UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
SOUTHEASTERN DIVISION

	§	**Chapter 11**
In re:	§	
	§	**Case No. 20-43597-339**
BRIGGS & STRATTON CORPORATION, *et al.*,	§	**(Jointly Administered)**
	§	
	§	
Debtors.	§	Related Docket No. 35

FINAL ORDER (I) AUTHORIZING DEBTORS TO OBTAIN POSTPETITION FINANCING, (II) AUTHORIZING DEBTORS TO USE CASH COLLATERAL, (III) GRANTING LIENS AND SUPERPRIORITY CLAIMS, (IV) GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED PARTIES, AND (V) MODIFYING AUTOMATIC STAY

Upon the motion (the "Motion") of Briggs & Stratton Corporation (the "Company") and the other debtors in possession (collectively, the "Debtors") in the above-captioned chapter 11 cases (the "Chapter 11 Cases") under sections 105, 361, 362, 363, 364, 503, 506, and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the "Bankruptcy Code") and Rules 2002, 4001, 6003, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (as amended, the "Bankruptcy Rules"), for entry of the Interim Order (as defined below) and a final order (this "Order"):

(I) authorizing the Debtors to obtain senior secured priming debtor-in-possession financing in an aggregate principal amount not to exceed $677.5 million pursuant to the terms and conditions of the *Senior Secured Debtor-in-Possession Revolving and Term Credit Agreement* attached hereto as **Exhibit A** (as amended, supplemented, or otherwise modified in accordance with its terms and the terms of this Order, the "DIP Credit Agreement"), and all other agreements, documents, and instruments executed and delivered in connection with the DIP Credit Agreement (collectively with the DIP Credit Agreement, the "DIP Documents"), with such debtor-in-possession financing consisting of:

a) a first-out, asset based revolving facility in an aggregate principal amount not to exceed on the DIP Closing Date $412.5 million, subject to a reduction on the DIP Term Loan Closing Date to $350 million (the "DIP ABL Facility," and all extensions of credit thereunder, the "DIP ABL Loans"),

with up to $6 million (other than the Prepetition Letters of Credit (as defined below)) available under a letter of credit sublimit plus the deemed issuance of the Prepetition Letters of Credit as letters of credit issued under the DIP ABL Facility (all such letters of credit, the "DIP Letters of Credit"), provided that (i) not more than, on the DIP Closing Date, $383.7 million and, on the DIP Term Loan Closing Date, $321.2 million, in principal amount of the DIP ABL Facility shall be made available to Briggs & Stratton Corporation (the "North American Revolving Facility") and (ii) not more than, both on the DIP Closing Date and on the DIP Term Loan Closing Date, $28.8 million in principal amount of the DIP ABL Facility shall be made available to Briggs & Stratton AG (the "Swiss Revolving Facility"), among:

1. as borrowers, the Company and Briggs & Stratton AG (the "Non-Debtor DIP ABL Borrower") (collectively, "DIP ABL Borrowers"),

2. as guarantors, (a) Billy Goat Industries, Inc., Allmand Bros., Inc., Briggs & Stratton International, Inc., and Briggs & Stratton Tech, LLC, (b) Briggs & Stratton International AG, Briggs & Stratton Australia Pty. Limited and Victa Ltd. and subject to customary exceptions consistent with the Prepetition ABL Agreement, each other subsidiary of the Company organized in a jurisdiction outside the United States (the "Non-Debtor Foreign DIP Guarantors"), and (c) to the extent not otherwise listed above, each other Debtor (the entities referenced in the immediately preceding clauses (a) through (c), together with the DIP ABL Borrowers, collectively, the "DIP Guarantors," and together with the DIP ABL Borrowers, the "DIP ABL Loan Parties"),[1]

3. as administrative agent and collateral agent, JPMorgan Chase Bank, N.A. (in such capacity, the "DIP Agent"),

4. as lead-left arranger and lead-left bookrunner, JPMorgan Chase Bank, N.A. (the "DIP Arranger"),

5. as swingline lender, JPMorgan Chase Bank, N.A. (the "Swingline Lender"), and

6. the lenders from time to time party thereto (collectively with the Swingline Lender, the "DIP ABL Lenders" and collectively with the DIP Agent and all other secured parties

[1] In addition and notwithstanding the foregoing, the Debtors will guaranty the Swiss Revolving Facility, and Briggs & Stratton AG and the Non-Debtor Foreign DIP Guarantors will guaranty the North American Revolving Facility, subject to the terms of the DIP Credit Agreement.

in connection with the DIP ABL Facility, collectively, the "DIP ABL Secured Parties"); and

b) a superpriority senior secured priming last-out term loan facility in an aggregate principal amount of $265 million (the "DIP Term Loan Facility," and together with the DIP ABL Facility, the "DIP Facilities"; all extensions of credit under the DIP Term Loan Facility, the "DIP Term Loans," and together with the DIP ABL Loans, the "DIP Loans"), among:

1. as borrower, the Company (the "DIP Term Loan Borrower," and together with the DIP ABL Borrowers, the "DIP Borrowers"),

2. as guarantors, the DIP Guarantors (together with the DIP Term Loan Borrower, the "DIP Term Loan Parties"; the DIP Term Loan Parties and the DIP ABL Loan Parties shall be collectively referred to herein as the "DIP Loan Parties"),

3. as administrative agent and collateral agent, the DIP Agent,

4. as sole lead arranger and sole bookrunner, the DIP Arranger, and

5. the lenders from time to time party thereto (the "DIP Term Loan Lenders," and together with the DIP ABL Lenders, the "DIP Lenders," and the DIP Term Loan Lenders, the DIP Agent and all other secured parties in connection with the DIP Term Loan Facility, collectively, the "DIP Term Secured Parties");

(II) authorizing the Debtors to use Cash Collateral (as defined in paragraph 9 below) and all other Prepetition Collateral (as defined in paragraph 8(b) below) pursuant to section 363 of the Bankruptcy Code in accordance with this Order;

(III) authorizing the Debtors to provide adequate protection to the Prepetition Secured Parties (as defined in this clause) under the Revolving Credit Agreement, dated as of September 27, 2019 (as amended, supplemented or otherwise modified prior to the Petition Date, the "Prepetition ABL Agreement," and together with all security, pledge, and guaranty agreements and all other documentation executed in connection therewith (including all "Loan Documents" under, and as defined in, the Prepetition ABL Agreement), each as amended, supplemented, or otherwise modified, the "Prepetition ABL Documents"), among (A) the Company and the subsidiary borrowers and guarantors from time to time party thereto (collectively, the "Prepetition ABL Loan Parties"), (B) the lenders from time to time party thereto (the "Prepetition ABL Lenders"), and (C) JPMorgan Chase Bank, N.A., as administrative agent and collateral agent for the Prepetition ABL Lenders (in such capacity, the "Prepetition ABL Agent," and together with the Prepetition ABL

Lenders and all other secured parties under the Prepetition ABL Documents, the "Prepetition Secured Parties");

(IV) granting to the DIP Agent, the DIP Lenders and all other secured parties under the DIP Documents (collectively, the "DIP Secured Parties"), pursuant to section 364 of the Bankruptcy Code, allowed superpriority administrative expense claims in respect of all DIP Obligations (as defined in paragraph 11(g) below) and valid, enforceable, non-avoidable, and automatically perfected security interests in and liens on all of the DIP Collateral (as defined in paragraph 21 below) to secure the DIP Obligations, in each case as and to the extent set forth herein;

(V) authorizing the DIP Agent, on behalf of the DIP Secured Parties at the direction of either the Required Revolving Lenders (as defined in the DIP Credit Agreement) or the Required DIP Term Lenders (as defined in the DIP Credit Agreement) and subject to the terms and conditions herein, to exercise remedies under the DIP Documents and this Order upon the occurrence and during the continuance of an Event of Default (as defined in the DIP Credit Agreement) (each, a "DIP Event of Default");

(VI) subject to the Carve Out, the Termination Payment and the Expense Reimbursement Payment (each as defined in this Order), authorizing the Debtors to waive (A) their right to surcharge the Prepetition Collateral (as defined in this Order) pursuant to section 506(c) of the Bankruptcy Code and (B) any "equities of the case" exception under section 552(b) of the Bankruptcy Code; and

(VII) granting related relief.

