilities (i) resulting from disputes between and among any Indemnified Persons (or any of such Indemnified Person's Affiliates or any of its or their respective officers, directors, employees, agents, controlling persons, members or the successors of any of the foregoing) that does not involve an act or omission by the Borrower or any of its Subsidiaries (other than any claims against the Administrative Agent or the Lead Arrangers in their respective capacities as such, subject to the immediately succeeding clause (ii)) or (ii) to the extent it has been determined by a final non-appealable judgment of a court of competent jurisdiction to have resulted from (x) the gross negligence, bad faith or willful misconduct of such Indemnified Person (or any of such Indemnified Person's Affiliates or any of its or their respective officers, directors, employees, agents, controlling persons, members or the successors of any of the foregoing) or (y) a material breach of any Credit Document by such Indemnified Person (or any of such Indemnified Person's Affiliates or any of its or their respective officers, directors, employees, agents, controlling persons, members or the successors of any of the foregoing). No Lender, Agent or any of their respective Affiliates, directors, officers, members, controlling persons, representatives, advisors, employees and agents and successors of the foregoing (in each case, excluding any Excluded Affiliate (acting in its capacity as such), the "**Lender-Related Persons**") and no other Person party to this Agreement shall be liable (1) for any damages to any other Lender-Related Person or party hereto arising from the use by others of any information or other materials obtained through IntraLinks or other similar information transmission systems in connection with this Agreement except to the extent that such damage resulted from bad faith, material breach, willful misconduct or gross negligence of such Lender-Related Person, such other Person or any of such Lender-Related Person's or such other Person's Affiliates or any of its or their respective officers, directors, employees, agents, controlling persons, members or the successors of any of the foregoing or (2) for any special, punitive, indirect or consequential damages relating to this Agreement or any other Credit Document or arising out of its activities in connection herewith or therewith (whether before or after the Closing Date); *provided* that this clause (2) shall not limit the Borrower's indemnity or reimbursement obligations to the extent such special, punitive, indirect or consequential damages are included in any claim by a third party unrelated to or unaffiliated with such Lender-Related Person with respect to which the applicable Lender-Related Person is entitled to indemnification in accordance with Section 13.5(c). All amounts due under this Section 13.5 shall be paid within thirty (30) days after written demand therefor (together with backup documentation supporting such reimbursement request); *provided* that an Indemnified Person shall promptly refund any amount to the extent that there is a final judicial or arbitral determination that such

Indemnified Person was not entitled to indemnification rights with respect to such payment pursuant to this Section 13.5.

The Borrower shall not be liable for any settlement of any proceeding effected without the Borrower's prior written consent (which consent shall not be unreasonably withheld or delayed), but if settled with the Borrower's prior written consent or if there is a final and non-appealable judgment by a court of competent jurisdiction for the plaintiff in any such proceeding, the Borrower agrees to indemnify and hold harmless each Indemnified Person from and against any and all actual losses, damages, claims or liabilities incurred or suffered and reasonable and documented legal or other out-of-pocket expenses by reason of such settlement or judgment in accordance with, and to the extent provided in, the other provisions of this Section 13.5.

The Borrower and its respective Subsidiaries shall not, without the prior written consent of any Indemnified Person (which consent shall not be unreasonably withheld or delayed), effect any settlement of any pending or threatened proceedings in respect of which indemnity could have been sought hereunder by such Indemnified Person unless such settlement (i) includes an unconditional release of such Indemnified Person in form and substance reasonably satisfactory to such Indemnified Person from all liability or claims that are the subject matter of such proceedings and (ii) does not include any statement as to or any admission of fault, culpability, wrongdoing or a failure to act by or on behalf of any Indemnified Person.

Each Indemnified Person, by its acceptance of the benefits of this Section 13.5, agrees to refund and return any and all amounts paid by the Borrower (or on its behalf) to it if, pursuant to limitations on indemnification set forth in this Section 13.5, such Indemnified Person was not entitled to receipt of such amounts.

The agreements in this Section 13.5 shall survive repayment of the Loans and all other amounts payable hereunder. This Section 13.5 shall not apply with respect to Taxes, other than any Taxes that represent liabilities, obligations, losses, damages, penalties, judgments, costs, expenses, or disbursements, etc., arising from any non-Tax claim.

13.6 *Successors and Assigns; Participations and Assignments*.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) except as expressly permitted by Section 10.3, the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 13.6 (and any attempted assignment or transfer by any Lender without in compliance with this Section 13.6 shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in clause (c) of this Section 13.6) and, to the extent expressly contemplated hereby, the Lead Arrangers and the Related Parties of each of the Administrative Agent, the Collateral Agent, the Lead Arrangers and the Lenders and each other Person entitled to indemnification under Section 13.5) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in clause (b)(ii) below and Section 13.7 and subject to the Assignment/Participation Limitations, any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments of any Class and the Loans of any Class at the time owing to it) with the prior written consent, in each case, such consent not to be unreasonably withheld or delayed (*provided* that, without limitation, the Borrower shall have the right to withhold or delay its consent to any assignment (whether or not reasonable) (x) in order for such assignment to comply with applicable law, the Borrower would be required to obtain the consent of, or make any filing or registration with, any Governmental Authority, (y) if such assignment is to a Disqualified Lender (or to a Person that is not a Disqualified Lender but is known by the Borrower to be an Affiliate of a Disqualified Lender regardless of whether such person is identifiable as an Affiliate of a Disqualified Lender on the basis of such Affiliate's name or otherwise) or (z) of Term Loans to any Person (including any Person that manages or advises funds) that invests (or who has any Affiliates that invest) directly or indirectly in distressed debt, "special situations" or "opportunities") of:

(A) the Borrower; *provided* that no consent of the Borrower shall be required for (1) an assignment of Term Loans to (X) a Lender or Lead Arranger, (Y) an Affiliate of a Lender or Lead Arranger, or (Z) an Approved Fund or (2) an assignment of Loans or Commitments to any assignee if a Specified Event of Default has occurred and is continuing; *provided further* that the Borrower shall be deemed to have consented to any assignment of the Term Loans unless it shall have objected thereto by notice to the Administrative Agent within fifteen (15) Business Days after having received notice thereof; and

(B) the Administrative Agent (such consent not to be unreasonably withheld or delayed); *provided* that no consent of the Administrative Agent shall be required for an assignment of any Commitment or Loan to a Lender or Lead Arranger, an Affiliate of a Lender or Lead Arranger, an Approved Fund or, in the case of any Term Loan, the Borrower and its Subsidiaries or an Affiliated Lender.

Notwithstanding the foregoing, no such assignment shall be made to a natural Person, Excluded Affiliate, Disqualified Lender or Defaulting Lender. For the avoidance of doubt, (x) the Administrative Agent shall have no obligation with respect to, and shall bear no responsibility or liability for, the monitoring or enforcing of the list of Persons who are Disqualified Lenders (or any provisions relating thereto) at any time and (y) the Administrative Agent shall not have any liability with respect to or arising out of any assignment of Loans or Commitments, or disclosure of confidential information, to any Disqualified Lender; *provided* that the Administrative Agent may provide the list of Disqualified Lenders upon request of any Lender so such Lender may determine whether any potential assignee or potential participant is a Disqualified Lender (*provided* that such Lender agrees to keep such list confidential). No Agent shall be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Credit Document, or to inspect the properties, books or records of any Credit Party or any Affiliate thereof. The Collateral Agent shall not be under any obligation to the Administrative Agent or any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Credit Document, or to inspect the properties, books or records of any Credit Party.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent), shall not be less than $1,000,000 in the case of Term Loans, unless each of the Borrower and the Administrative Agent otherwise consents; *provided* that contemporaneous assignments by a Lender and its Affiliates or Approved Funds shall be aggregated for purposes of meeting the minimum assignment amount requirements stated above (and simultaneous assignments to or by two or more Related Funds shall be treated as one assignment), if any;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement; *provided* that this clause (B) shall not be construed to prohibit the assignment 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 shall execute and deliver to the Administrative Agent an Assignment and Acceptance via an electronic settlement system or other method reasonably acceptable to the Administrative Agent, together with a processing and recordation fee in the amount of $3,500; *provided* that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment; *provided further* that such recordation fee shall not be payable in the case of any assignment in compliance with Section 13.6(h);

(D) the assignee, if it was not a Lender prior to such assignment, shall deliver to the Administrative Agent an administrative questionnaire in a form approved by the Administrative Agent and the Borrower (the "**Administrative Questionnaire**") and applicable tax forms (as required under Section 5.4(e)); and

(E) any assignment to Holdings, the Borrower, any Subsidiary or an Affiliated Lender shall also be subject to the requirements of Section 13.6(h).

For the avoidance of doubt, the Administrative Agent shall have no obligation with respect to, and shall bear no responsibility or liability for, the tracking or monitoring of assignments to or participations by any Affiliated Lender.

(iii) Subject to acceptance and recording thereof pursuant to clause (b)(v) of this Section 13.6 from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations (other than under Section 13.16) under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.10, 5.4 and 13.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 13.6 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with clause (c) of this Section 13.6 to the extent such sale otherwise complies with the requirements under clause (c) of this Section 13.6. For the avoidance of doubt, in case of an assignment to a new Lender pursuant to this Section 13.6, (i) the

Administrative Agent, the new Lender and other Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the new Lender been an original Lender signatory to this Agreement with the rights and/or obligations acquired or assumed by it as a result of the assignment and to the extent of the assignment the assigning Lender shall each be released from further obligations under the Credit Documents and (ii) the benefit of each Security Document shall be maintained in favor of the new Lender.

(iv) The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at the Administrative Agent's Office a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans (and related interest amounts) owing to each Lender, pursuant to the terms hereof from time to time (the "**Register**"). Notwithstanding anything to the contrary herein, the entries in the Register shall be conclusive, absent manifest error, and the Borrower, the Administrative Agent, the Collateral Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of the Credit Documents, notwithstanding notice to the contrary. No assignment shall be effective unless recorded in the Register. The Register shall be available for inspection by the Borrower, the Collateral Agent, the Administrative Agent and its Affiliates and, with respect to itself, any Lender, at any reasonable time and from time to time upon reasonable prior notice. The Register is intended to cause each Loan and other obligation hereunder to be in registered form within the meaning of Section 5f.103-1(c) of the United States Treasury Regulations and within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code.

(v) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire and applicable tax forms as required under Section 5.4(e) (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in Section 13.6(b)(ii)(C) and any written consent to such assignment required by Section 13.6(b)(i), the Administrative Agent shall promptly accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment, whether or not evidenced by a promissory note, shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this clause (b)(v).

(c) (i) Subject to the Assignment/Participation Limitations, any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (other than (x) the Borrower and its Subsidiaries, (y) any Disqualified Lender and (z) any Defaulting Lender; *provided* that the Administrative Agent may provide the list of Disqualified Lenders upon request of any Lender, subject to customary confidentiality provisions, so such Lender may determine whether any potential participant is a Disqualified Lender (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 the Loans owing to it); *provided* that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (C) the Borrower, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, the Administrative Agent (in such capacity) shall (x) have no obligation to, and shall bear no responsibility or liability for, ascertaining, monitoring or inquiring as to whether any Lender is a Net Short Lender, (y) have no obligation with respect to, and shall bear no responsibility or liability for, the monitoring or enforcing of the list of Disqualified Lenders with respect to the sales of participations at any time and (z) have no liability with respect to or arising out of any participation of Loans or Commitments, or disclosure of confidential information, to any Disqualified Lender. Any agreement or instrument pursuant to which a Lender sells

such a participation shall provide that such Lender shall retain the sole right to (I) enforce this Agreement and (II) approve any amendment, modification or waiver of any provision of this Agreement or any other Credit 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 clauses (x)(i) and (x)(iv) of the second proviso to Section 13.1(a) that directly and adversely affects such Participant; provided further that no Participant shall have any consultation right or, before any such amendment, modification or waiver has become effective, be entitled to receive any information in respect of any other amendment, modification or waiver request with respect to any other amendment pursuant to Section 13.1. Subject to clause (c)(ii) of this Section 13.6, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.10 and 5.4 to the same extent as if it were a Lender (subject to the limitations and requirements of those Sections as though it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section 13.6, including the requirements of clause (e) of Section 5.4) (it being agreed that any documentation required under Section 5.4(e) shall be provided to the participating Lender, and if additional amounts are required to be paid to a Participant pursuant to Section 5.4, such participating Lender shall provide to the Borrower and the Administrative Agent information reasonably requested by the Borrower or the Administrative Agent regarding such documentation and the Participant's entitlement to additional amounts pursuant to Section 5.4). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 13.8(b) as though it were a Lender; *provided* that such Participant shall be subject to Section 13.8(a) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.10 or 5.4 than the applicable Lender would have been entitled to receive absent the sale of the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent (which consent may be withheld in the Borrower's sole discretion). Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register complying with the requirements of Sections 163(f), 871(h) and 881(e)(2) of the Code and U.S. Treasury Regulations issued thereunder on which it enters the name and address of each Participant and the principal amounts (and stated interest amounts) of each Participant's interest in the Loans or other obligations under this Agreement (the "**Participant Register**"). 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 the Credit Documents notwithstanding any notice to the contrary. No Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans or its other obligations under any Credit Document) except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations or as is otherwise required by law.

(d) Any Lender may, without the consent of the Borrower or the Administrative Agent, 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 13.6 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.

(e) [Reserved]

(f) The words "execution," "signed," "signature," and words of like import in any Assignment and Acceptance shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(g) SPV Lender. 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, it shall 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 or in any country outside of the United States. In addition, notwithstanding anything to the contrary contained in this Section 13.6, 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 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 the Administrative Agent) other than a Disqualified Lender providing liquidity and/or credit support to or for the account of such SPV to support the funding or maintenance of Loans and (ii) subject to Section 13.16, 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. As to any SPV, this Section 13.6(g) may not be amended without the written consent of such SPV. Notwithstanding anything to the contrary in this Agreement but subject to the following sentence, each SPV shall be entitled to the benefits of Sections 2.10 and 5.4 to the same extent as if it were a Lender (subject to the limitations and requirements of those Sections as though it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section 13.6, including the requirements of clause (e) of Section 5.4 (it being agreed that any documentation required under Section 5.4(e) shall be provided solely to the Granting Lender, and if additional amounts are required to be paid to a SPV pursuant to Section 5.4, such Granting Lender shall provide to the Borrower and the Administrative Agent information reasonably requested by the Borrower or the Administrative Agent regarding such documentation and the SPV's entitlement to additional amounts pursuant to Section 5.4)). Notwithstanding the prior sentence, an SPV shall not be entitled to receive any greater payment under Section 2.10 or 5.4 than its Granting Lender would have been entitled to receive absent the grant to such SPV, unless such grant to such SPV is made with the Borrower's prior written consent (which consent may be withheld in the Borrower's sole discretion). If a Granting Lender grants an option to an SPV as described herein and such grant is not reflected in the Register, the Granting Lender, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain a separate register as if it were the Administrative Agent for the purposes of the Register provisions set forth in this Agreement, and the

principles of Section 13.6(b)(iv) shall apply to such Granting Lender and the register; *provided further* that no Lender shall have any obligation to disclose any portion of such register to any Person (including the identity of any SPV or any information relating to an SPV's interest in any commitments, loans, letters of credit or its other obligations under any Credit Document) except to the extent disclosure is necessary to establish that the Loans or other interests hereunder are in registered form for United States federal income Tax purposes under Treasury Regulations Section 5f.103-1(c) or as is otherwise required by applicable Requirements of Law.

(h) Notwithstanding anything to the contrary contained herein, (x) any Lender may, at any time, assign all or a portion of its rights and obligations under this Agreement in respect of its Term Loans and Term Loan Commitments to Holdings, the Borrower, any Subsidiary or an Affiliated Lender and (y) Holdings, the Borrower, any Subsidiary or an Affiliated Lender may, from time to time, purchase or prepay Term Loans or terminate Term Loan Commitments, in each case, on a non-*pro rata* basis through (1) Dutch auction procedures open to all applicable Lenders in accordance with customary procedures to be mutually agreed between the Borrower and the Auction Agent or (2) any other non pro rata purchases; *provided* that:

(i) any Term Loans or Term Loan Commitments acquired by Holdings, the Borrower or any Restricted Subsidiary shall be retired and cancelled promptly upon the acquisition thereof, to the extent not prohibited by applicable law as determined in good faith by the Borrower and its advisors (and any such Loans not cancelled shall be subject to the voting and other restrictions applicable to Affiliated Lenders);

(ii) by its acquisition of Loans or Commitments, an Affiliated Lender shall be deemed to have acknowledged and agreed that:

(A) it shall not have any right to (x) attend or participate in (including, in each case, by telephone) any meeting (including "lender only" meetings) or discussions (or portion thereof) among the Administrative Agent or any Lender which representatives of the Borrower are not permitted to attend or participate in, (y) receive any information or material prepared by the Administrative Agent or any Lender or any communication by or among the Administrative Agent and one or more Lenders or any other material which is "lender only", except to the extent such information or materials have been made available to the Borrower or its representatives (and in any case, other than the right to receive notices of prepayments and other administrative notices in respect of its Loans required to be delivered to Lenders pursuant to Section 2) or receive any advice of counsel to the Administrative Agent or (z) make any challenge to the Administrative Agent's or any other Lender's attorney-client privilege on the basis of its status as a Lender; and

(B) except with respect to any amendment, modification, waiver, consent or other action (I) in Section 13.1 requiring the consent of all Lenders, all Lenders of the applicable Class, all Lenders directly and adversely affected or specifically such Lender, (II) that alters an Affiliated Lender's *pro rata* share of any payments given to all Lenders, or (III) that affects the Affiliated Lender (in its capacity as a Lender) in a manner that is disproportionate to the effect on any Lender in the same Class, the Loans held by an Affiliated Lender shall be disregarded in both the numerator and denominator in the calculation of any Lender vote (and, in the case of a plan of reorganization that does not affect the Affiliated Lender in a manner that is adverse to such Affiliated Lender relative to other Lenders, shall be deemed to have voted its interest in the Term Loans in the same proportion as the other Lenders in the same Class) (and shall be deemed to have been voted in the same percentage as all other applicable Lenders voted if necessary to give legal effect to this paragraph (B)) (but, in any event, in connection with any amendment,

modification, waiver, consent or other action, shall be entitled to any consent fee, calculated as if all of such Affiliated Lender's Loans had voted in favor of any matter for which a consent fee or similar payment is offered);

(iii) no such acquisition by an Affiliated Lender shall be permitted if, after giving effect to such acquisition, the aggregate principal amount of Term Loans held by Affiliated Lenders would exceed 25% of the aggregate principal amount of all Term Loans outstanding at the time of such purchase; *provided* that to the extent any assignment to an Affiliated Lender would result in the aggregate principal amount of all Loans held by Affiliated Lenders exceeding such 25% threshold at the time of such purchase, the purchase of such excess amount will be void ab initio;

(iv) any such Loans acquired by an Affiliated Lender may, with the consent of the Borrower, be (but shall not be required to be) contributed to the Borrower (whether through any of its direct or indirect parent entities or otherwise) and exchanged for debt or equity securities of the Borrower or such parent entity that are otherwise permitted to be issued by such entity at such time (and such Loans or Commitments contributed to the Borrower shall immediately be retired and cancelled to the extent not prohibited by applicable law as determined in good faith by the Borrower or its advisors (and any such Loans not cancelled shall be subject to the voting and other restrictions applicable to Affiliated Lenders));

(v) no assignment of Term Loans to the Borrower or any Restricted Subsidiary (x) may be purchased with the proceeds of any ABL Loans or (y) may occur while a Specified Event of Default has occurred and is continuing hereunder;

(vi) in connection with each assignment pursuant to this Section 13.6(h), none of Holdings, the Borrower, any Subsidiary or an Affiliated Lender purchasing any Lender's Term Loans shall be required to make a representation that it is not in possession of MNPI with respect to Holdings and its Subsidiaries or their respective securities, and all parties to such transaction may render customary "big boy" letters to each other (or to the Auction Agent, if applicable); and

(vii) in the case of any Term Loans (A) acquired by, or contributed to, Holdings, the Borrower or any Subsidiary thereof and (B) cancelled and retired in accordance with this Section 13.6(h), (1) the aggregate outstanding principal amount of the Term Loans of the applicable Class shall be deemed reduced by the full par value of the aggregate principal amount of such Term Loans acquired by, or contributed to, Holdings, the Borrower or such Subsidiary and (2) any scheduled principal repayment installments with respect to the Term Loans of such Class occurring pursuant to Sections 2.5(b) and (c), as applicable, prior to the final maturity date for Term Loans of such Class, shall be reduced *pro rata* by the par value of the aggregate principal amount of Term Loans so purchased or contributed (and subsequently cancelled and retired).

For avoidance of doubt, the foregoing limitations in Section 13.6(h) shall not be applicable to Bona Fide Debt Funds. Each Lender that sells its Term Loans pursuant to this Section 13.6 acknowledges and agrees that (i) the Affiliated Lenders or Holdings and its Subsidiaries may come into possession of additional information regarding the Loans or the Credit Parties at any time after a repurchase has been consummated that was not known to such Lender or the Affiliated Lenders at the time such repurchase was consummated and that, when taken together with information that was known to the Affiliated Lenders at the time such repurchase was consummated, may be information that would have been material to such Lender's decision to enter into an assignment of such Term Loans hereunder ("**Excluded Information**"), (ii) such Lender will independently make its own analysis and determination to enter into an assignment of its Loans and to consummate the transactions contemplated by an auction

notwithstanding such Lender's lack of knowledge of Excluded Information and (iii) none of the direct or indirect equityholders of Holdings, the Sponsor or any of their respective Affiliates, or any other Person, shall have any liability to such Lender with respect to the nondisclosure of the Excluded Information.

13.7 *Replacements of Lenders Under Certain Circumstances*.

(a) The Borrower shall be permitted (x) to replace any Lender with a replacement bank, other financial institution or other Person (other than a natural Person or a Disqualified Lender) or (y) terminate the Commitment of such Lender (and prepay the Obligations owed to such Person on a non *pro rata* basis), as the case may be, and repay all Obligations of the Borrower due and owing to such Lender relating to the Loans and participations held by such Lender as of such termination date and (in each case above, in respect of any applicable Class only, at the election of the Borrower) that (I) requests reimbursement for amounts owing pursuant to Section 2.10 or 5.4, (II) is affected in the manner described in Section 2.10(a)(iii) and as a result thereof any of the actions described in such Section is required to be taken or (III) is or becomes a Disqualified Lender or a Defaulting Lender; *provided* that, solely in the case of the foregoing clause (x), (i) such replacement does not conflict with any Requirement of Law, (ii) the Borrower shall repay (or the replacement bank, other financial institution or other Person (other than a natural Person or a Disqualified Lender) shall purchase, at par (or in the case of a Disqualified Lender, the lesser of par and the amount such Disqualified Lender paid for such Loan or participation)) all Loans and other amounts pursuant to Section 2.10 or 5.4, as the case may be, owing to such replaced Lender (in respect of any applicable Credit Facility only, at the election of the Borrower) prior to the date of replacement, (iii) the replacement bank, other financial institution or other Person (other than a natural Person or a Disqualified Lender), if not already a Lender, an Affiliate of a Lender, an Affiliated Lender or Approved Fund, shall be reasonably satisfactory to the Administrative Agent (solely to the extent such consent would be required under Section 13.6), (iv) the replacement bank, other financial institution or other Person (other than a natural Person or a Disqualified Lender), if not already a Lender, shall be subject to the provisions of Section 13.6(b), (v) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 13.6 (*provided* that, unless otherwise agreed, the Borrower shall be obligated to pay the registration and processing fee referred to therein), and (vi) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

(b) If any Lender (such Lender, a "**Non-Consenting Lender**") (I) has failed to consent to a proposed amendment, waiver, discharge or termination that pursuant to the terms of Section 13.1 requires the consent of either (i) all of the Lenders of the applicable Class or Classes directly and adversely affected or (ii) all of the Lenders of the applicable Class or Classes, and, in each case, with respect to which the Required Lenders (or Required Facility Lenders in respect of the applicable Class or Classes) or a majority (in principal amount) of the directly and adversely affected Lenders shall, in each such case, have granted their consent, or (II) refuses to make an Extension Election pursuant to Section 2.14, then the Borrower shall have the right (unless such Non-Consenting Lender grants such consent or makes the extension), at its sole expense, to (x) replace such Non-Consenting Lender by requiring such Non-Consenting Lender to assign its Loans and its Commitments hereunder (in respect of any applicable Class only, at the election of the Borrower) to one or more assignees reasonably acceptable to the Administrative Agent (to the extent such consent would be required under Section 13.6) or (y) terminate the Commitment of such Lender and repay all Obligations of the Borrower due and owing to such Lender relating to the Loans and participations held by such Lender as of such termination date (in respect of any applicable Class only, at the election of the Borrower). In connection with any such assignment, the Borrower, the Administrative Agent, such Non-Consenting Lender and the replacement Lender shall otherwise comply with Section 13.6; *provided* that the failure of any such Non-Consenting Lender to

execute an Assignment and Acceptance in accordance with Section 13.6 or deliver its applicable promissory notes shall not render such assignment invalid and such assignment shall be recorded in the Register and such promissory notes shall be deemed to be canceled upon such failure.