The Court having considered the Motion, the *Declaration of Jeffrey Ficks, Financial Advisor of Briggs & Stratton Corporation, in Support of the Debtors' Chapter 11 Petitions and First Day Relief* (ECF No. 51), the *Declaration of Jeffrey Lewis In Support of Motion of Debtors for Interim and Final Orders (I) Authorizing Debtors to Obtain Postpetition Financing, (II) Authorizing Debtors to Use Cash Collateral, (III) Granting Liens and Superpriority Claims, (IV) Granting Adequate Protection to Prepetition Lenders, (V) Modifying Automatic Stay, (VI) Scheduling Final Hearing, and (VII) Granting Related Relief* (ECF No. 36), any exhibits attached to the foregoing, and the evidence submitted or adduced and the arguments of counsel made at the interim hearing held on the Motion by this Court on July 21, 2020 (the "Interim Hearing") and at the final hearing held on the Motion by this Court on August [18], 2020 (the

"Final Hearing"); and notice of the Interim Hearing and Final Hearing having been given in accordance with Bankruptcy Rules 4001(b), (c), and (d); and the Interim Hearing and Final Hearing to consider the relief requested in the Motion having been held and concluded; and it appearing to the Court that granting the relief requested in the Motion (i) is fair and reasonable, (ii) is in the best interests of the Debtors and their estates, creditors, and equity holders, and (iii) is essential for the preservation of the value of the Debtors' assets; and it appearing that the Debtors' entry into the DIP Documents is a sound and prudent exercise of the Debtors' business judgment; and after due deliberation and consideration, and for good and sufficient cause appearing therefor;

IT IS FOUND, DETERMINED, ORDERED, AND ADJUDGED, that:[2]

1. ***Petition Date***. On July 20, 2020 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Eastern District of Missouri, Southeastern Division (the "Court"). On July 21, 2020, this Court entered an order approving the joint administration of the Chapter 11 Cases.

2. ***Debtors in Possession***. The Debtors are authorized to continue operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these Chapter 11 Cases.

3. ***Jurisdiction and Venue***. This Court has jurisdiction over the Chapter 11 Cases, the Motion, and the persons and property affected hereby pursuant to 28 U.S.C. §§ 157(b) and 1334. Consideration of the Motion constitutes a core proceeding under 28 U.S.C. § 157(b)(2).

[2] The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent that any of the following conclusions of law constitute findings of fact, they are adopted as such.

Venue for the Chapter 11 Cases and proceedings on the Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The predicates for the relief sought herein are sections 105, 361, 362, 363(c), 363(e), 363(m), 364(c), 364(d)(1), 364(e), and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6004 and 9014, and Bankruptcy Local Rules 2002-1, 4001-1(b), 4002-1(i), and 9013-1.

4. ***Committee Formation***. On August 5, 2020, the United States Trustee for the Eastern District of Missouri (the "U.S. Trustee") appointed an official committee of unsecured creditors in these Chapter 11 Cases (the "Committee") pursuant to section 1102 of the Bankruptcy Code (ECF No. 304).

5. ***Interim Order***. On July 21, 2020, the Court entered an order granting the relief requested in the Motion on an interim basis (ECF No. 123) (the "Interim Order"), (a) allowing the Debtors to borrow under the DIP Credit Agreement (i) up to an aggregate principal amount of $137 million (including the issuance of letters of credit (other than the Prepetition Letters of Credit) on or after the date of closing of the DIP ABL Facility until the Final Hearing) plus the deemed issuance of the Prepetition Letters of Credit as letters of credit issued under the DIP ABL Facility and (ii) up to $20 million under the DIP Term Loan Facility and (b) requiring all cash, collections, and proceeds of the Prepetition Collateral (including Cash Collateral) to be paid and applied to repay Prepetition ABL Obligations.

6. ***Notice***. The Debtors have represented that adequate and proper notice of the Motion, the relief requested therein, and the Final Hearing has been provided in accordance with and satisfaction of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules of Bankruptcy Procedure for the United States Bankruptcy Court of the Eastern District of Missouri. Such notice

is adequate and appropriate under the circumstances, and no other or further notice need be provided.

7. ***Approval of Motion***. The relief requested in the Motion is granted on a final basis as set forth herein. Except as otherwise expressly provided in this Order, any objection, reservation of rights, or other statement with respect to the entry of this Order that has not been withdrawn, waived, resolved, or settled is hereby denied and overruled on the merits.

8. ***Stipulations***. Without prejudice to the rights of any other party, and subject to the limitations thereon contained in paragraphs 10 and 19 below, the Debtors represent, admit, stipulate, and agree as follows:

(a) Prepetition ABL Obligations. As of the Petition Date, the Debtors hereby stipulate and agree that they were truly and justly indebted and liable to the Prepetition Secured Parties, without defense, counterclaim, or offset of any kind, in the aggregate principal amount of not less than $325,897,815.58 in respect of loans, other extensions of credit made, letters of credit issued (the "Prepetition Letters of Credit"), and other financial accommodations made, in each case pursuant to the Prepetition ABL Documents, plus accrued and unpaid interest thereon and any fees and expenses (including fees and expenses of attorneys) related thereto as provided in the Prepetition ABL Documents, plus all other outstanding amounts that would constitute "Obligations" under, and as defined in, the Prepetition ABL Agreement (collectively, the "Prepetition ABL Obligations"). No portion of the Prepetition ABL Obligations shall be subject to avoidance, recharacterization, recovery, or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law.

(b) Prepetition ABL Secured Liens Granted by the Prepetition ABL Loan Parties. The liens and security interests granted by the Debtors to the Prepetition ABL Agent (for

the ratable benefit of the Prepetition Secured Parties) to secure the Prepetition ABL Obligations are (i) valid, binding, perfected, enforceable, first priority (subject to permitted exceptions under the Prepetition ABL Agreement) liens on and security interests in the Prepetition ABL Loan Parties' real and personal property constituting Collateral[3] under, and as defined in, the Prepetition ABL Agreement (all such Collateral, the "Prepetition ABL Collateral," and such Collateral, including, Cash Collateral, in which the Debtors have an interest, the "Prepetition Collateral"); (ii) not subject to avoidance, recharacterization, or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law; and (iii) subject and subordinate only to other valid and unavoidable liens on the Prepetition ABL Collateral perfected prior to the Petition Date (or perfected after the Petition Date to the extent permitted by section 546(b) of the Bankruptcy Code) to the extent such liens are senior to the liens securing the Prepetition ABL Obligations (the "Prior Senior Liens").

(c) No Causes of Action. The Debtors do not have, and forever release, any claims, counterclaims, causes of action, defenses, or setoff rights, whether arising under the Bankruptcy Code or applicable nonbankruptcy law, against any of the Prepetition Secured Parties and each of their respective affiliates, subsidiaries, agents, officers, directors, employees, attorneys, and advisors, each in their capacity as such, in each case in connection with any matter arising on or prior to the date hereof related to the Prepetition ABL Obligations, the Prepetition ABL Documents, the financing and transactions contemplated thereby, or the Prepetition ABL Collateral.

[3] "Collateral" includes but is not limited to accounts, cash, equipment, fixtures, intellectual property, letters of credit, and the products and proceeds of the foregoing, but excludes Excluded Property (as defined in the Prepetition ABL Agreement).

(d) Prepetition ABL Collateral Value. As of the Petition Date, (i) the aggregate value of the Prepetition ABL Collateral securing the Prepetition ABL Obligations exceeds the aggregate amount of the Prepetition ABL Obligations; and (ii) the aggregate value of the Prepetition Collateral securing the Prepetition ABL Obligations owed by the Debtors exceeds the aggregate amount of the Prepetition ABL Obligations owed by the Debtors.

9. ***The Debtors' Cash Collateral***. All of the Debtors' cash and cash equivalents (including without limitation, all cash, securities and other amounts on deposit or maintained by the Debtors in any account or accounts with any Prepetition Secured Party and any cash proceeds of the disposition of any Prepetition Collateral) other than the Excluded Property (as defined in the prepetition ABL Agreement) constitute proceeds of the Prepetition Collateral and, therefore, are cash collateral of the Prepetition Secured Parties, within the meaning of section 363(a) of the Bankruptcy Code (the "Cash Collateral").

10. ***Effect of Stipulations on Third Parties***.