(c) Notwithstanding the foregoing, no Disqualified Lender that purports to become a Lender hereunder (notwithstanding the provisions of this Agreement that prohibit Disqualified Lenders from becoming Lenders) without the Borrower's written consent shall (i) be entitled to any of the rights or privileges enjoyed by the other Lenders with respect to voting, information and lender meetings, (ii) be entitled to any expense reimbursement or indemnification under the Credit Documents, and nothing in the Credit Documents shall restrict the rights and remedies of the Credit Parties against such Disqualified Lender, (iii) receive any information or reporting provided by the Borrower, the Administrative Agent or any other Lender, (iv) attend or participate in meetings attended by the Lenders and the Administrative Agent or (v) access any electronic site established for Lenders or confidential communications from counsel to or financial advisors of the Administrative Agent or the Lenders.

13.8 *Adjustments; Setoff*.

(a) Except as contemplated in Section 13.6 or elsewhere herein or in any other Credit Document, if any Lender (a "**Benefited Lender**") shall at any time receive any payment of all or part of its Loans, or interest thereon, or receive any collateral in respect thereof as part of the exercise of remedies under this Agreement or any other Credit Document (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 11.5, or otherwise), in a greater proportion than any such payment to or such collateral received by any other Lender, if any, in respect of such other Lender's Loans, or interest thereon, such Benefited Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Loan, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders; *provided*, *however*, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) After the occurrence and during the continuance of an Event of Default, in addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to the Credit Parties, any such notice being expressly waived by the Borrower and the other Credit Parties to the extent permitted by applicable law, upon any amount becoming due and payable by the Credit Parties hereunder (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final) (other than any escrow, payroll, trust, tax, fiduciary, employee health and benefits, pension, 401(k), petty cash accounts and any account holding cash collateral subject to a Permitted Lien), in any currency, and any other credits, indebtedness or claims, in any currency, in each case then matured and owing by such Lender or any branch or agency thereof to or for the credit or the account of the Borrower or the other Credit Parties. Each Lender agrees promptly to notify the Credit Parties and the Administrative Agent after any such set-off and application made by such Lender; *provided* that the failure to give such notice shall not affect the validity of such set-off and application.

13.9 *Counterparts*. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the

Borrower and the Administrative Agent. Delivery of an executed counterpart of a signature page of this Agreement by facsimile transmission or electronic transmission (e.g., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement. For purposes hereof, the words "execution," "execute," "executed," "signed," "signature" and words of like import shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formulations on electronic platforms, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transaction Act.

13.10 *Severability*. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

13.11 *Integration*. This Agreement and the other Credit Documents represent the agreement of Holdings, the Borrower, the other Credit Parties, the Collateral Agent, the Administrative Agent and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by Holdings, the Borrower, the other Credit Parties, the Administrative Agent, the Collateral Agent, nor any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Credit Documents.

13.12 *GOVERNING LAW*. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

13.13 *Submission to Jurisdiction; Waivers*. Each party hereto irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding (whether in contract, tort or otherwise and whether at law or in equity) relating to this Agreement and the other Credit Documents to which it is a party to the exclusive general jurisdiction of the courts of the State of New York or the courts of the United States for the Southern District of New York, in each case sitting in New York City in the Borough of Manhattan, and appellate courts from any thereof;

(b) consents that any such action or proceeding shall be brought in such courts and waives (to the extent permitted by applicable law) any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same or to commence or support any such action or proceeding in any other courts;

(c) agrees that service of process in any such action or proceeding shall be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address set forth on Schedule 13.2 at such other address of which the Administrative Agent shall have been notified pursuant to Section 13.2;

(d) agrees that nothing herein shall affect the right of the Administrative Agent, any Lender or another Secured Party to effect service of process in any other manner permitted by law; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 13.13 any special, exemplary, punitive or consequential damages.

13.14 *Acknowledgments*. The Borrower hereby acknowledges that:

(a) the Borrower and the other Credit Parties are capable of evaluating and understanding, and understand and accept, the terms, risks and conditions of the transactions contemplated hereby and by the other Credit Documents (including any amendment, waiver or other modification hereof or thereof);

(b) the Administrative Agent, each other Agent and each Affiliate of the foregoing may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and neither the Administrative Agent nor any other Agent has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship;

(c) neither the Administrative Agent nor any other Agent has provided and none will provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Credit Document) and the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate. The Borrower hereby waives and releases, to the fullest extent permitted by law, any claims that it may have against the Administrative Agent or any other Agent with respect to any breach or alleged breach of agency or fiduciary duty in connection with the transactions contemplated hereby or the process leading thereto; and

(d) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Borrower, on the one hand, and any Lender, on the other hand.

13.15 *WAIVERS OF JURY TRIAL*. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) THE RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM (WHETHER IN CONTRACT, TORT OR OTHERWISE AND WHETHER AT LAW OR IN EQUITY) BROUGHT BY ANY PARTY RELATED TO OR ARISING OUT OF THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT OR THE PERFORMANCE OF SERVICES HEREUNDER OR THEREUNDER.

13.16 *Confidentiality*. The Administrative Agent, each other Agent and each Lender (collectively, the "**Restricted Persons**" and, each, a "**Restricted Person**") shall treat confidentially all information provided to any Restricted Person by or on behalf of any Credit Party hereunder in connection with such Restricted Person's evaluation of whether to become a Lender hereunder or obtained by such Restricted Person pursuant to the requirements of this Agreement ("**Confidential Information**") and shall not publish, disclose or otherwise divulge such Confidential Information; *provided* that nothing herein shall prevent any Restricted Person from disclosing any such Confidential Information (a) pursuant to the order of any court or administrative agency or in any pending legal, judicial or administrative proceeding, or otherwise as required by applicable law, rule or regulation or compulsory legal process (in which case such Restricted Person agrees (except with respect to any audit or examination conducted by any self-regulatory authority or bank accountants or any governmental or bank regulatory authority exercising examination, regulatory or self-regulatory authority), to the extent practicable and not prohibited by applicable law, rule or regulation, to inform the Borrower promptly

thereof prior to disclosure), (b) upon the request or demand of any regulatory or self-regulatory authority having jurisdiction over such Restricted Person or any of its Affiliates (in which case such Restricted Person agrees (except with respect to any audit or examination conducted by bank accountants or any self-regulatory authority or governmental or bank regulatory authority exercising examination or regulatory authority) to the extent practicable and not prohibited by applicable law, rule or regulation, to inform the Borrower promptly thereof prior to disclosure), (c) to the extent that such Confidential Information becomes publicly available other than by reason of improper disclosure by such Restricted Person or any of its Affiliates or any Related Parties thereto in violation of any confidentiality obligations owing under this Section 13.16 or other confidentiality obligations owed to the Borrower or its Affiliates, (d) to the extent that such Confidential Information is received by such Restricted Person from a third party that is not, to such Restricted Person's knowledge, subject to confidentiality obligations owing to any Credit Party or any of their respective Subsidiaries or Affiliates, (e) to the extent that such Confidential Information was already in such Restricted Person's possession prior to any duty or other undertaking of confidentiality or is independently developed by the Restricted Persons without the use of such Confidential Information or otherwise subject to any confidentiality obligation, (f) to such Restricted Person's Affiliates and to its and their respective officers, directors, partners, employees, legal counsel, independent auditors and other experts or agents, in each case who need to know such Confidential Information in connection with providing the Loans or action as an Agent hereunder and who are informed of the confidential nature of such Confidential Information and who are subject to customary confidentiality obligations of professional practice or who agree to be bound by the terms of this Section 13.16 (or confidentiality provisions at least as restrictive as those set forth in this Section 13.16) (with each such Restricted Person, to the extent within its control, responsible for such person's compliance with this paragraph), (g) to potential or prospective Lenders, hedge providers or counterparties to other derivative transactions ("**Derivative Counterparties**"), participants or assignees, in each case who agree (pursuant to customary syndication practice) to be bound by the terms of this Section 13.16 (or confidentiality provisions at least as restrictive as those set forth in this Section 13.16); *provided* that (i) the disclosure of any such Confidential Information to any Lenders, Derivative Counterparties or prospective Lenders, Derivative Counterparties or participants or prospective participants referred to above shall be made subject to the acknowledgment and acceptance by such Lender, Derivative Counterparty or prospective Lender or participant or prospective Lender, Derivative Counterparty or participant that such Confidential Information is being disseminated on a confidential basis (on substantially the terms set forth in this Section 13.16 or confidentiality provisions at least as restrictive as those set forth in this Section 13.16) in accordance with the standard syndication processes of such Restricted Person or customary market standards for dissemination of such type of information, which shall in any event require "click through" or other affirmative actions on the part of recipient to access such Confidential Information and (ii) no such disclosure shall be made by such Restricted Person to any Person that is at such time a Disqualified Lender or to any Person to which the Borrower has declined to consent to an assignment by such Lender prior to such disclosure, (h) for purposes of establishing a "due diligence" defense, or (i) to rating agencies in connection with obtaining ratings for the Borrower and the Credit Facilities to the extent such rating agencies are subject to customary confidentiality obligations of professional practice or agree to be bound by the terms of this Section 13.16 (or confidentiality provisions at least as restrictive as those set forth in this Section 13.16); *provided* that, no such disclosure shall be made to any deal team of any Agent or Affiliates of such Agent that are engaged (x) as principals primarily in private equity, mezzanine financing or venture capital or (y) in a sale of the Borrower and its Affiliates, including through the provision of advisory services (in each case other than any "above the wall" individuals) (as described in the immediately preceding subclauses (x) and (y), "**Excluded Affiliates**") other than a limited number of senior employees who are required, in accordance with industry regulations or the relevant Restricted Person's internal policies and procedures to act in a supervisory capacity and such Restricted Person's internal legal, compliance, risk management, credit or

investment committee members. Notwithstanding the foregoing, (i) Confidential Information shall not include, with respect to any Person, information available to it or its Affiliates on a non-confidential basis (and not in violation of any confidentiality obligations) from a source other than the Borrower, its Subsidiaries or their respective Affiliates, (ii) the Administrative Agent shall not be responsible for compliance with this Section 13.16 by any other Restricted Person (other than its officers, directors or employees), (iii) in no event shall any Lender, the Administrative Agent or any other Agent be obligated or required to return any materials furnished by the Borrower or any of its Subsidiaries, and (iv) each Agent and each Lender may disclose the existence of this Agreement and customary information about this Agreement to market data collectors, similar services providers to the lending industry, and service providers to the Agents and the Lenders in connection with the administration, settlement and management of this Agreement and the other Credit Documents. Each Restricted Person's obligations under this Section 13.16 shall survive the termination of this Agreement.

13.17 *Direct Website Communications*. The Borrower may, at its option, provide to the Administrative Agent any information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to the Credit Documents, including all notices, requests, financial statements, financial, and other reports, certificates, and other information materials, but, unless otherwise agreed by the Administrative Agent, excluding any such communication that (A) relates to a request for a new, or a conversion of an existing, borrowing or other extension of credit (including any election of an interest rate or interest period relating thereto) or (B) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor (all such non-excluded communications being referred to herein collectively as "**Communications**"), by transmitting the Communications in an electronic/soft medium in a format reasonably acceptable to the Administrative Agent to the Administrative Agent at an email address provided by the Administrative Agent from time to time; *provided* that (i) upon written request by the Administrative Agent, the Borrower shall deliver paper copies of such documents to the Administrative Agent for further distribution to each Lender until a written request to cease delivering paper copies is given by the Administrative Agent and (ii) the Borrower shall notify (which may be by facsimile or electronic mail) the Administrative Agent of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such documents from the Administrative Agent and maintaining its copies of such documents. Nothing in this Section 13.17 shall prejudice the right of the Borrower, the Administrative Agent, any other Agent or any Lender to give any notice or other communication pursuant to any Credit Document in any other manner specified in such Credit Document.

The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth on Schedule 13.2 shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Credit Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Credit Documents. Each Lender agrees (A) to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender's e-mail address to which the foregoing notice may be sent by electronic transmission and (B) that the foregoing notice may be sent to such e-mail address.

(a) The Borrower further agrees that any Agent may make the Communications available to the Lenders by posting the Communications on Intralinks or a substantially similar electronic transmission system (the "**Platform**"), so long as the access to such Platform (i) is limited to the Agents,

the Lenders and the Participants and (ii) remains subject to the confidentiality requirements set forth in Section 13.16.

(b) THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF ANY MATERIALS OR INFORMATION PROVIDED BY THE CREDIT PARTIES (THE "**BORROWER MATERIALS**") OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall (x) the Administrative Agent or any of its Related Parties (collectively, the "**Agent Parties**" and, each, an "**Agent Party**") have any liability to the Borrower, any Lender, or any other Person or (y) Holdings, the Borrower or any of its Subsidiaries have any liability to any Agent, any Lender or any other Person, in each case, for losses, claims, damages, liabilities, or expenses, in each case, actually incurred or suffered of any kind (whether in tort, contract or otherwise) arising out of any Credit Party's or the Administrative Agent's transmission of Borrower Materials through the internet, except to the extent, in the case of clause (x), the liability of any Agent Party resulted from such Agent Party's (or any of its Related Parties' (other than any trustee or advisor)) gross negligence, bad faith or willful misconduct or material breach of the Credit Documents, in each case, as determined in the final non-appealable judgment of a court of competent jurisdiction or, in the case of clause (y), the liability of any of Holdings, the Borrower or any of its Subsidiaries resulted from such Person's (or any of its Related Parties' (other than any trustee or advisor)) gross negligence, bad faith or willful misconduct or material breach of the Credit Documents, in each case, as determined in the final non-appealable judgment of a court of competent jurisdiction.

(c) The Borrower and each Lender acknowledges that certain of the Lenders may be "public-side" Lenders (Lenders that do not wish to receive MNPI with respect to the Borrower or its Subsidiaries or their respective securities) and, if documents or notices required to be delivered pursuant to the Credit Documents or otherwise are being distributed through the Platform, any document or notice that the Borrower has indicated contains only publicly available information with respect to the Borrower may be posted on that portion of the Platform designated for such public-side Lenders. If the Borrower has not indicated whether a document or notice delivered contains only publicly available information, the Administrative Agent shall post such document or notice solely on that portion of the Platform designated for Lenders who wish to receive MNPI with respect to the Borrower, its Subsidiaries and their respective securities. Notwithstanding the foregoing, the Borrower shall use commercially reasonable efforts to indicate whether any document or notice to be distributed through the Platform contains only publicly available information; *provided* that the Borrower shall not be required to mark any materials "PUBLIC"; *provided further* that, the following documents shall be deemed to be marked "PUBLIC," unless the Borrower notifies the Administrative Agent promptly (after the Borrower has been given a reasonable opportunity to review such documents) that any such document contains material nonpublic information: (1) the Credit Documents, (2) any notification of changes in the terms of any Credit Facility and (3) all financial statements and certificates delivered pursuant to Sections 9.1(a) and (b). In no event shall the Administrative Agent distribute Compliance Certificates (unless the Borrower has agreed in writing that such Compliance Certificate can be distributed to "public-side" Lenders) or Projections delivered hereunder to "public-side" Lenders. Each "public side" Lender agrees to cause at least one individual at or on behalf of such Person to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such "public side" Lender

or its delegate, in accordance with such Person's compliance procedures and applicable law, including foreign, United States Federal and state securities laws, to make reference to communications that are not made available through the "Public Side Information" and that may contain material non-public information with respect to, the Borrower or its securities for purposes of United States Federal or state securities laws.

13.18 *USA PATRIOT Act*. Each Lender hereby notifies each Credit Party that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "**Patriot Act**") and the requirements of the Beneficial Ownership Regulation, it is required to obtain, verify, and record information that identifies each Credit Party, which information includes the name and address of each Credit Party and other information that will allow such Lender to identify each Credit Party in accordance with the Patriot Act and the Beneficial Ownership Regulation.

13.19 *Payments Set Aside*. To the extent that any payment by or on behalf of the Borrower is made to any Agent or any Lender, or any Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by such Agent or such Lender in its discretion) to be repaid to a trustee, receiver, or any other party, in connection with any proceeding or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share of any amount so recovered from or repaid by any Agent, *plus* interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the applicable Overnight Rate from time to time in effect.

13.20 *No Fiduciary Duty; Interested Creditors*.

(a) Each Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the "**Lenders**"), may have economic interests that conflict with those of the Credit Parties, their stockholders and/or their affiliates. Each Credit Party agrees that nothing in the Credit Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and such Credit Party, its stockholders or its affiliates, on the other. The Credit Parties acknowledge and agree that (i) the transactions contemplated by the Credit Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Lenders, on the one hand, and the Credit Parties, on the other, and (ii) in connection therewith and with the process leading thereto, (x) except as otherwise expressly agreed in writing, no Lender has assumed an advisory or fiduciary responsibility in favor of any Credit Party, its stockholders or its affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise any Credit Party, its stockholders or its Affiliates on other matters) or any other obligation to any Credit Party except the obligations expressly set forth in the Credit Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of any Credit Party, its management, stockholders or creditors. Each Credit Party acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each Credit Party agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to such Credit Party, in connection with such transaction or the process leading thereto.

(b) Each Credit Party, Lender and any other Secured Party hereby acknowledges that any of the Lead Arrangers and/or any of their respective Related Parties or other Affiliates (including Excluded Affiliates) may currently be, or may at any time on and after the date hereof become, a creditor under any of the Credit Parties' other indebtedness (including any indebtedness intended to be refinanced, in whole or in part, with the proceeds of the Loans) and/or a Lender hereunder (collectively, "**Interested Creditors**"). Each Credit Party acknowledges and agrees for itself and its respective Subsidiaries that any such Interested Creditor (if any) (a) will be acting for its own account as principal in connection with such indebtedness, (b) will be under no obligation or duty as a result of any such Lead Arranger's role in connection with the arrangement of the Loans or otherwise to take any action or refrain from taking any action (including with respect to voting for or against any requested amendments), or to exercise or refrain from exercising any rights or remedies, that the Interested Creditors may be entitled to take or exercise in respect of such indebtedness, and (c) may manage its exposure to such indebtedness without regard to any such Lead Arranger's role hereunder. Each party hereto further agrees not to assert any claim against any such Lead Arranger or any of their respective Related Parties or Affiliates that such Person might allege based on any actual or potential conflicts of interest that might be asserted to arise or result from, on the one hand, the engagement of such Lead Arranger to arrange any portion of the Loans hereunder and, on the other hand, such Lead Arranger's or its respective Related Parties' or Affiliates' relationships with the Borrower or the Sponsor (or their respective subsidiaries or affiliates) as an Interested Creditor.

13.21 *Judgment Currency*. If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Credit Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of the Borrower in respect of any such sum due from it to the Administrative Agent or the Lenders hereunder or under the other Credit Documents shall, notwithstanding any judgment in a currency (the "**Judgment Currency**") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "**Agreement Currency**"), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent from the Borrower in the Agreement Currency, the Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or the Person to whom such obligation was owing against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent in such currency, the Administrative Agent agrees to return the amount of any excess to the Borrower (or to any other Person who may be entitled thereto under applicable law).

13.22 *Acknowledgment and Consent to Bail-In of Affected Financial Institutions*. Notwithstanding anything to the contrary in any Credit Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Credit Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Credit Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

13.23 *Acknowledgment Regarding Any Supported QFCs*. To the extent that the Credit Documents provide support, through a guarantee or otherwise, of Swap Obligations 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 "**US Special Resolution Regimes**") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Credit Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "**Covered Party**") becomes subject to a proceeding under a US 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 US 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 US Special Resolution Regime, Default Rights under the Credit 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 US Special Resolution Regime if the Supported QFC and the Credit Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 13.23, the following terms shall have the following meanings:

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

"**Covered Entity**" shall mean any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b);

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

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

"**QFC**" shall have 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).

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

BDF ACQUISITION CORP., as Borrower

By: /s/ William G. Barton
Name: William G. Barton
Title: Chief Executive Officer and President

BDF INTERMEDIATE, LLC, as Holdings

By: /s/ William G. Barton
Name: William G. Barton
Title: Chief Executive Officer and President

JPMORGAN CHASE BANK, N.A., as the Administrative Agent and the Collateral Agent

By: /s/ Tim Steen
Name: Tim Steen
Title: Vice President

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

By: /s/ Tim Steen
Name: Tim Steen
Title: Vice President

MORGAN STANLEY SENIOR FUNDING, INC., as a Lender

By: /s/ Jake Cohan
Name: Jake Cohan
Title: Authorized Signatory

ROYAL BANK OF CANADA, as a Lender

By: /s/ Jatin Chitkara
Name: Jatin Chitkara
Title: Managing Director

UBS AG, STAMFORD BRANCH, as a Lender

By: /s/ Muhammad Afzal
Name: Muhammad Afzal
Title: Director

By: /s/ Danielle Calo
Name: Danielle Calo
Title: Director

BDF HOLDING CORP. 2014 STOCK OPTION PLAN

ARTICLE I
ESTABLISHMENT AND PURPOSE; ADMINISTRATION

1.1 Establishment. BDF Holding Corp., a Delaware corporation (the "Company"), hereby establishes a stock incentive plan to be known as the BDF Holding Corp. 2014 Stock Option Plan" (the "Plan"). The Plan shall become effective as of the date (the "Effective Date") of its adoption by the Company's board of directors (the "Board") on such date.

1.2 Purpose. The Plan is intended to promote the long-term growth and profitability of the Company and its Subsidiaries by providing those persons who are or will be involved in the Company's and its Subsidiaries' growth with an opportunity to acquire an ownership interest in the Company, thereby encouraging such persons to contribute to and participate in the success of the Company and its Subsidiaries. Under the Plan, the Company may make Awards to such present and future officers, directors, employees, consultants and advisors of the Company or its Subsidiaries as may be selected in the sole discretion of the Board (collectively, "Participants").

1.3 Administration. The Board shall have the power and authority to prescribe, amend and rescind rules and procedures governing the administration of this Plan, including, but not limited to the full power and authority (a) to interpret the terms of this Plan, the terms of any Awards made under this Plan, and the rules and procedures established by the Board governing any such Awards, (b) to determine the rights of any person under this Plan, or the meaning of requirements imposed by the terms of this Plan or any rule or procedure established by the Board, (c) to select Participants for Awards under the Plan, (d) to set the exercise price of any Awards granted under the Plan, (e) to establish performance and vesting standards, (f) to impose such limitations, restrictions and conditions upon such Awards as it shall deem appropriate, (g) to adopt, amend, and rescind administrative guidelines and other rules and regulations relating to the Plan, and (h) to correct any defect or omission or reconcile any inconsistency in the Plan, and (i) to make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Plan, subject to such limitations as may be imposed by the Code or other applicable law. Each action of the Board (including each determination of the Board) shall be final, binding and conclusive on all persons. The Board may, to the extent permissible by law, delegate any of its authority hereunder to any duly authorized committee of the Board or any other persons as it deems appropriate.

ARTICLE II
DEFINITIONS

As used in this Plan, the following terms shall have the meanings set forth below:

"Affiliate" of a Person means any other person, entity, or investment fund controlling, controlled by, or under common control with such Person and, in the case of a Person which is a partnership, any partner of such Person.

"Aggregate Spread" of any Award as of any particular date means the aggregate Fair Market Value of the securities for which such Award is exercisable, minus the aggregate exercise price payable by the holder of such Award in order to acquire such securities.

"Awards" means Options.

"Award Agreement" means a written agreement between the Company and a Participant setting forth the terms, conditions, and limitations applicable to an Award; provided that, unless expressly set forth in an Award Agreement and approved by the Board, all Award Agreements shall be deemed to include all of the terms and conditions of the Plan.

"Award Stock" means, for any Participant, any Common Stock issued to such Participant upon exercise of any Award granted hereunder. For all purposes of this Plan, Award Stock will continue to be Award Stock in the hands of any holder (including any Permitted Transferee) except for the Company, the Investor and purchasers pursuant to a Public Sale, and each such other holder of Award Stock will succeed to all rights and obligations attributable to such Participant as a holder of Award Stock hereunder. Award Stock will also include shares of the capital stock issued with respect to shares of Award Stock by way of a stock split, stock dividend or other recapitalization.

"Cause" shall mean (a) in the case where there is no employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Company or an Affiliate and the Participant at the time of the grant of the Award (or where there is such an agreement but it does not define "cause"), that such Participant: (i) has failed or refused to comply with a material directive from the Board or, if applicable, the board of directors of the Company's subsidiaries or Participant's supervisor; (ii) has received a confirmed positive illegal drug test result; (iii) abused alcohol in a manner that impairs the Participant's ability to perform his duties; (iv) has violated a material written policy of the Company or its Subsidiaries; (v) has engaged in misconduct that could be injurious to the business of the Company or any Subsidiary; or (vi) has committed a felony; or (b) in the case where there is an employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Company or an Affiliate and the Participant at the time of the grant of the Award that defines "cause", "cause" as defined under such agreement; provided, however, that with regard to any agreement under which the definition of "cause" only applies on occurrence of a change in control, such definition of "cause" shall not apply until a change in control actually takes place and then only with regard to a termination thereafter as provided in the applicable agreement.