(a) The stipulations and admissions contained in this Order (including those in paragraphs 8 and 9 of this Order) shall be binding upon the Debtors under all circumstances and, with respect to the stipulations of the Debtors herein, shall be binding upon all other parties in interest, including, without limitation, any statutory or non-statutory committees appointed or formed in the Chapter 11 Cases and any other person or entity acting or seeking to act by, through or on behalf of the Debtors' estates, including any chapter 7 or chapter 11 trustee or examiner appointed or elected for any of the Debtors, in all circumstances and for all purposes, unless (i) any party in interest (including the Committee) with requisite standing from the Court as of the time of filing has timely filed an adversary proceeding or contested matter (subject to the limitations contained herein, including without limitation, in this paragraph) by no later than (a) the earlier of

(x) an order confirming a chapter 11 plan, (y) for all parties in interest other than the Committee, 75 days after entry of this Order, and (z) for the Committee, 75 days after the date of its formation; and (b) any such later date agreed to in writing by the Prepetition ABL Agent (the time period established by the foregoing clauses (a)-(b), the "Challenge Period"), (A) challenging the amount, validity, perfection, enforceability, priority, or extent of the Prepetition ABL Obligations or the liens on Prepetition Collateral securing the Prepetition ABL Obligations or (B) otherwise asserting or prosecuting action for preferences, fraudulent transfers or conveyances, other avoidance power claims or any other claims, counterclaims, causes of action, objections, contests, or defenses (collectively, the "Challenges") against any of the Prepetition Secured Parties or their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys, or advisors, each in their capacity as such, in connection with any matter related to the Prepetition ABL Obligations or the Prepetition Collateral and (ii) an order is entered and becomes final and non-appealable in favor of the plaintiff sustaining any such Challenge in any such timely filed adversary proceeding or contested matter; provided that, as to the Debtors, all such Challenges are hereby irrevocably waived, released, and relinquished as of the Petition Date.

(b) If no such adversary proceeding or contested matter is timely filed prior to the expiration of the Challenge Period by a party with requisite standing in respect of the Prepetition ABL Obligations, (i) the Prepetition ABL Obligations, to the extent not already indefeasibly repaid, shall constitute allowed claims against the Debtors, not subject to any Challenges (whether characterized as counterclaim, setoff, subordination, re-characterization, defense, or avoidance, for all purposes in the Chapter 11 Cases and any subsequent chapter 7 cases, if any; (ii) the liens on the Prepetition Collateral securing the Prepetition ABL Obligations, shall be deemed to have been, as of the Petition Date, and to thereafter remain, legal, valid, binding,

perfected, and of the priority specified in paragraph 8, not subject to any defense, counterclaim, re-characterization, subordination, or avoidance; and (iii) the Prepetition ABL Obligations, the Prepetition ABL Lenders (in their capacities as such), the Prepetition ABL Agent (in its capacity as such), and the liens on the Prepetition Collateral granted to secure the Prepetition ABL Obligations shall not be subject to any other or further challenge by any party in interest (including the Committee), and parties in interest shall be forever enjoined and barred from seeking to exercise the rights of the Debtors' estates, including without limitation, any successor thereto (including, without limitation, any estate representative or a chapter 7 or 11 trustee appointed or elected for any of the Debtors).

(c) If any such adversary proceeding or contested matter is timely filed by a party with standing, the stipulations and admissions of the Debtors contained in this Order (including those in paragraphs 8 and 9) shall nonetheless remain binding and preclusive (as provided in this paragraph 10(c)) on all parties in interest (including the Committee), except as to any such findings and admissions that were expressly and successfully challenged in such adversary proceeding or contested matter. In the event that (i) there is a timely successful challenge to the repayment of the Prepetition ABL Obligations pursuant to this Order based upon a successful challenge to the validity, enforceability, extent, perfection, or priority of the Prepetition ABL Obligations or the liens securing the same and (ii) such challenge has been deemed successful and approved by a final non-appealable order, then pursuant and subject to the limitations contained in this paragraph 10, the Court shall have the power to unwind or otherwise modify such repayment of Prepetition ABL Obligations made before entry of such final non-appealable order (which might include the disgorgement or reallocation of interest, fees, principal, or other incremental consideration paid in respect of the Prepetition ABL Obligations or the

avoidance of liens and/or guarantees with respect to the Debtors), as the Court shall determine after notice and a hearing.

11. ***Findings Regarding the DIP Loans***.

(a) Good cause has been shown for the entry of this Order.

(b) The Debtors need to obtain the DIP Loans and to use Prepetition Collateral, in order to, among other things, permit the orderly continuation of their businesses, preserve the going-concern value of the Debtors and their non-Debtor affiliates, make payroll and satisfy other working capital and general corporate purposes of the Debtors (including costs related to the administration of the Chapter 11 Cases), and repay Prepetition ABL Obligations—a critical step to permit the Debtors to obtain this financing.

(c) Repaying all outstanding Prepetition ABL Obligations of the Debtors with the proceeds of the DIP Term Loans is appropriate because, among other things, (i) entry into the DIP Credit Agreement represents a sound exercise of the Debtors' business judgment, reflects the best financing terms available to the Debtors, and avoids costly "priming" and/or adequate protection litigation with the Prepetition Secured Parties, (ii) the aggregate value of the Prepetition Collateral securing the Prepetition ABL Obligations of the Debtors exceeds the aggregate amount of the Prepetition ABL Obligations of the Debtors, (iii) the Debtors will derive benefit from having a fully functioning revolving credit facility in these Chapter 11 Cases that will allow the Debtors to borrow, repay, and re-borrow DIP ABL Loans in a manner that minimizes administrative expenses in these Chapter 11 Cases, (iv) without the Prepetition Secured Parties' agreement in the DIP Credit Agreement to forbear with respect to the non-Debtor Prepetition ABL Loan Parties and their assets, the Prepetition Secured Parties would have the right under applicable non-United States law to immediately exercise default-related rights and remedies against the non-Debtor

Prepetition ABL Loan Parties and their Prepetition ABL Collateral because certain events of default under the Prepetition ABL Documents have occurred and are continuing as a result of the commencement of the Chapter 11 Cases and any other defaults thereunder, (v) the Debtors cannot access DIP Loans to fund the Debtors' administrative expenses in these Chapter 11 Cases unless all proceeds of Prepetition Collateral are applied to repay Prepetition ABL Obligations of the Debtors and, upon entry of this Order, proceeds of the DIP Term Loans are first used to repay in full in cash all then-outstanding Prepetition ABL Obligations, as required under the DIP Credit Agreement, (vi) repayment of the Prepetition ABL Obligations was a material inducement for the DIP ABL Lenders agreeing to subordinate their DIP ABL Obligations to the Carve-Out (as defined in paragraph 26), (vii) repayment of the Prepetition ABL Obligations contemplated by this Order will materially reduce administrative expenses of the Debtors' financing because (A) the applicable interest rate for the DIP ABL Loans is 5.25% lower than the applicable interest rate payable on the Prepetition ABL Obligations projected to be repaid in these Chapter 11 Cases, and (B) the applicable interest rate for the DIP Term Loans is 1.75% lower than the applicable interest rate payable on the Prepetition ABL Obligations projected to be repaid by proceeds of DIP Term Loans, (viii) the repayment of the Prepetition ABL Obligations contemplated by this Order and the DIP Documents is otherwise a net neutral for the Debtors' estates as the Debtors would be required to adequately protect the Prepetition Secured Parties' interests in the Prepetition Collateral during the Chapter 11 Cases in any event, and (ix) the Debtors' stalking horse bidder was not willing to execute the Stalking Horse Agreement[4] without the commitments of financing provided by the DIP Facilities in accordance with the terms of the DIP Documents and this Order.

[4] As used herein, "Stalking Horse Agreement" means that certain Stock and Asset Purchase Agreement by and among the Debtors and Bucephalus Buyer, LLC, dated July 19, 2020.

(d) The Debtors are unable to obtain financing on more favorable terms from sources other than the DIP Lenders pursuant to, and for the purposes set forth in, the DIP Documents and this Order and are unable to obtain adequate unsecured credit allowable under section 503(b)(1) of the Bankruptcy Code as an administrative expense. The Debtors are also unable to obtain secured credit allowable under sections 364(c)(1), 364(c)(2), and 364(c)(3) of the Bankruptcy Code without granting priming liens under section 364(d)(1) of the Bankruptcy Code and the DIP Superpriority Claims (as defined in paragraph 22 below) and repaying in full the Prepetition ABL Obligations, in each case on the terms and conditions set forth in this Order and the DIP Documents.

(e) The terms of the DIP Loans and the use of Prepetition Collateral (including Cash Collateral) to pay Prepetition ABL Obligations are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, and constitute reasonably equivalent value and fair consideration.

(f) The DIP Documents, the form of this Order and the use of Prepetition Collateral (including Cash Collateral) and the DIP Term Loans to pay Prepetition ABL Obligations have been the subject of extensive negotiations conducted in good faith and at arm's length among the Debtors, the non-Debtor Prepetition ABL Loan Parties, the DIP Agent, the DIP Lenders, the DIP Arranger, and the Prepetition Secured Parties.

(g) All of the Debtors' obligations and indebtedness owing at any time to the respective DIP ABL Secured Parties under or in connection with the DIP Documents, including, without limitation, all DIP ABL Loans, any permitted hedging and cash management agreements to which any Debtor and any DIP ABL Lender (or any affiliate or managed fund thereof) are party all obligations owing to the DIP ABL Secured Parties arising under this Order, and all other

"Obligations" under, and as defined in, the DIP Credit Agreement, owing at any time to the DIP ABL Secured Parties are referred to herein as the "DIP ABL Obligations."

(h) All of the Debtors' obligations and indebtedness owing at any time to the respective DIP Term Secured Parties under or in connection with the DIP Documents, including, without limitation, all DIP Term Loans, all obligations owing to the DIP Term Secured Parties arising under this Order, and all other "Obligations" under, and as defined in, the DIP Credit Agreement, owing at any time to the DIP Term Secured Parties are referred to herein as the "DIP Term Obligations" (the DIP ABL Obligations and the DIP Term Obligations, collectively, the "DIP Obligations").

(i) All DIP Obligations shall be (A) deemed to have been extended by the DIP Agent and other DIP Secured Parties in "good faith" as such term is used in section 364(e) of the Bankruptcy Code and in express reliance upon the protections set forth therein and (B) entitled to the full protection of section 364(e) of the Bankruptcy Code in the event that this Order or any provision hereof is vacated, reversed, or modified on appeal or otherwise.

12. ***Authorization of the DIP Loans and the DIP Documents***.

(a) The Debtors are hereby authorized, on a final basis, to (i) enter into and perform under the DIP Documents and (ii) use proceeds from the DIP Facilities for the purposes specified in the DIP Documents and subject to the terms of this Order, including the DIP ABL Budget Covenant and DIP Term Budget Covenant (each as defined in paragraph 18), as applicable. The amendment to the DIP Credit Agreement attached hereto as Exhibit B is hereby approved.

(b) DIP Loans. Pursuant to the terms and conditions of the DIP Documents, on a final basis, (i) the Company is hereby authorized to borrow the DIP ABL Loans, (ii) the DIP

Term Loan Borrower is hereby authorized to borrow the DIP Term Loans, and (iii) the DIP Guarantors are hereby authorized to unconditionally guarantee the DIP Loans.

(c) Prepetition Letters of Credit. Upon entry of the Interim Order, all Prepetition Letters of Credit were deemed for all purposes letters of credit issued and outstanding under the DIP ABL Facility, shall continue to constitute DIP ABL Obligations under the DIP Documents and this Order, and shall be entitled to all of the benefits and security of the DIP ABL Obligations under this Order and the DIP Documents.

(d) General Authorization. In furtherance of the foregoing and without further approval of this Court, each Debtor is authorized and empowered to perform all acts and to execute and deliver all instruments and documents that the DIP Agent or the Required Lenders (as defined in the DIP Credit Agreement) determine to be reasonably required or necessary for the Debtors' performance of their obligations under the applicable DIP Documents and this Order, including, without limitation:

(i) the execution, delivery, and performance of the DIP Documents;

(ii) the execution, delivery, and performance of one or more amendments, waivers, consents, or other modifications to and under the DIP Documents, in each case in accordance with the terms of the applicable DIP Documents and in such form as the Debtors, the DIP Agent, and the requisite number and/or percentage of DIP Lenders under the DIP Credit Agreement may agree, and no further approval of this Court shall be required for any amendment, waiver, consent, or other modification to and under the DIP Documents (and any fees paid in connection therewith) that do not (A) shorten the maturity of the respective DIP Loans, (B) increase the principal amount of, or the rate of interest payable on, the DIP Loans (other than as contemplated by this clause

(ii)), or (C) change any Event of Default or add or amend any covenants within the DIP Documents, in any such case to be materially more restrictive; provided, however, that a copy of any such amendment, waiver, consent, or other modification shall be filed by the Debtors with this Court and served by the Debtors on the U.S. Trustee and counsel to the Committee five (5) business days in advance of its effectiveness, and any such waiver, consent, or other modification that materially alters the substantive terms of the DIP Documents shall require the consent of counsel to the Committee;

(iii) the non-refundable payment to the DIP Agent, the DIP Arranger, and the applicable DIP Lenders, as the case may be, of the commitment, underwriting, arranger, and administrative agency fees set forth in the applicable DIP Documents, as described in the Motion and/or referred to therein and the fee letter executed among the Debtors, the DIP Agent, and the DIP Arranger (the "Fee Letter"); and

(iv) the performance of all other acts required under or in connection with the DIP Documents or this Order.

(e) Each Debtor is authorized and directed to perform its respective obligations under the Fee Letter, subject to the terms therein.

(f) Upon the execution thereof, the DIP Documents shall constitute valid and binding obligations of the Debtors, enforceable against the Debtors in accordance with the terms of this Order and the DIP Documents. No obligation, payment, transfer, or grant of security by the Debtors under the DIP Documents (as approved by this Order) or this Order shall be voidable, avoidable, or recoverable under the Bankruptcy Code or under any applicable nonbankruptcy law (including, without limitation, under sections 502(d) or 548 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, Uniform

Voidable Transactions Act, or similar statute or common law) or subject to any defense, reduction, setoff, recoupment, or counterclaim.

13. ***Prepetition Hedging Agreements***. As of the Petition Date, all prepetition hedging agreements between any of the Debtors, on the one hand, and any of the Prepetition ABL Lenders or their respective affiliates, on the other hand, shall be terminated and any of the Prepetition ABL Loan Parties' obligations resulting therefrom shall be deemed Prepetition ABL Obligations.

14. ***Application of Proceeds of Prepetition Collateral to Prepetition and DIP ABL Obligations.*** During the pendency of the Chapter 11 Cases until all Prepetition ABL Obligations are paid in full, all cash, collections, and proceeds of the Prepetition Collateral (including Cash Collateral) shall be paid and applied, *first*, to permanently repay Prepetition ABL Obligations, as calculated based on the applicable default rate set forth in the Prepetition ABL Agreement, and, *second*, to repay DIP ABL Obligations, subject to re-borrowing in accordance with this Order and the DIP Credit Agreement.

15. ***Use of Proceeds of DIP Term Loans and Refinance of Prepetition ABL Obligations.*** Upon entry of this Order, the Debtors shall use proceeds of the DIP Term Loans, *first*, to repay in full in cash all Prepetition ABL Obligations on the date the DIP Term Facility closes, as calculated based on the applicable default rate set forth in the Prepetition ABL Agreement, and, *second*, to fund operating and other administrative expenses in the Chapter 11 Cases in accordance with the DIP Budget Covenants.

16. ***Prepetition Secured Parties' Consent***. Subject to the terms and conditions of this Order, the Prepetition ABL Agent, on behalf of, and at the direction of, the requisite Prepetition Secured Parties, have agreed (a) to permit the Debtors to use the Cash Collateral solely to repay Prepetition ABL Obligations and DIP ABL Obligations in accordance with the terms of this Order,

and (b) not to object to the DIP Facilities, including the DIP Liens and DIP Superpriority Claims contemplated in connection therewith, pursuant to the DIP Documents and this Order.

17. ***Use of Prepetition Collateral (Including Cash Collateral)***. The Debtors are hereby authorized to use Prepetition Collateral, including Cash Collateral, in accordance with the terms and conditions of this Order; provided that (a) the Prepetition Secured Parties are granted adequate protection as set forth in this Order, (b) Cash Collateral shall only be used to repay Prepetition ABL Obligations and DIP ABL Obligations as provided for in paragraph 14 of this Order, and (c) except on the terms of this Order, the Debtors are not authorized to use the Cash Collateral.

18. ***DIP Budget Covenants***.

(a) Attached hereto as Exhibit C is a 13-week budget (the "Initial Approved DIP Budget"), which sets forth for each week during such 13-week period all forecasted (a) cash receipts of the Debtors (the "Cash Receipts"), (b) cash operating disbursements of the Debtors (the "Cash Operating Disbursements"), (c) non-operating, bankruptcy-related cash disbursements of the Debtors (including professional and U.S. Trustee fees, costs, and expenses) (the "Cash Bankruptcy Disbursements"), and (d) the net operating cash flow (i.e., Cash Receipts minus Cash Operating Disbursements) of the Debtors (the "Net Operating Cash Flow," and each of Cash Receipts, Cash Operating Disbursements, and Cash Bankruptcy Disbursements shall be referred to herein individually as a "Measurement Item" and collectively as the "Measurement Items").