"Change in Control" means (i) any transaction or series of related transactions that result in any Person or group (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) acquiring shares of Capital Stock that represent more than 50% of the total voting power of the Company, or (ii) a sale or disposition of all or substantially all of the assets of the Company and its Subsidiaries on a consolidated basis other than to an entity with respect to which, following such sale or other disposition, at least fifty percent (50%) of the combined voting power of the then outstanding voting securities of such entity is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities (or Affiliates of such individuals and entities) who were the beneficial owners, respectively, of the Capital Stock

immediately prior to such sale or other disposition; provided that, in the case of clause (i) above, such transaction shall only constitute a Change in Control if it results in the Investor ceasing to have the power (whether by ownership of voting securities, contractual right, or otherwise) collectively to elect a majority of the Board. For the avoidance of doubt, the occurrence of an Initial Public Offering pursuant to which or following which the Investor ceases to own or control at least fifty percent (50%) of the Company shall not be a Change in Control.

"Closing Date" shall have the meaning set forth in the Purchase Agreement.

"Code" means the Internal Revenue Code of 1986, as it may be amended from time to time.

"Common Stock" shall mean the Company's common stock, par value $0.0001 per share, or, in the event that the outstanding shares of common stock are hereafter recapitalized, converted into or exchanged for different stock or securities of the Company or its Affiliates, such other stock or securities.

"Development" means (a) any and all ideas, trade secrets, information (including Confidential Information, know-how, processes, inventions, technology, discoveries, original works of authorship, modifications, enhancements, improvements, derivative works, computer software (including source code, executable code, algorithms, pseudocode, firmware, interfaces, data, databases, and documentation), processes, methods, formulas, designs, trademarks, service marks, and logos (whether or not patentable, copyrightable or able to be protected as a trade secret and whether or not reduced to practice) that are conceived, developed, designed, made, authored, contributed to or reduced to practice by a Participant (either solely or jointly with others) together with all physical or tangible embodiments of any of the foregoing, (b) all modifications, enhancements, improvements, and derivations of any of the foregoing and (c) all claims and rights in and to all of the foregoing existing in any jurisdiction throughout the world, whether or not registration is or has been secured for any intellectual property rights embodied therein, including any intellectual property registrations or applications, any renewals and extensions thereof, and in and to all works based upon, derived from, or incorporating any of the foregoing, and in and to all income, royalties, damages, claims, and payments now or hereafter due or payable with respect thereto, and in and to all causes of action, either in law or in equity for past, present or future infringement based on any of the foregoing, and in and to all rights corresponding to any of the foregoing throughout the world, and all the rights embraced therein, including the right to make, use, sell, offer for sale, duplicate, reproduce, copy, distribute, import, export, display, license, adapt, and prepare derivative works from, or modifications, improvements or enhancements to, any of the foregoing.

"Disability" means, for any Participant, the meaning given to such term in an employment, severance or other similar agreement entered into by such Participant on or after the Effective Date and approved by the Board, or in the absence of such an agreement (or if such agreement does not define such term or a similar term) it shall mean such Participant's eligibility to receive disability benefits under the Company's or its Subsidiaries' long-term disability plan or the inability of such Participant, as determined by the Board, to perform the essential functions of

his regular duties and responsibilities, with or without reasonable accommodation, due to a medically determinable physical or mental illness which has lasted (or can reasonably be expected to last) for a period of six (6) consecutive months.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time and any successor statute thereto and the rules promulgated thereunder.

"Fair Market Value," or "FMV," shall have the meaning as determined by the Board in good faith taking into account customary relevant factors (e.g., EBITDA, current financial multiples, etc.) in accordance with applicable law (including applicable tax rules).

"Initial Public Offering" or "IPO" means an initial public offering, after the Effective Date, of the Common Stock pursuant to an offering registered under the Securities Act, other than any such offerings which are registered on Forms S-4 or S-8 under the Securities Act.

"Investor" means Bain Capital Partners, LLC and its Affiliates.

"Non-Competition Period" means, for any Participant, the later to expire of (a) the period of such Participant's employment or service with the Company and its Subsidiaries plus two (2) years after such Participant's Termination Date and (b) the period of such Participant's employment or service with the Company and its Subsidiaries plus the length of time, if any, for which such Participant receives (or is eligible to receive, where such Participant declines or otherwise takes action to reject) in connection with such Participant's termination, severance benefits or other similar payments from the Company or its Subsidiaries pursuant to an agreement with such Participant, the severance policies of the Company and its Subsidiaries then in effect, at the Company's or any of its Subsidiaries' election or otherwise (or the length of time in terms of compensation used to determine the amount of such Participant's severance benefits in the event such severance benefits are payable in a lump sum or on a schedule different than such length of time).

"Options" means options granted pursuant to Article IV.

"Original Value" for each share of Award Stock which is originally issued upon the exercise of any Options will be equal to the exercise price paid by Participant in cash for such share of Award Stock as proportionally adjusted for all stock splits, stock dividends, and other recapitalizations affecting the Award Stock subsequent to the Effective Date.

"Permitted Transferee" has the meaning set forth in the Stockholders Agreement.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a government or any branch, department, agency, political subdivision or official thereof.

"Public Sale" means any sale pursuant to a registered public offering under the Securities Act or any sale to the public through a broker, dealer or market maker pursuant to Rule 144 promulgated under the Securities Act.

"Purchase Agreement" means that certain Securities Purchase Agreement, dated as of December 23, 2013, by and among the Company, Bob's Discount Furniture Holdings I, LLC, Bob's Discount Furniture Holdings II, LLC, SKM BDF Acquisition Corp., the sellers party thereto, and the sellers' representative referred to therein, as further amended or supplemented from time to time.

"Securities Act" means the Securities Act of 1933, as amended from time to time and any successor statute thereto and the rules promulgated thereunder.

"Stockholders Agreement" means the Stockholders Agreement, dated as of the Closing Date, by and among the Company, the Investor, Participants who receive Award Stock and the other parties set forth therein, as may be amended from time to time.

"Subsidiary" means any corporation, partnership, limited liability company or other entity in which the Company owns, directly or indirectly, stock or other equity securities or interests possessing 50% or more of the total combined voting power of such entity.

"Termination Date" means the earliest date on which a Participant is no longer employed by and no longer provides services to the Company and its Subsidiaries for any reason. For the avoidance of doubt, a Participant's Termination Date shall be considered to be the last date of his actual and active employment or service with the Company and its Subsidiaries, whether such day is selected by agreement with Participant or unilaterally by the Company and its Subsidiaries and whether advance notice is or is not given to Participant. No period of notice that is or ought to have been given under applicable law in respect of the termination of employment will be taken into account in determining entitlement under the Plan. Furthermore, a Participant who goes on a leave of absence approved by the Company or one of its Subsidiaries shall not be deemed to have ceased his employment or service with the Company and its Subsidiaries during the period of such approved leave; provided that, the time vesting of such Participant's Options under Section 4.2 shall be suspended during the period of such leave, except to the extent required by applicable law.

"Transfer" means any direct or indirect sale, transfer, assignment, pledge, encumbrance or other disposition (whether with or without consideration and whether voluntary, involuntary or by operation of law, including to the Company or any of its Subsidiaries) of any interest.

"Work Product" means, for any Participant, Developments conceived, developed, designed, made, invented, authored, contributed to or reduced to practice by such Participant while employed by or providing services to the Company or any of its Subsidiaries.

ARTICLE III
AWARDS AND ELIGIBILITY

3.1 Awards. Awards under the Plan shall be granted in the form of non-qualified stock options as described in Article IV. For the avoidance of doubt, no Awards shall be an incentive stock option within the meaning of Section 422(a) of the Code or any successor provision. Each Award shall be evidenced by a written Award Agreement containing such restrictions, terms, and conditions, if any, as the Board may require; provided that, except as

otherwise expressly provided in an Award Agreement, if there is any conflict between any provision of the Plan and an Award Agreement, the provisions of the Plan shall govern.

3.2 Maximum Shares Available. An aggregate of no more than 17,000,000 shares of Common Stock shall be reserved for issuance with respect to Options. All Awards shall be subject to adjustment by the Board as follows. In the event of any reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation or other change in the Common Stock, the Board shall make such changes in the number and type of shares of Common Stock covered by outstanding Awards and the terms thereof as the Board determines are necessary to prevent dilution or enlargement of rights of Participants under the Plan. Without limiting the generality of the foregoing, in the event of any such transaction, the Board shall have the power to make such changes as it deems appropriate in the number and type of shares covered by outstanding Awards, the prices specified therein, and the securities or other property to be received upon exercise (which may include providing for cash payment (or no consideration) in exchange for cancellation of outstanding Awards). If any Options expire unexercised or unpaid or are canceled, terminated or forfeited in any manner without the issuance of Common Stock or payment thereunder, the shares with respect to which such Options were granted shall again be available under this Plan, subject to the foregoing maximum amounts. Shares of Common Stock to be issued upon exercise of Awards may be either authorized and unissued shares, treasury shares or a combination thereof, as the Board shall determine.

3.3 Eligibility. The Board may, from time to time, select Participants who shall be eligible to participate in the Plan and the Awards to be made to each such Participant. The Board may consider any factors it deems relevant in selecting Participants and in making Awards to such Participants. The Board's determinations under the Plan (including determinations of which persons are to receive Awards and in what amount) need not be uniform and may be made by it selectively among persons who are eligible to receive Awards under the Plan.

3.4 No Right to Continued Employment. Nothing in this Plan or in any Award Agreement, as applicable, shall confer on any Participant any right to continue in the employment of the Company or its Subsidiaries or interfere in any way with the right of the Company or its Subsidiaries to terminate such Participant's employment at any time for any reason or to continue such Participant's present (or any other) rate of compensation.

3.5 Return of Prior Awards. The Board shall have the right, at its discretion, to require Participants to return to the Company Awards previously granted to them under the Plan in exchange for new Awards; provided that, no Participant shall be required, without such Participant's prior written consent, to return any Award if the new Award is to be made on terms less favorable to such Participant than the Award to be returned. Subject to the provisions of the Plan, such new Awards shall be upon such terms and conditions as are specified by the Board at the time the new Awards are made.

3.6 Securities Laws. The Plan has been instituted by the Company to provide certain compensatory incentives to Participants and is intended to qualify for an exemption from the

registration requirements (i) under the Securities Act pursuant to Rule 701 promulgated under the Securities Act, and (ii) under applicable state securities laws.

ARTICLE IV
OPTIONS

4.1 Options. The Board shall have the right and power to grant to any Participant, at any time prior to the termination of this Plan, Options in such quantity, at such price, on such terms and subject to such conditions as are consistent with this Plan and established by the Board. Options granted under this Plan shall be in the form described in this Article IV, or in such other form or forms as the Board may determine, and shall be subject to such additional terms and conditions and evidenced by Award Agreements, as shall be determined from time to time by the Board.

4.2 Exercise Price. Options granted under the Plan at Closing will have an exercise price equal to the per share cash consideration paid by the Investor for Common Stock in the Company ("Closing Price"). Subsequent grants will have an exercise price equal to or greater than the grant date Fair Market Value of a share of the Company's common stock. In the event of an extraordinary dividend or distribution, the Board will adjust the exercise price of outstanding Options or take other action(s) determined by the Board in good faith to be equitable to reflect such extraordinary dividend or distribution.

4.3 Vesting of Options.

(a) Unless otherwise set forth in an Award Agreement, all Options shall be subject to vesting in accordance with the provisions of this Section 4.3. Options shall be exercisable only to the extent that they are vested. In addition to the other requirements set forth in this Section 4.3, unless otherwise set forth in an Award Agreement, Options shall vest only so long as a Participant remains employed by or continues to provide services to the Company or one of its Subsidiaries. Unless otherwise set forth in an Award Agreement, each Award shall be exercisable for the number of shares of Common Stock set forth in the Award Agreement.

(b) General. The Options will be subject to time vesting only and, unless otherwise set forth in an Award Agreement, will vest over the five (5) year period following the date of grant, as follows: twenty percent (20%) of the Options shall vest on each anniversary of the date of grant such that all Options shall be vested as of the fifth (5th) anniversary of the date of grant, if the respective Participant is, and has been, continuously employed by or provides services to the Company or any of its Subsidiaries from the date of grant through each such vesting date.

(c) Change in Control. Notwithstanding the foregoing, all Options shall be 100% vested upon the consummation of a Change in Control if the respective Participant is, and has been, continuously employed by or provides services to the Company or any of its Subsidiaries through such date, and as otherwise set forth in an Award Agreement.