(b) By 4:00 p.m. (New York City time) every Thursday after the Petition Date (starting with the second full week following the Petition Date), the Debtors shall prepare and deliver to the DIP Agent (for prompt distribution to the respective DIP Secured Parties) and to the Committee (i) an updated version of the Initial Approved DIP Budget (each, a "Revised DIP ABL Budget") to reflect the additional weeks of projections and any variations from the immediately

preceding Approved ABL Budget (as defined below), (ii) a weekly and cumulative variance report in a form acceptable to the DIP Agent, which shall (A) detail the variance, if any, on a line item basis between the actual amount of each Measurement Item for the immediately preceding week and the projected amount of each Measurement Item for the immediately preceding week as set forth in the Approved ABL Budget then in effect, and (B) provide an explanation of any Measurement Item variance greater than 20% and $250,000, and (iii) a monthly borrowing base forecast. All variations between the Initial Approved DIP Budget and each subsequently delivered Revised DIP ABL Budget shall be subject to the approval of the DIP Agent without further order of the Court. The Initial Approved DIP Budget and each subsequently delivered Revised DIP ABL Budget that is approved by the DIP Agent and the Required DIP ABL Lenders and takes effect is referred to herein as an "Approved ABL Budget"; provided, however, that, unless and until a Revised DIP ABL Budget is approved by the DIP Agent and the Required DIP ABL Lenders, such Revised DIP ABL Budget shall not constitute an Approved ABL Budget and the Debtors shall continue to make disbursements in accordance with the last Approved ABL Budget in effect. For the avoidance of doubt, the DIP Term Lenders shall not have any approval rights over any Revised DIP ABL Budget.

(c) DIP ABL Budget Covenant. The Debtors' compliance with the Approved ABL Budget then in effect will be tested every Thursday of each week, starting with the second full week following the Petition Date, for the period beginning as of the first full week after the Petition Date and ending the week prior to the week on which compliance is tested (each, a "Testing Period") (such covenant, the "DIP ABL Budget Covenant"). Each date on which compliance with the Approved ABL Budget then in effect is tested is referred to herein as a "ABL Testing Date." As provided in the DIP Credit Agreement, the DIP ABL Lenders shall have the

exclusive right to call a DIP Event of Default resulting from any breach of the DIP ABL Budget Covenant and any breach of the DIP ABL Budget Covenant shall not create a DIP Event of Default under the DIP Term Loan Facility until the Required DIP ABL Lenders (as defined in the DIP Credit Agreement) have exercised remedies in respect of such breach.

(i) On the ABL Testing Date in the second full week following the Petition Date, the cumulative actual Net Operating Cash Flow during the applicable Testing Period shall not be less than 70% of the cumulative estimated Net Operating Cash Flow set forth in the Approved ABL Budget then in effect for such Testing Period;

(ii) On the ABL Testing Date in the third full week following the Petition Date, the cumulative actual Net Operating Cash Flow during the applicable Testing Period shall not be less than 75% of the cumulative estimated Net Operating Cash Flow set forth in the Approved ABL Budget then in effect for such Testing Period; and

(iii) On each ABL Testing Date in and following the fourth full week following the Petition Date, the cumulative actual Net Operating Cash Flow during the applicable Testing Period shall not be less than 80% of the cumulative estimated Net Operating Cash Flow set forth in the Approved ABL Budget then in effect for such Testing Period.

(d) DIP Term Budget Covenant. Attached hereto as Exhibit D is an extended version of the Initial Approved Budget that contains the same projections as the Initial Approved Budget for the first 13 weeks of the Chapter 11 Cases but also includes projections for the remaining period between the Petition Date and November 20, 2020 (the "DIP Term Budget"). On the first Thursday of each month commencing with the first full month following the month in which this Order is entered (each, a "Term Testing Date"), the Debtors' actual cumulative Net

Operating Cash Flow less Cash Bankruptcy Disbursements (the "Net Cash Flow") between the Petition Date and the last day of the immediately preceding month (each, a "Term Test Period") shall not be less than the Debtors' projected Net Cash Flow during each Term Test Period set forth in the DIP Term Budget by more than the "Available Variance Amount" (the "DIP Term Budget Covenant," and together with the DIP ABL Budget Covenant, the "DIP Budget Covenants"). The "Available Variance Amount" means, as of any Term Testing Date, (i) $50,000,000, plus or minus, as applicable, (ii) the aggregate amount by which the Debtors' actual cumulative Net Cash Flow for the applicable Term Test Period was less than or greater than, as applicable, the Debtors' projected cumulative Net Cash Flow for such Term Test Period set forth in the DIP Term Budget.

(e) Notwithstanding anything to the contrary in this paragraph 18, the reasonable fees, costs, and expenses incurred by, or for the benefit of, the DIP Agent shall (i) not be included in any actual or projected Measurement Item in the Initial Approved DIP Budget or any other Approved ABL Budget for purposes of compliance with any DIP Budget Covenant; and (ii) be paid by the Debtors in accordance with the DIP Documents and this Order, and shall not be subject to subject to any cap or other amount, timing, or other restriction set forth in the Initial Approved DIP Budget or any other Approved ABL Budget.

(f) The approval or consent of the DIP Agent or DIP Lenders to the Initial Approved DIP Budget or any subsequent Approved ABL Budget shall not be construed as consent to the use of any Cash Collateral or DIP Loans after the occurrence of any DIP Event of Default, regardless of whether the aggregate funds shown on the applicable Approved ABL Budget have been expended, other than funds necessary to satisfy the Carve-Out.

(g) Notwithstanding anything set forth herein or in the DIP Documents to the contrary, the budget for the fees and expenses of the Committee Professionals as set forth in the

DIP Term Budget shall not be reduced without the express written consent of the Committee and the applicable professional.

19. ***Limitation on Use of DIP Loans, DIP Collateral, and Prepetition Collateral***. Notwithstanding anything herein or in any other order of this Court to the contrary, no DIP Loans, no DIP Collateral, no Prepetition Collateral (including the Cash Collateral), nor the Carve-Out may be used to (a) object, contest, or raise any defense to the validity, perfection, priority, extent, or enforceability of any amount due under the DIP Documents, the Prepetition ABL Documents, or the liens or claims granted under this Order, the DIP Documents, or the Prepetition ABL Documents; (b) assert any Challenges or any other causes of action against the DIP Agent, the DIP Arranger, the DIP Lenders, the Prepetition Secured Parties, or their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys, or advisors; (c) prevent, hinder, or otherwise delay the DIP Agent's assertion, enforcement, or realization on the DIP Collateral in accordance with the DIP Documents or this Order; (d) seek to modify any of the rights granted to the DIP Agent, the DIP Arranger, the DIP Lenders, or the Prepetition Secured Parties hereunder or under the DIP Documents or the Prepetition ABL Documents, in the case of each of the foregoing clauses (a) through (d), without such party's prior written consent; or (e) pay any amount on account of any claims arising prior to the Petition Date unless such payments are (i) approved by an order of this Court and (ii) permitted under the DIP Documents; provided that, notwithstanding anything to the contrary herein, no more than an aggregate of $150,000 of the Prepetition Collateral (including the Cash Collateral), the DIP Loans, the DIP Collateral, and the Carve-Out may be used by the Committee to investigate (A) the validity, enforceability, or priority of the Prepetition ABL Obligations owed by the Debtors, (B) the Debtors' liens on the Prepetition Collateral securing the Prepetition ABL Obligations, and (C) any Challenges held by the Debtors

against the Prepetition Secured Parties (the "Challenge Budget"). No fees and expenses of the Committee and its retained professionals incurred in connection with the investigation of the matters described in this paragraph in excess of the Challenge Budget shall be included in the Carve-Out or entitled to administrative expense priority pursuant to section 503(b) of the Bankruptcy Code.