ARTICLE V
GENERAL PROVISIONS

5.1 Expiration.

(a) Expiration of Term. All Options granted under this Plan shall expire at the close of business in the time zone of the Company's headquarters on the tenth (10th) anniversary of the date of grant to Participant of such Options (with respect to such Option, the "Term"), subject to earlier expiration as provided in this Article V.

(b) Expiration on Termination. Unless otherwise set forth in an Award Agreement, if a Participant ceases to be employed by and ceases to provide services to the Company or any of its Subsidiaries for any reason, then the portion of such Participant's Options that have not fully vested as of the Termination Date shall expire at such time.

5.2 Exercise on Termination. Except as otherwise set forth in an Award Agreement, the portion of a Participant's Awards that have fully vested as of such Participant's Termination Date shall expire upon the earlier to occur of (a) the end of their Term and (b) (i) sixty (60) days after the Termination Date if a Participant is terminated without Cause or if the Participant resigns for any reason, (ii) one (1) year after the Termination Date if a Participant is terminated due to death or due to Disability, (iii) immediately upon termination if a Participant is terminated with Cause or if a Participant resigns under circumstances where the Board determines that Cause exists, and (iv) immediately upon a Participant's material breach of any of the provisions contained in Article IX or any other noncompetition or other restrictive covenant agreement.

5.3 Procedure for Exercise. At any time after all or any portion of a Participant's Awards have fully vested and prior to their expiration, a Participant may exercise all or any specified portion of such Awards by delivering written notice of exercise specifically identifying the particular Awards to the Company (an "Exercise Notice"), together with a written acknowledgment that such Participant has read and has been afforded an opportunity to ask questions of management of the Company or its Subsidiaries regarding all financial and other information provided to such Participant regarding the Company or its Subsidiaries. Unless otherwise provided in an Award Agreement or as set forth below, payment by Participants in connection with any exercise (a) shall be made by a check payable to the Company or a wire transfer of immediately available funds of the amount equal to the product of the exercise price multiplied by the number of shares of Award Stock to be acquired, and the amount of any additional federal and state income taxes or any income taxes or employee's social security contributions arising in any jurisdiction outside the United States required to be withheld (or accounted for to appropriate revenue authorities by Participant's employer) by reason of the exercise of the Options (which amount shall be calculated by the Company and provided to Participants promptly following delivery of an Exercise Notice, and which shall be subject to later adjustment by the Company (with a corresponding payment by or refund to Participant) in the event that any such adjustment is required), and (b) shall be due in full from Participant at the same time as delivery of the Exercise Notice (with the portion representing taxes or contributions due within two (2) business days of the date on which the Company informs Participant in writing of the amount of such items pursuant to the provisions of this Section 5.3). For United

States federal income tax purposes, the Company intends to treat Awards as exercised at the time the Company issues the applicable Award Stock to the Participant. At the discretion of the Participant, a Participant may elect to pay the exercise price otherwise due and owing by directing the Company to withhold shares of Common Stock having a Fair Market Value equal to the aggregate exercise price.

5.4 Representations on Exercise. In connection with any exercise of any Award and the issuance of Award Stock thereunder (other than pursuant to an effective registration statement under the Securities Act), Participant shall by the act of delivering the Exercise Notice (and without any further action on the part of Participant) represent and warrant to the Company that as of the time of such exercise:

(a) Participant has such knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the Award Stock, and Participant is able to bear the economic risk of the investment in the Award Stock for an indefinite period of time because the Award Stock is subject to the transfer restrictions contained in the Stockholders Agreement and has not been registered under the Securities Act or the securities laws of any state or other jurisdiction or foreign nation and, therefore, cannot be resold, pledged, assigned or otherwise disposed of unless they are subsequently registered under the Securities Act and under the applicable securities laws of certain states or foreign nations or unless an exemption from such registration is available;

(b) Participant is or was an officer, director, employee, consultant or advisor of the Company or one of its Subsidiaries;

(c) Participant has had an opportunity to ask questions and receive answers concerning the terms and conditions of the offering of the Award Stock to be acquired by Participant hereunder and has had full access and the opportunity to review such other information concerning the Company as Participant may have requested in making Participant's decision to invest in the Award Stock being issued hereunder;

(d) Participant acknowledges that the Award Stock is subject to the restrictions described herein and in the Stockholders Agreement, and Participant has received and reviewed a copy of the Stockholders Agreement;

(e) Participant acknowledges that any certificate representing the Award Stock shall include such legend(s) as are set forth in the Stockholders Agreement;

(f) Participant has relied on the advice of, or has consulted with, only Participant's own legal, financial and tax advisors and the determination of Participant to acquire the Award Stock pursuant to the Plan has been made by Participant independent of any statements or opinions as to the advisability of such acquisition or as to the properties, business, prospects or condition (financial or otherwise) of the Company and its Subsidiaries which may have been made or given by any other person or by any agent or employee of such person and independent of the fact that any other person has decided to become a stockholder of the Company; and

(g) Participant acknowledges that the Company will rely upon the accuracy and truth of the foregoing representations in this Section 5.4 and hereby consents to such reliance.

In connection with any exercise of any Award, Participant shall make such additional customary investment representations as the Company may require and Participant shall execute such documents necessary for the Company to perfect exemptions from registration under federal and state securities laws as the Company may reasonably request.

5.5 Non-Transferability.

(a) All Awards are personal to a Participant and are not Transferable by such Participant, other than by will or pursuant to applicable laws of descent and distribution; provided that no such Transfer by will or pursuant to applicable laws of descent and distribution shall be effective until the later of (i) twenty (20) days following the date that the Company receives written notice of such Transfer and (ii) unless otherwise agreed by the Board, the Company's receipt of a written certification from each transferee stating that such Person is a "citizen of the United States" in accordance with 49 U.S.C. §§ 40102(a)(15) and 41102. Only a Participant, his estate or personal representatives or heirs, or Permitted Transferee are entitled to exercise any Award. Notwithstanding the foregoing, a Participant may Transfer an Award to a Permitted Transfer; provided that no such Transfer shall be effective unless the applicable Permitted Transferee has delivered to the Company a written joinder in form and substance reasonably satisfactory to the Board which provides that such Permitted Transferee shall be be bound by and shall be a party to the Stockholders Agreement and the applicable Award Agreement All Award Stock issued pursuant to the exercise of any Award shall not be Transferable except as permitted pursuant to the terms of the Stockholders Agreement. Any attempted Transfer of Awards or Award Stock issued upon exercise thereof which is not specifically permitted under the Plan or the Stockholders Agreement shall be null and void.

(b) No Participant shall make any Transfer prohibited by this Section 5.5 either directly or indirectly. Any Transfer or attempted Transfer in violation of this Section 5.5(b) shall be null and void.

(c) The Company shall issue, in the name of each Participant to whom Award Stock has been granted or sold, stock certificates representing the total number of shares of Award Stock granted or sold to such Participant, as soon as reasonably practicable after such grant or sale and deliver copies thereof.

5.6 Rights as a Stockholder. A Participant holding an Award shall have no rights as a stockholder with respect to any shares of Award Stock issuable upon exercise thereof until the date on which a stock certificate is issued to such Participant representing such Award Stock.

5.7 Change in Control. Notwithstanding anything to the contrary contained herein, immediately prior to the consummation of a Change in Control, the Board may (in its sole discretion), with respect to any or all of the Awards that are outstanding and vested at such time, take any of the following actions (consistent with the requirements of Section 409A of the Code):

(a) provide for the assumption, substitution or continuation of such vested Awards, (b) if the Fair Market Value of the underlying Award Stock as of the consummation of the Change in Control exceeds the exercise price associated with such vested Awards, cash out all or any portion of such vested Awards in exchange for the Aggregate Spread and (c) if the Fair Market Value of the underlying Award Stock as of the consummation of the Change in Control is less than the exercise price associated with such vested Awards, unilaterally terminate all or any portion of such vested Awards for no consideration. All Awards that are not assumed, substituted or continued will be terminated upon the consummation of a Change in Control.

ARTICLE VI
JOINDERS

Receipt of any Award shall constitute agreement by Participant receiving such Award to be bound by all of the terms and conditions of the Stockholders Agreement, including with respect to the Award Stock, or any other Company capital stock, issuable to or held by such Participant. In furtherance thereof, upon the receipt of any Award, and without any further required action of Participant, the Company or any other Person, Participant shall automatically become a party to the Stockholders Agreement as a Manager and all shares of Award Stock, or any other Company capital stock issuable to or held by such Participant, shall be deemed Management Shares thereunder and Participant shall execute a joinder to the Stockholders Agreement. All of the terms of the Stockholders Agreement are incorporated herein by reference.

ARTICLE VII
REPURCHASE OF SHARES

7.1 Repurchase Option. In the event that a Participant is no longer employed by and no longer provides services to the Company and its Subsidiaries for any reason or in the event Participant takes any action prohibited by Article IX or any other noncompetition or other restrictive covenant agreement, all Award Stock issued or issuable to such Participant will be subject to repurchase by the Company and the Investor (solely at its option), by delivery of one or more Repurchase Notices (as defined below) within the time periods set forth below, pursuant to the terms and conditions set forth in this Article VII (the "Repurchase Option"), unless otherwise set forth in the Award Agreement between the Company and Participant. Notwithstanding any other provision in this Article VII, the Repurchase Option shall terminate upon the occurrence of an Initial Public Offering.

7.2 Terminations; Restrictive Covenant Violations.

(a) Unless otherwise specified in an Award Agreement, if a Participant is no longer employed by and no longer provides services to the Company and any of its Subsidiaries as a result of such Participant's termination other than for Cause (or such Participant's resignation in circumstances where Cause exists), the Company may elect to purchase all or any portion of the Award Stock issued or issuable to such Participant at a price per share equal to the Fair Market Value thereof as of the anticipated date of the Repurchase Closing.

(b) Unless otherwise specified in an Award Agreement, if (i) a Participant is no longer employed by and no longer provides services to the Company or any of its Subsidiaries as a result of such Participant's termination for Cause or such Participant's resignation in circumstances where Cause exists or (ii) in the event that a Participant takes any action prohibited by Article IX or any other noncompetition or other restrictive covenant agreement, the Company may elect to purchase all or any portion of the Award Stock issued or issuable to such Participant at a price per share equal to the lower of the Fair Market Value thereof as of the anticipated date of the Repurchase Closing and the Original Value thereof; provided that, if a Participant takes such prohibited action as specified in (ii) hereof after the Company (or the Investor, if applicable) pays the repurchase price for such Award Stock, then the Participant shall repay to the Company (or the Investor, if applicable) any amounts paid in excess of that contemplated by the preceding clause.

7.3 Investor's Right to Buy.

(a) If for any reason the Company does not elect to purchase all of the Award Stock (issued or issuable to a particular Participant) pursuant to the Repurchase Option pursuant to one or more Repurchase Notices, the Investor will be entitled to exercise the Repurchase Option in the manner set forth in this Section 7.3, for the Award Stock that the Company has not elected to purchase (the "Available Shares"). As soon as practicable after the Company has determined that there will be Available Shares, the Company shall give written notice (each, an "Option Notice") to the Investor setting forth the number of Available Shares and the price for each Available Share as determined pursuant to the provisions of this Article VII.

(b) The Investor may elect to purchase any number of Available Shares by delivering written notice (an "Election Notice") to the Company within sixty (60) days after receipt of the Option Notice from the Company.

(c) As soon as practicable, and in any event within ten (10) days after the expiration of the sixty (60)-day period set forth in Section 7.3(b), the Company shall notify the holder(s) of Award Stock as to the number of shares being purchased from such holder(s) by the Investor (each, a "Supplemental Repurchase Notice"). At the time the Company delivers a Supplemental Repurchase Notice to the holder(s) of Award Stock, the Company shall also deliver written notice to the Investor setting forth the number of shares that the Company and the Investor will acquire, the aggregate purchase price and the time and place of the closing of the transaction.

7.4 Option Repurchases. In the event the Company and/or the Investor, as applicable, exercises the Repurchase Option with respect to any shares of Award Stock issuable upon exercise of any Award held by a Participant, then such Participant shall be required, promptly following receipt of a Repurchase Notice (as defined below), to exercise such Award(s) and purchase from the Company (in accordance with the provisions of Section 5.3) all shares of Award Stock for which the Company and/or the Investor, as applicable, shall have delivered a Repurchase Notice.

7.5 Repurchase Procedures. Pursuant to the Repurchase Option, the Company may elect to exercise the right to purchase all or any portion of the shares of Award Stock issued to a Participant by delivering written notice or notices (each, a "Repurchase Notice") to the holder or holders of such Award Stock at any time and from time to time no later than one hundred and eighty (180) days after the latest of (a) Participant's Termination Date, (b) the date upon which the Company and the Investor become aware that Participant has taken any action that is prohibited by Article IX or any other noncompetition or other restrictive covenant agreement, and (c) the date that is six months plus one day after the acquisition of Award Stock by Participant; provided that such periods may be tolled in accordance with the first and last sentences of Section 7.7 below. Each Repurchase Notice will specifically identify the shares of Award Stock to be acquired from such holder(s) (including whether such shares are issuable upon exercise of Options) and the time and place for the closing of the transaction (each, a "Repurchase Closing").

7.6 Closing of Repurchase. The closing of the transactions contemplated by this Article VII will take place as soon as reasonably practicable, and in any event not later than sixty (60) days after delivery of the applicable Repurchase Notice or Supplemental Repurchase Notice, as the case may be (provided, that such time shall be extended as necessary to comply with the requirements of the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended, or other applicable legal requirements), at the principal office of the Company, or at such other time and location as the parties to such purchase may mutually determine. The Company and/or the Investor, as the case may be, will pay for the Award Stock to be purchased pursuant to the Repurchase Option by delivery of a check payable to the holder(s) of Award Stock or a wire transfer of immediately available funds in an amount equal to the Fair Market Value of such Award Stock at the time of the Repurchase Closing; provided that the Company and/or the Investor, as the case may be, may offset against such repurchase price any then existing documented and bona fide monetary debts owed by such Participant to the Company or its Subsidiaries, in the case of a repurchase by the Company, or to the Investor, in the case of a repurchase by the Investor. The Company and/or the Investor, as the case may be, will receive customary representations and warranties from each seller regarding the sale of Award Stock, including, but not limited to, representations that such seller has good and marketable title to the Award Stock to be Transferred free and clear of all liens, claims and other encumbrances, and the Company and/or the Investor, as the case may be, will be entitled to require all sellers' signatures be guaranteed by a national bank or reputable securities broker.

7.7 Restrictions on Repurchase. Notwithstanding anything to the contrary contained in the Plan, all repurchases of Award Stock by the Company shall be subject to applicable restrictions contained in the Delaware General Corporation Law and in the Company's and its Subsidiaries' debt and equity financing agreements. If any such restrictions prohibit the repurchase of Award Stock for cash as contemplated by Section 7.6, and the Investor has not elected to acquire all Award Stock which the Company and the Investor has a right to repurchase pursuant to this Article VII, the time periods provided in this Article VII shall be suspended, and the Company may make such repurchases for cash as soon as it is permitted to do so under such restrictions.

ARTICLE VIII
COMPLIANCE WITH LAWS

8.1 Each Award shall be subject to the requirement that if at any time the Board shall determine, in its discretion, that the listing, registration or qualification of the shares subject to such Award upon any securities exchange or under any state or federal securities or other law or regulation or the consent or approval of any governmental regulatory body is necessary or desirable as a condition to or in connection with the granting of such Award or the issuance or purchase of shares thereunder, no such Award may be exercised or paid in Common Stock, in whole or in part, unless such listing, registration, qualification, consent or approval (a "Required Listing") shall have been effected or obtained and the holder of the Award, will supply the Company with such certificates, representations and information as the Company shall request which are reasonably necessary or desirable in order for the Company to obtain such Required Listing, and shall otherwise cooperate with the Company in obtaining such Required Listing. In the case of officers and other persons subject to Section 16(b) of the Exchange Act, the Board may at any time impose any limitations upon the exercise of an Award which, in the Board's discretion, are necessary or desirable in order to comply with Section 16(b) of the Exchange Act and the rules and regulations thereunder. If the Company, as part of an offering of securities or otherwise, finds it desirable because of federal or state regulatory requirements to reduce the period during which any Awards may be exercised, the Board may, in its discretion and without the consent of the holders of any such Awards, so reduce such period on not less than ten (10) days' written notice to the holders thereof.

ARTICLE IX
RESTRICTIVE COVENANTS

The Company and its Subsidiaries operate in a highly sensitive and competitive commercial environment. As part of Participant's employment and/or service with the Company and its Subsidiaries, Participants will be exposed to highly confidential and sensitive information regarding the Company's and its Subsidiaries' business operations, including corporate strategy, pricing and other market information, know-how, trade secrets, and valuable customer, supplier, strategic partner, licensee, licensor, lessor, regulatory and employee relationships. It is critical that the Company take all necessary steps to safeguard its legitimate protectable interests in such information and to prevent any of its competitors or any other persons from obtaining any such information. Therefore, as consideration for the Company's agreement to award Awards to a Participant, each Participant agrees to be bound by the following restrictive covenants:

9.1 Confidentiality. Participant shall not, for any purpose whatsoever, other than to the extent necessary to render services to the Company or its Subsidiaries in good faith, required by law, or with the express prior written consent of the Company, use, disclose, or divulge to a third party or use for Participant's personal benefit or for the benefit of a third party, at any time, either during Participant's employment or services with the Company or its Subsidiaries or thereafter, any Confidential Information of which Participant is or becomes aware, whether or not such information is developed by Participant. Participant will treat all Confidential Information as confidential and take all reasonable and appropriate steps to safeguard all

Confidential Information and to protect it against disclosure, misuse, espionage, loss and theft. Participant shall deliver to the Company at Participant's Termination Date, or at any other time the Company may request, all memoranda, notes, agreements, client lists, plans, records, reports, computer tapes and software and other documents and data (and all copies or reproductions thereof) relating to the Confidential Information, Work Product or the business of the Company or any of its Subsidiaries which Participant may then possess or have under Participant's control. As used herein, the term "Confidential Information" means information that is not generally known to the public and that is used, developed or obtained by the Company or its Subsidiaries in connection with their business, including but not limited to (i) information, observations and data obtained by Participant while employed by or providing services to the Company or its Subsidiaries concerning the business or affairs of the Company or its Subsidiaries, (ii) products or services, (iii) fees, costs and pricing structures, (iv) designs, (v) analyses, (vi) drawings, photographs and reports, (vii) computer software (including source code, executable code, algorithms, pseudocode, firmware, interfaces, data, databases, and documentation), including operating systems, applications and program listings or any portions or logic comprising said software, (viii) flow charts, manuals and documentation, (ix) data bases, (x) accounting and business methods, (xi) inventions, devices, new developments, methods and processes, whether patentable or unpatentable and whether or not reduced to practice, (xii) customers and clients and customer or client lists and terms of contracts with clients and customers (xiii) other copyrightable works, (xiv) all production, programming, manufacturing, engineering, and distribution processes or techniques, technology and trade secrets, and (xv) all similar and related information in whatever form or medium. Notwithstanding the foregoing, the term "Confidential Information" shall not include any information that Participant can demonstrate by written proof was generally available to the public at the time it was disclosed to such Participant or subsequently becomes in the public domain other than as a result of a disclosure by such Participant in violation of this Article IX, provided that Confidential Information will not be deemed to have been generally available merely because individual portions of the information have been separately published or otherwise made generally available to the public, but only if all material features comprising such information have been made generally available to the public in combination. The covenants made in this Section 9.1 shall continue perpetually, including after Participant's Termination Date.

9.2 Assignment of Inventions. Any copyrightable work falling within the definition of Work Product shall be deemed a "work-made-for-hire" under the copyright laws of the United States (17 U.S.C. 101 et seq.), and ownership of all rights therein shall vest in the Company or is Subsidiaries, as applicable, from the moment of fixation. In the event that any Work Product is deemed not to be a "work-made-for-hire," or if other rights may at any time be embodied in any Work Product, Participant hereby assigns and transfers, and agrees to assign and transfer to the Company and its legal successors and assigns, the entire right, title, and interest in and to such Work Product. Participant hereby waives, to the extent permitted by applicable law, all "moral rights" Participant has in and to the Work Product. Participant will promptly disclose any Work Product as may be susceptible of such manner of communication to the Company and perform all actions reasonably requested by the Company (whether before or after Participant's Termination Date) to establish and confirm such ownership (including, without limitation, the

execution and delivery of assignments, affidavits, declarations, oaths, exhibits, consents, powers of attorney and other instruments and documentation) and to provide reasonable assistance to the Company or any of its Subsidiaries in connection with the application and prosecution of any applications for any intellectual property rights or reissues thereof or in the prosecution or defense of interferences relating to any Work Product. Should the Company be unable to secure Participant's signature on any document necessary to apply for, prosecute, obtain, or enforce any patent, copyright, or other right or protection relating to any Work Product, whether due to Participant's mental or physical incapacity or any other cause, Participant hereby irrevocably designates and appoints the Company and each of its duly authorized officers and agents as Participant's agent and attorney in fact, to act for and in Participant's behalf and stead, to execute and file any such document, and to do all other lawfully permitted acts to further the prosecution, issuance, and enforcement of patents, copyrights, or other rights or protections with the same force and effect as if executed and delivered by Participant.

9.3 Notice of Statutory Exception. Notwithstanding anything to the contrary contained in the Plan, Work Product shall not include any invention developed entirely on Participant's own time without using any equipment, supplies, facilities, or trade secrets of the Company or any of its Subsidiaries, unless such invention (a) relates at the time of conception or reduction to practice to the business of the Company or its Subsidiaries or its and actual or demonstrably anticipated research or development of the Company or its Subsidiaries, or (b) results from any work performed by Participant for Company or any of its Subsidiaries.

9.4 Non-Competition; Non-Solicitation. Participant acknowledges and agrees with the Company that during the course of Participant's involvement and/or employment with the Company or its Subsidiaries, Participant has had and will continue to have the opportunity to develop relationships with existing employees, vendors, suppliers, customers, strategic partners, licensees, licensors, lessors and other business associates of the Company and its Subsidiaries which relationships constitute goodwill of the Company and its Subsidiaries, and the Company and its Subsidiaries would be irreparably damaged if Participant were to take actions that would damage or misappropriate such goodwill. Accordingly, Participant agrees as follows:

(a) Participant acknowledges that the Company and its Subsidiaries currently conduct their business throughout North America (the "Territory"). For purposes hereof, the "Territory" shall also include any international market in which the Company or any of its Subsidiaries conducts its business or has plans that have been considered by the Board to conduct its business, in either event, at the time of Participant's Termination Date. Accordingly, during the Non-Competition Period, Participant shall not: (i) directly or indirectly, own, manage, engage in, operate, control, work for, consult with, render services for, or participate in or acquire, maintain any interest in (financial, proprietary or otherwise) any business that engages in the Line of Business within the Territory, whether for or by Participant or as a representative for or on behalf of any other person or entity or (ii) solicit any supplier or other material business relation of the Company to reduce their business with, or change the nature of their business relationship with, the Company and its Subsidiaries or otherwise influence or seek to influence such relationship in a manner adverse to the Company and its Subsidiaries. For purposes herein, “Line of Business” shall mean the business of the Company or its Subsidiaries as conducted as of

the date hereof or at any time during the Participant's employment or which has been considered by the Board at the time of Participant's Termination Date.

(b) Notwithstanding the foregoing, the aggregate passive ownership by Participant of no more than two percent (2%) of the outstanding equity securities of any entity, which securities are traded on a national or foreign securities exchange, quoted on the Nasdaq Stock Market or other automated quotation system, and which entity competes with the Company (or any part thereof) within the Territory, shall not be deemed to be giving or lending funds to, otherwise financing or having a financial interest in a competitor. In the event that any entity in which Participant has any financial or other interest directly or indirectly enters into the Line of Business during the Non Competition Period, Participant shall use his reasonable best efforts to divest all of his interest (other than any amount permitted to be held pursuant to the first sentence of this Section 9.4(b)) in such entity within thirty (30) days after learning that such entity has entered the Line of Business.

(c) Participant covenants and agrees that during the Non-Competition Period (i) Participant will not, directly or indirectly, either for Participant or for any other person or entity, solicit any employee, consultant or agent of the Company (other than such Participant's personal assistant or secretary) or any Subsidiary or Affiliate of the Company to terminate their employment or other relationship with the Company or any Subsidiary or Affiliate of the Company or (ii) employ or engage (or cause to be employed or engaged) any such individual.

9.5 Non-Disparagement. Participant agrees not to make negative comments or otherwise disparage the Company and its Subsidiaries or their officers, directors, employees, shareholders, members, agents or products other than in the good faith performance of Participant's duties to the Company while Participant is employed by or providing services to the Company. The foregoing shall not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings).