20. ***Adequate Protection for the Prepetition Secured Parties***. Subject in all respects to the Carve-Out, at any time Prepetition ABL Obligations remain outstanding, the Prepetition Secured Parties shall be entitled, pursuant to sections 361, 363(c)(2), 363(e), and 364(d)(1) of the Bankruptcy Code, to adequate protection of their interests in the Prepetition Collateral, including the Cash Collateral, in an amount equal to the aggregate diminution in value of their interests in the Prepetition Collateral, including without limitation, any such diminution resulting from the sale, lease, or use by the Debtors (or other decline in value) of the Cash Collateral and any other Prepetition Collateral, the priming of the Prepetition ABL Agent's liens on the Prepetition Collateral by the DIP Liens, and the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code (any such diminution in value, "Diminution in Value"); provided that nothing in this Order shall constitute a finding of Diminution in Value and any Diminution in Value shall only be determined by the Court after notice and a hearing. For the avoidance of doubt, the rights of the Prepetition Secured Parties, the Debtors, the Committee, and all other parties in interest in respect of whether any Diminution in Value has occurred and the extent of any Diminution in Value are reserved. The Prepetition Secured Parties are hereby granted the following adequate protection to the extent of any Diminution in Value (collectively, the "Adequate Protection Obligations"):

(i) ABL Adequate Protection Liens. Effective and perfected as of the date of entry of this Order, without the necessity of the execution by any Debtor of mortgages, security agreements, pledge agreements, financing statements, or other agreements, solely for the DIP Agent, on behalf of the Prepetition Secured Parties, a security interest in and lien upon all of the DIP Collateral to the extent of any Diminution in Value (the "Adequate Protection Liens"), subject and subordinate only to the DIP Liens, the Carve-Out, Permitted Liens (as defined in the DIP Credit Agreement), and any Prior Senior Liens.

(ii) ABL Superpriority Claims. Allowed superpriority administrative claims, not to exceed any Diminution in Value, solely for the benefit of the Prepetition Secured Parties, against each of the Debtors (the "ABL Superpriority Claims") with priority over any and all other administrative expenses and other claims against the Debtors, now existing or hereafter arising, of any kind whatsoever, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy, or attachment, which allowed claims shall for purposes of section 1129(a)(9)(A) of the Bankruptcy Code be considered administrative expenses allowed under sections 503(b) and 507(b) of the Bankruptcy Code, and which shall be payable from and have recourse to all prepetition and postpetition property of the Debtors and all proceeds thereof; provided that the ABL Superpriority Claims shall be subordinate only to (a) the DIP Superpriority Claims, except as otherwise provided in Section 11.02 of the DIP Credit Agreement, (b) the Carve-Out, and (c) any Termination Payment and Expense Reimbursement Payment (each as defined in the Stalking Horse Agreement). Notwithstanding the foregoing, the Prepetition Secured Parties may not assert an ABL Superpriority Claim against any

proceeds to which the Debtors' estates are entitled arising from Avoidance Actions, commercial tort claims, or any other claim or cause of action asserted against the Prepetition Secured Parties pursuant to a Challenge that is commenced, prosecuted and sustained by final, non-appealable order of this Court, in each case in accordance with the terms of this Order.

(iii) Prepetition Secured Party Fees and Expenses. Without limiting any rights of the Prepetition Secured Parties under section 506(b) of the Bankruptcy Code, which are hereby preserved, the Debtors are authorized and directed to pay, in accordance with paragraph 32 of this Order, (A) all reasonable and documented accrued and unpaid fees and disbursements (including, but not limited to, the reasonable and documented fees owed to the Prepetition ABL Agent) owing to the Prepetition Secured Parties under the Prepetition ABL Documents and incurred prior to the Petition Date; and (B) current cash payments of all reasonable and documented actual fees and out-of-pocket disbursements incurred on or after the Petition Date of (1) Latham & Watkins LLP, (2) Bryan Cave Leighton Paisner LLP, (3) FTI Consulting, Inc., and (4) such other professionals as may be retained or may have been retained from time to time by the Prepetition ABL Agent or the Prepetition ABL Lenders, in their reasonable discretions.

(iv) Payment of Interest. Without limiting any rights of the Prepetition Secured Parties under section 506(b) of the Bankruptcy Code, which are hereby preserved, the Debtors are authorized and have agreed to pay to the Prepetition ABL Agent for the ratable benefit of the Prepetition Secured Parties: (A) no later than three business days after entry of this Order, all accrued and unpaid interest, fees, and costs due and payable under the Prepetition ABL Agreement as of the Petition Date, in each case, calculated

based on the applicable default rates set forth in the Prepetition ABL Agreement or other applicable documents; and (B) all accrued and unpaid postpetition interest, fees, and costs, in each case calculated based on the applicable default rates under the Prepetition ABL Agreement, as, when, and in the respective amounts due and payable under the Prepetition ABL Agreement; provided, however, the Committee reserves the right to seek to recharacterize any interest, fees and costs paid to the Prepetition Secured Parties pursuant to the terms of paragraphs 20(iii) and 20(iv) of this Order in the event that the Court enters a final, non-appealable order after notice and a hearing finding that (1) the Prepetition Secured Parties were undersecured on the Petition Date and (2) there is insufficient Diminution in Value of the Prepetition Secured Parties' interests to otherwise cover payments of such interest, fees and costs..

(v) Application of Prepetition Collateral Proceeds to Prepetition Obligations. The payments provided for in paragraph 14 hereof shall also constitute adequate protection of the Prepetition Secured Parties' interests in the Prepetition Collateral.

(vi) Reporting. Receipt of financial and all other reporting (including each Revised DIP ABL Budget), as described in the DIP Documents.

(b) Nothing in this Order or the DIP Documents shall impair or prejudice the rights, remedies, and privileges of the Prepetition ABL Agent and the Prepetition ABL Lenders granted under the Bankruptcy Code or as set forth in the Prepetition ABL Documents to the extent the Prepetition ABL Obligations are, after repayment, required to be disgorged or otherwise avoided or reinstated, and all of the Prepetition ABL Agent's and Prepetition ABL Lenders' rights

and remedies under the Bankruptcy Code and the Prepetition ABL Documents are hereby fully preserved, including their right to seek additional or further adequate protection.

21. ***DIP Liens***. As security for the DIP Obligations, effective and perfected upon the date of this Order and without the necessity of the execution by the Debtors (or recordation or other filing) of security agreements, control agreements, pledge agreements, financing statements, mortgages, or other similar documents, or the possession or control by the DIP Agent of any property, the following security interests and liens are hereby granted by the Debtors to the DIP Agent, for itself and the respective benefit of the applicable DIP Lenders (all property of the Debtors identified in clauses (a) and (b) of this paragraph 21, including all Prepetition Collateral, being collectively referred to as the "DIP Collateral"; all such liens and security interests granted to the DIP Agent pursuant to this Order, the "DIP Liens"), subject and subordinate to (i) the Carve-Out, (ii) any Termination Payment, and (iii) any Expense Reimbursement Payment, and having the priorities set forth in this paragraph 21:

(a) First Priority Lien on Unencumbered Property. Pursuant to section 364(c)(2) of the Bankruptcy Code, a valid, binding, continuing, enforceable, non-avoidable, fully-perfected first priority lien on, and security interest in, all tangible and intangible prepetition and postpetition property of the Debtors, whether now existing or hereafter acquired, that is not subject to either (i) valid, perfected, non-avoidable, and enforceable liens in existence on or as of the Petition Date or (ii) valid and unavoidable liens in existence immediately prior to the Petition Date that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code (collectively, the "Unencumbered Property"); provided that the Unencumbered Property shall exclude (i) any of the Debtors' claims and causes of actions arising under chapter 5 of the Bankruptcy Code (collectively, the "Avoidance Actions") and (ii) all proceeds or property

recovered in respect of any Avoidance Actions. The DIP Liens on the Unencumbered Property shall only be subject and subordinate to (i) the Carve-Out, (ii) any Termination Payment, and (iii) any Expense Reimbursement Payment.

(b) First Priority, Priming Lien on all Encumbered Property. Pursuant to section 364(d)(1) of the Bankruptcy Code, a valid, binding, continuing, enforceable, non-avoidable, fully-perfected first priority, senior priming lien on, and security interest in, all tangible and intangible prepetition and postpetition property of the Debtors (including the Prepetition Collateral), whether now existing or hereafter acquired, excluding the Unencumbered Property (such property, the "Encumbered Property"); provided that such liens shall only be subject and subordinate to (i) the Prior Senior Liens, (ii) the Carve-Out, (iii) any Termination Payment, and (iv) any Expense Reimbursement Payment.

22. ***DIP Superpriority Claims***. Pursuant to section 364(c)(1) of the Bankruptcy Code, all of the DIP Obligations shall constitute allowed superpriority administrative claims (the "DIP Superpriority Claims") against the Debtors (without the need to file any proof of claim or request for payment of administrative expense) with priority over any and all administrative claims, adequate protection claims (including the ABL Superpriority Claims), and all other claims against the Debtors, now existing or hereafter arising, of any kind whatsoever (including, without limitation, all administrative expenses and claims arising under sections 105, 326, 328, 330, 331, 364(c)(1), 365, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 726, 1113, or 1114 of the Bankruptcy Code), whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy, or attachment; provided, however, the DIP Superpriority Claims shall be subordinated to (i) the Carve-Out, (ii) any Termination Payment, and (iii) any Expense Reimbursement Payment; provided, further, that, subject to the limitations set forth in

Section 11.02 of the DIP Credit Agreement with respect to the Aggregate First Out Obligations (as defined in the DIP Credit Agreement), the DIP Superpriority Claims arising from the DIP Term Obligations shall be junior and subordinate in right and time of payment to (a) the DIP Superpriority Claims arising from the DIP ABL Obligations and (b) the Prepetition ABL Obligations and the ABL Superpriority Claims, respectively, until the Prepetition ABL Obligations are indefeasibly repaid in full in cash or otherwise "rolled up" into DIP Obligations.

23. ***Subordination of DIP Term Obligations to Prepetition ABL Obligations.*** Notwithstanding anything herein to the contrary, the DIP Term Obligations shall be subordinated in right of payment to the Prepetition ABL Obligations as provided in and in accordance with Section 11.02 of the DIP Credit Agreement.

24. ***Forbearance of Prepetition Secured Parties***. The Prepetition Secured Parties shall forbear from exercising their default-related rights and remedies under the Prepetition ABL Documents against the Non-Debtor Foreign DIP Guarantors or their assets pursuant to, and in accordance with, the DIP Credit Agreement.

25. ***Credit Bidding***. The Prepetition ABL Lenders and the DIP Lenders shall have the unqualified right, in accordance with the terms of the Prepetition ABL Agreement or the DIP Credit Agreement, as applicable, to credit bid up to the full amount of the outstanding Prepetition ABL Obligations or respective DIP Obligations, as applicable (each such bid, a "Credit Bid") in each case pursuant to section 363(k) of the Bankruptcy Code in any sale or transfer authorized by the Court pursuant to section 363, 725, or 1123 of the Bankruptcy Code (the "Sale"); provided that (i) any Credit Bid by the Prepetition ABL Lenders must include cash in an amount sufficient to repay the DIP ABL Obligations in full on the closing date of any such sale; (ii) any Credit Bid by the DIP Term Lenders, including for the avoidance of doubt any credit bid against the Stalking

Horse Bid in accordance with the DIP Credit Agreement, must include cash in an amount sufficient to repay the DIP ABL Obligations and Prepetition ABL Obligations in full on the closing date of any such sale, in each case, for so long as such DIP ABL Obligations and Prepetition ABL Obligations do not constitute Excess Obligations and subject to the requirements set forth in paragraph 23 above; (iii) any Credit Bid by any Prepetition ABL Lender or any DIP Lender must include a commitment to provide cash consideration sufficient to pay in full any Termination Payment or Expense Reimbursement Payment approved by the Court as and when due; and (iv) any Credit Bid must comply with the Bidding Procedures Order (as defined in the DIP Credit Agreement). For the avoidance of doubt, any Credit Bid of the DIP Term Lenders made in accordance with the DIP Credit Agreement may be applied to the purchase price under the Stalking Horse APA as provided therein.

26. ***Carve-Out.***

(a) The "Carve-Out" means the sum of (i) all fees required to be paid to the Clerk of the Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate (without regard to the notice set forth in (b) below); (ii) fees and expenses up to $50,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (without regard to the notice set forth in (b) below); (iii) to the extent allowed at any time, whether by interim or final compensation order, all unpaid fees and expenses (including transaction fees or success fees earned by or payable to a Professional Person) (the "Professional Fees") incurred by persons or firms retained by the Debtors pursuant to section 327, 328 or 363 of the Bankruptcy Code (collectively, the "Debtor Professionals") and the Committee pursuant to section 1102 of the Bankruptcy Code (the "Committee Professionals" and, together with the Debtor Professionals, the "Professional Persons") at any time before or on the first

business day after delivery by the DIP Agent (at the direction of either the Required Revolving Lenders or the Required DIP Term Lenders) of a Carve-Out Trigger Notice (as defined below), whether allowed by the Court prior to or after delivery of a Carve-Out Trigger Notice and without regard to whether such fees and expenses are provided for in the Initial Approved DIP Budget or any Approved ABL Budget; and (iv) Professional Fees incurred after the first business day following delivery by the DIP Agent (at the direction of either the Required Revolving Lenders or the Required DIP Term Lenders) of the Carve-Out Trigger Notice, to the extent allowed at any time, whether by interim order, procedural order, or otherwise (A) in an aggregate amount, excluding any success or transaction fees owed to Debtor Professionals, not to exceed $4,000,000 with respect to the Debtor Professionals and in an aggregate amount not to exceed $750,000 with respect to the Committee Professionals, plus (B) in an aggregate amount equal to any success or transaction fees owed to Debtor Professionals not to exceed $15,000,000 (the sum of such amounts, the "Post-Carve-Out Trigger Notice Cap").

(b) For purposes of the foregoing, "Carve-Out Trigger Notice" shall mean a written notice delivered by email (or other electronic means) by the DIP Agent (at the direction of either the Required Revolving Lenders or the Required DIP Term Lenders) to the Debtors, its lead restructuring counsel, the United States Trustee, and lead counsel to the Committee, stating that the Post-Carve-Out Trigger Notice Cap has been invoked, which notice may be delivered following the occurrence and during the continuation of any DIP Event of Default.

(c) On the day on which a Carve-Out Trigger Notice is received by the Debtors, the Carve-Out Trigger Notice shall constitute a demand to the Debtors to utilize all cash on hand and any available cash thereafter to transfer to the Professional Fees Account cash in an amount equal to the Carve-Out.

(d) Following delivery of a Carve-Out Trigger Notice, the DIP Agent shall deposit into the Professional Fees Account (as defined below) any cash swept or foreclosed upon and any cash received as a result of the sale or other disposition of any assets until the Professional Fees Account has been fully funded in an amount equal to the Carve-Out prior to any and all other claims. Notwithstanding anything to the contrary in the DIP Documents, the Interim Order, or this Order, following delivery of a Carve-Out Trigger Notice, the DIP Agent shall not sweep, foreclose on or apply to DIP Obligations cash (including cash received as a result of the sale or other disposition of any assets) of the Debtors until the Professional Fees Account has been fully funded in an amount equal to the Carve-Out.

(e) Further, notwithstanding anything to the contrary herein, (i) disbursements by the Debtors from the Professional Fees Account shall not constitute DIP Loans, (ii) the failure of the Professional Fees Account to satisfy in full the Professional Fees shall not affect the priority of the Carve-Out and (iii) in no way shall the Carve-Out, Professional Fees Account, or any Approved ABL Budget or any of the foregoing be construed as a cap or limitation on the amount of the Professional Fees due and payable by the Debtors or that may be allowed by the Court at any time (whether by interim order, final order, or otherwise). No portion of the Carve-Out, any cash collateral, any other DIP Collateral, or any proceeds of the DIP Facility, including any disbursements set forth in the Initial Approved DIP Budget or any Approved ABL Budget or obligations benefitting from the Carve-Out, shall be used for the payment of Professional Fees, disbursements, costs, or expenses incurred by any person, including, without limitation, any committee appointed in the Chapter 11 Cases, in connection with challenging the liens or claims of the DIP Secured Parties, preventing, hindering, or delaying any of the DIP Secured Parties' or Prepetition Secured Parties' enforcement or realization upon any of the DIP Collateral, or initiating

or prosecuting any claim or action against any DIP Secured Party, unless otherwise ordered by the Court, other than with respect to seeking a determination that a DIP Event of Default has not occurred or is not continuing**.**

(f) For the avoidance of doubt and notwithstanding anything to the contrary herein or in the DIP Documents, the Carve-Out shall be senior to all liens and claims securing the DIP Facilities, any adequate protection liens, any superpriority claims (whether granted to secure the DIP Facilities or as adequate protection), any and all other liens or claims securing the DIP Facilities, any Termination Payment, and any Expense Reimbursement Payment.

27. ***Professional Fees Account***.