9.6 No Restriction on Earning a Living. Participant hereby acknowledges that the provisions of this Section 9.4 do not preclude Participant from earning a livelihood, nor do they unreasonably impose limitations on Participant's ability to earn a living. In addition, Participant hereby acknowledges that the potential harm to the Company and/or its Subsidiaries of non-enforcement of this Section 9.4 outweighs any harm to Participant of enforcement (by injunction or otherwise) of this Section 9.4 against Participant. If any portion of the provisions of this Section 9.4 is found to be invalid or unenforceable by a court of competent jurisdiction because its duration, territory, definition of activities covered, or definition of information covered is considered to be unreasonable in scope, the invalid or unenforceable term shall be redefined, or a new enforceable term provided, such that the intent of the Company and Participant in agreeing to the provisions of this Section 9.4 will not be impaired and the provision in question shall be enforceable to the fullest extent of applicable law.

9.7 Additional Acknowledgements; Remedies. Participant acknowledges that the restrictions contained in this Article IX are reasonable and necessary to protect the legitimate interests of the Company and its Subsidiaries and that the Company would not have entered into

the Plan or any Award Agreement in the absence of such restrictions. Participant also acknowledges that any breach by Participant of this Article IX will cause continuing and irreparable injury to the Company and its Subsidiaries for which monetary damages would not be an adequate remedy. Participant shall not, in any action or proceeding to enforce any of the provisions of the Plan, assert the claim or defense that an adequate remedy at law exists or that this Article IX is unreasonable or otherwise not enforceable in accordance with their terms. In the event that, notwithstanding the foregoing, Participant challenges the reasonableness or enforceability of the restrictions contained in this Article IX, Participant shall pay the attorneys' fees of the Company and/or its Subsidiaries, as applicable. In the event of such breach by Participant, the Company or any of its Subsidiaries shall have the right to enforce the provisions of this Article IX by seeking injunctive or other relief in any court, and the Plan shall not in any way limit remedies of law or in equity otherwise available to such entity. The periods of time set forth in this Article IX shall not include, and shall be deemed extended by, any time required for litigation to enforce the relevant covenant periods, provided that the Company or any of its Subsidiaries is successful on the merits in any such litigation. The "time required for litigation" is herein defined to mean the period of time from the earlier of Participant's first breach of such covenants or service of process upon Participant through the expiration of all appeals related to such litigation.

9.8 Survival of Provisions. The obligations contained in this Article IX shall survive the termination of Participant's employment or service with the Company and its Subsidiaries and shall be fully enforceable thereafter.

ARTICLE X
OTHER PROVISIONS

10.1 Indemnification. No member of the Board, nor any person to whom administrative or ministerial duties have been delegated, shall be personally liable for any action, interpretation or determination made with respect to the Plan or Awards made thereunder, and each member of the Board shall be fully indemnified and protected by the Company with respect to any liability he may incur with respect to any such action, interpretation or determination, to the extent permitted by applicable law and to the extent provided in the Company's Certificate of Incorporation and Bylaws, as amended from time to time, or under any agreement between any such Board member and the Company.

10.2 Termination and Amendment. The Board at any time may suspend or terminate this Plan and make such additions or amendments as it deems advisable under this Plan; provided that, the Board may not change any of the terms of the Plan or an Award Agreement in a manner materially adverse to a Participant without the prior written approval of such Participant; provided further, that to the extent the Board amends the Plan in a manner materially adverse to a Participant without such Participant's consent, such Participant shall continue to be bound and governed by the terms of the Plan as in effect prior to such amendment.

10.3 Taxes. Subject to Section 5.3, the Company shall have the right to require Participants or their beneficiaries or legal representatives to remit to the Company an amount sufficient to satisfy his minimum federal, state, local and foreign withholding tax requirements,

as applicable, or to deduct from all payments under the Plan amounts sufficient to satisfy such minimum withholding tax requirements. Whenever payments under the Plan are to be made to a Participant in cash, such payments shall be net of any amounts sufficient to satisfy all federal, state, local and foreign withholding tax requirements, as applicable.

10.4 Withholding. Subject to Section 5.3, in a situation where, if a Participant were to receive Award Stock (by virtue of the exercise of any Award), the Company or any of its Affiliates (or a former Affiliate) would be obliged to (or would suffer a disadvantage if it were not to) account for any tax or social security contributions in any jurisdiction for which that person would be liable by virtue of the receipt of Award Stock or which would be recoverable from that person (together, the "Tax Liability"), the Award may not be exercised unless that person has either (i) made a cash payment to the Company or any of its Affiliates (or such former Affiliates) of an amount at least equal to the Company's estimate of the tax liability, or (ii) entered into arrangements acceptable to the Company or any of its Affiliates (or such former Affiliates) to secure that such a payment is made (whether by authorizing the sale of some or all of the Award Stock on his behalf and the payment to the Company or any of its Affiliates (or such former Affiliates) of the relevant amount out of the proceeds of sale or otherwise).

10.5 Data Collection. By participating in the Plan or accepting any rights granted under it, each Participant consents to the collection and processing of personal data relating to Participant so that the Company and its Affiliates can fulfill their obligations and exercise their rights under the Plan and generally administer and manage the Plan. This data will include, but may not be limited to, data about participation in the Plan and shares offered or received, purchased or sold under the Plan from time to time and other appropriate financial and other data (such as the date on which the Awards were granted) about Participant and his participation in the Plan.

10.6 Notices. Notices required or permitted to be made under the Plan shall be in writing and shall be deemed given, delivered and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via facsimile prior to 5:00 p.m. (New York time) on a business day, (b) the business day after the date of transmission, if such notice or communication is delivered via facsimile later than 5:00 p.m. (New York time) on any business day and earlier than 11:59 p.m. (New York time) on the day preceding the next business day, (c) one (1) business day after when sent, if sent by nationally recognized overnight courier service (charges prepaid) or (d) upon actual receipt by the person to whom such notice is required to be given. All notices shall be addressed (i) to a Participant at such Participant's address as set forth in the books and records of the Company and its Subsidiaries or (ii) to the Company or the Board at the principal office of the Company clearly marked "Attention: Board of Directors".

10.7 Severability. In the event that any provision of this Plan would, under applicable law, be invalid or unenforceable in any respect, such provision shall be construed by modifying or limiting it so as to be valid and enforceable to the maximum extent compatible with, and possible under, applicable law. The provisions of this Plan are severable, and in the event any provision hereof should be held invalid or unenforceable in any respect, it shall not invalidate, render unenforceable or otherwise affect any other provision of this Plan.

10.8 Prior Agreements. Except as expressly stated otherwise, no provision of any employment, severance, incentive award, or other similar agreement entered into by a Participant, on the one hand, and any Subsidiary of the Company, on the other hand, prior to the Effective Date shall modify or have any effect in any manner on any provision of this Plan or any term or condition of any Award Agreement to which such Participant is a party. Without limiting the generality of the foregoing, any provision in any such agreement that purports to apply in any manner to options, stock, equity-based awards or the like shall not apply to or have any effect on any Awards under the Plan.

10.9 Governing Law and Forum; Waiver of Jury Trial. The Plan shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of laws provision or rule that would cause the application of the laws of any other jurisdiction. Each Participant who accepts an Award thereby agrees that any suit, action or proceeding brought by or against such Participant in connection with this Plan shall be brought solely in the Court of Chancery of the State of Delaware (or, in the case of an appeal, in any state or federal court sitting in Delaware from which appeal from the Chancery Court's decision may be validly taken), each Participant consents to the jurisdiction and venue of such courts and each Participant agrees to accept service of process by the Company or any of its agents in connection with any such proceeding. Each Participant who receives an Award hereby submits to and accepts the exclusive jurisdiction of such court for the purpose of any such suit, legal action, or proceeding, and to the fullest extent permitted by law, each Participant who accepts an Award hereby irrevocably waives any objection which he or she may now or hereafter have to the laying of venue or any such suit, legal action or proceeding in such court and hereby further waives any claim that any suit, legal action or proceeding brought in such court has been brought in an inconvenient forum. EACH PARTICIPANT WHO ACCEPTS AN AWARD IRREVOCABLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THE PLAN OR ANY AWARD OR THE MATTERS OTHERWISE CONTEMPLATED HEREBY.

10.10 Construction. The words "include," "includes" or "including" shall be deemed to be followed by the words "without limitation." Where specific language is used to clarify by example a general statement contained herein (such as by using the words "such as"), such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates. Whenever required by the context, any pronoun used in the Plan shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.

10.11 Section 409A Compliance. It is the intention of the Company and the Board that the Plan not be subject to the provisions of Section 409A of the Code, as in effect as of the Effective Date or as subsequently modified, or to the extent subject to such provisions, then to comply in all material respects with such provisions. In the event that Section 409A would impose a detriment on Participants, taken as a whole, with respect to Awards under the Plan, then the Board shall consider in good faith modifications or amendments to the Plan intended to eliminate or ameliorate such detriment; provided that, in no event shall the Board be required to modify or amend the Plan in a manner adverse to the Company or the Investor; provided, further,

that, in no event shall the Company or its Affiliates be responsible for any taxes or penalties incurred by a Participant for amounts and/or benefits received pursuant to the Plan.

* * * * *

BDF HOLDING CORP.
2014 STOCK OPTION PLAN

NON-QUALIFIED STOCK OPTION AWARD AGREEMENT

Date: [GRANT DATE] (the "Grant Date")

Grant to: [NAME] ("Participant")

the right to purchase from BDF Holding Corp. (the "Company"):

[OPTIONS GRANTED] shares of its Common Stock, par value $0.0001 per share (the "Options"), at an Exercise Price of [$XX.XX] per share.

Except as otherwise set forth herein, the foregoing Options are subject to all of the terms and conditions of the Company's 2014 Stock Option Plan, as in effect and as amended from time to time in accordance with the provisions thereof (the "Plan"), and defined terms used herein but not otherwise defined in this Award Agreement shall have the meanings assigned thereto in the Plan. Notwithstanding the foregoing, the following provision will apply to the Options in lieu of Section 4.3(b) of the Plan:

> The Options will be subject to time vesting only and twenty percent (25%) of the Options shall vest on each anniversary of the Grant Date such that all Options shall be vested as of the fourth (4th) anniversary of the Grant Date, if the Participant is, and has been, continuously employed by or provides services to the Company or any of its Subsidiaries from the Grant Date through each such vesting date.

This Award Agreement may be executed in one or more counterparts, all of which, along with any exhibits hereto, taken together shall constitute one and the same Award Agreement.

IN WITNESS WHEREOF, the Company, acting by and through its duly authorized officers, has caused this Award Agreement to be executed as of the date first above written.

BDF HOLDING CORP.

By: _____
Name: Bill Barton
President and CEO

PARTICIPANT

Accepted and Agreed:

_____
Name: [NAME]

BDF HOLDING CORP.
2014 STOCK OPTION PLAN

NON-QUALIFIED STOCK OPTION AWARD AGREEMENT

Date: [GRANT DATE]

Grant to: [NAME] ("Participant")

the right to purchase from BDF Holding Corp. (the "Company"):

[OPTIONS GRANTED] shares of its Common Stock, par value $0.0001 per share (the "Options"), at an Exercise Price of [$XX.XX] per share.

Except as otherwise set forth herein, the foregoing Options are subject to all of the terms and conditions of the Company's 2014 Stock Option Plan, as in effect and as amended from time to time in accordance with the provisions thereof (the "Plan"), and defined terms used herein but not otherwise defined in this Award Agreement shall have the meanings assigned thereto in the Plan.

The Options shall vest in accordance with the Plan; provided that notwithstanding anything to the contrary, 20% of the Options shall vest on each of [XXX XX, 2025], [XXX XX, 2026], [XXX XX, 2027], [XXX XX, 2028], and [XXX XX, 2029], if the Participant is, and has been, continuously employed by or providing services to the Company or any of its Subsidiaries from the date of grant through each such vesting date. Upon separation from the Company for any reason other than termination for cause, the Participant is eligible to purchase their vested Options within 60 days of the separation date.

This Award Agreement may be executed in one or more counterparts, all of which, along with any exhibits hereto, taken together shall constitute one and the same Award Agreement.

IN WITNESS WHEREOF, the Company, acting by and through its duly authorized officers, has caused this Award Agreement to be executed as of the date first above written.

BDF HOLDING CORP.

By: _____

Name: Carl Lukach

Chief Financial Officer

PARTICIPANT

Accepted and Agreed:

_____

Name: [NAME]

Exhibit 21.1

SUBSIDIARIES

Subsidiary Name	Jurisdiction of Organization
BDF Intermediate, LLC	Delaware
BDF Acquisition Corp	Delaware
Bob's Discount Furniture, LLC	Massachusetts

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of Bob's Discount Furniture, Inc. of our report dated September 19, 2025 relating to the financial statements of BDF Holding Corp., which appears in this Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

Hartford, Connecticut
January 9, 2026