(a) The Debtors shall (i) contemporaneously with the initial funding of the DIP Loans, transfer cash proceeds from the DIP Facilities in an amount equal to the total budgeted weekly Professional Fees for the first two weekly periods set forth in the Initial Approved DIP Budget and (ii) thereafter on a weekly basis transfer cash proceeds from the DIP Facilities or cash on hand, in an amount equal to the aggregate amount of estimated unpaid fees and expenses incurred during the preceding week by each Professional Person or if an estimate is not provided, the total budgeted weekly fees of Professional Persons for the prior week set forth in the Approved ABL Budget, in each case into a segregated account not subject to the control, lien, security interest, or claims of the DIP Agent, any DIP Secured Party, or any Prepetition Secured Party (the "Professional Fees Account"); provided that, upon the closing of any sale, restructuring, financing, or other transaction upon which one or more success or transaction fees is earned and becomes payable to the Debtor Professionals, the Debtors shall fund the Professional Fees Account with an additional amount equal to the sum of all such fees, to the extent such fees are not paid to Debtor Professionals upon the closing of such transaction out of the cash proceeds of such transaction.

(b) The Debtors shall be authorized to use funds held in the Professional Fees Account solely to pay Professional Fees as they become allowed and payable pursuant to any interim or final orders of the Court or otherwise; provided that when all allowed Professional Fees have been paid in full (regardless of when such Professional Fees are allowed by the Court) and the Carve-Out is funded, any funds remaining in the Professional Fees Account shall revert to the Debtors for use in a manner not inconsistent with this Order and the DIP Documents; provided further that the Debtors' obligations to pay allowed Professional Fees shall not be limited or be deemed limited to funds held in the Professional Fees Account.

(c) Funds transferred to the Professional Fees Account shall be held in trust for the Professional Persons, throughout the duration of these Chapter 11 Cases, including with respect to obligations arising out of the Carve-Out. Funds transferred to the Professional Fees Account shall not be subject to any liens or claims granted to the DIP Agent or DIP Lenders herein or any liens or claims granted to the Prepetition ABL Agent or the Prepetition Secured Parties as adequate protection, and shall not constitute DIP Collateral, Prepetition Collateral, or cash collateral; provided that the DIP Collateral and the Prepetition Collateral shall include the Debtors' reversionary interest in funds held in the Professional Fees Account, if any, after all estimated and allowed Professional Fees have been paid in full (regardless of when such Professional Fees are allowed by the Court) and the Carve-Out is funded, which reversionary interest shall be junior to the Carve-Out. For the avoidance of doubt, after the DIP Obligations have been paid in full, the obligation of the Debtors (but not the DIP Lenders) to fund the Professional Fees Account shall continue and stay in effect throughout the duration of these Chapter 11 Cases.

28. ***Perfection of DIP Liens and Adequate Protection Liens***.

(a) The DIP Agent and the Prepetition ABL Agent are each hereby authorized, but not required, to (i) file or record financing statements, intellectual property filings, mortgages, notices of lien, or similar instruments in any jurisdiction and (ii) take possession of, control over, or any other action in order to validate and perfect the DIP Liens or the applicable Adequate Protection Liens granted to them hereunder, in all cases subject to the priorities set forth herein and in the DIP Documents. Whether or not the DIP Agent or the Prepetition ABL Agent, in their respective sole discretion, choose to file such financing statements, intellectual property filings, mortgages, notices of lien, or similar instruments; choose to take possession of or control over; or choose to otherwise confirm perfection of the DIP Liens and the applicable Adequate Protection Liens, such DIP Liens and such Adequate Protection Liens shall be deemed valid, perfected, allowed, enforceable, non-avoidable, and not subject to challenge, dispute, or subordination as of the date of entry of this Order (other than as expressly set forth in this Order or the DIP Documents).

(b) A certified copy of this Order may, in the discretion of the Prepetition ABL Agent and DIP Agent, as the case may be, be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, notices of lien, or similar instruments, and all filing offices are hereby authorized to accept such certified copy of this Order for filing and recording.

(c) The Debtors shall execute and deliver to the DIP Agent and the Prepetition ABL Agent all such agreements, financing statements, instruments, and other documents as the DIP Agent and Prepetition ABL Agent, as the case may be, may reasonably request to evidence, confirm, validate, or perfect the DIP Liens and the applicable Adequate Protection Liens. The

Debtors shall cause the Non-Debtor DIP ABL Borrower and Non-Debtor Foreign DIP Guarantors (collectively, the "Non-Debtor DIP Parties") to use commercially reasonable efforts to take such actions necessary to grant and perfect or otherwise reaffirm the perfection of the liens contemplated in the DIP Documents to be granted or so reaffirmed by such Non-Debtor DIP Parties.

(d) Notwithstanding anything to the contrary in the Motion, the DIP Documents, or this Order, in no event shall the DIP Collateral include, or the DIP Liens or Adequate Protection Liens attach to, any lease, license, contract, or agreement or other property right to which any Debtor is a party, or any of such relevant Debtor's rights or interests thereunder, if and for so long as the grant of such security interest would constitute or result in: (i) the abandonment, invalidation, unenforceability, or other impairment of any right, title, or interest of any Debtor therein or (ii) in a breach or termination pursuant to the terms of, or a default under, any such lease, license, contract or agreement or other property right pursuant to any provision thereof, unless, in the case of each of clauses (i) and (ii), the applicable provision is rendered ineffective by applicable non-bankruptcy law or the Bankruptcy Code (such leases, licenses, contracts, or agreements or other property rights are collectively referred to as the "Specified Contracts"); provided that DIP Collateral shall include, and the DIP Liens, Adequate Protection Liens, and DIP Superpriority Claims shall in all events attach to and have recourse from, all proceeds, products, offspring, or profits from any and all Specified Contracts (including from the sale, transfer, disposition, or monetization thereof).

29. ***Remedies After DIP Event of Default.***

(a) The automatic stay provisions of section 362 of the Bankruptcy Code are vacated and modified to the extent necessary to permit the DIP Secured Parties and Prepetition Secured Parties to exercise, upon the occurrence and during the continuance of a DIP Event of

Default, all rights and remedies against the DIP Collateral and Prepetition Collateral (as applicable) provided for in the DIP Documents, the Prepetition ABL Documents, and this Order (including, without limitation, the right to setoff monies of the Debtors in accounts maintained with the Prepetition ABL Agent or any other Prepetition Secured Party or the DIP Agent or any other DIP Secured Party), but only after (i) the giving of five business days' prior written notice (the "Default Notice Period") to the U.S. Trustee, the Debtors, and the Committee through their respective counsel and (ii) any hearing, if requested by a party in interest, regarding any exercise of rights and remedies under, and in accordance with, the DIP Documents and this Order (which hearing must take place within the Default Notice Period) (such hearing, a "Default Hearing").

(b) In any Default Hearing, the only issue that may be raised by any party in opposition thereto shall be whether a DIP Event of Default has occurred and is continuing, and the U.S. Trustee, the Debtors, the Committee, and all other parties in interest shall not be entitled to seek relief, including, without limitation, under section 105 of the Bankruptcy Code, to the extent such relief would in any way impair or restrict the rights and remedies of the Prepetition ABL Agent, the Prepetition Secured Parties, the DIP Agent, or the DIP Secured Parties set forth in this Order, the Prepetition ABL Documents, or the DIP Documents.

(c) For the avoidance of doubt, this paragraph 29 only applies to the exercise of remedies against the DIP Collateral and Prepetition Collateral, and the DIP Secured Parties retain the right, upon a DIP Event of Default, to (i) immediately declare all or any portion of the DIP Obligations due and payable, (ii) refuse to fund any further DIP Loans under the DIP Facilities, and/or (iii) terminate the authority to use Cash Collateral under this Order.

30. ***Indemnification.*** The Debtors shall, and shall cause the Non-Debtor DIP Parties to, jointly and severally indemnify and hold harmless the DIP Agent (solely in its agent capacity),

each other DIP Secured Party, and each other Indemnified Person (as defined in the DIP Credit Agreement) as provided in the DIP Credit Agreement.

31. ***DIP Fees and Expenses.*** The Debtors are authorized and directed to pay, in accordance with paragraph 32 of this Order, all reasonable and documented out-of-pocket fees, costs, and expenses incurred by or for the benefit of the DIP Agent in connection with the DIP Documents, the DIP Facilities, and the Chapter 11 Cases, including, without limitation, (a) the reasonable and documented out-of-pocket fees, charges, and expenses of (i) Latham & Watkins LLP (as co-counsel to the DIP Agent), (ii) Bryan Cave Leighton Paisner LLP (as co-counsel to the DIP Agent), (iii) FTI Consulting, Inc. (as financial advisor to the DIP Agent), and (iv) such other professionals that may be retained or may have been retained from time to time by or for the benefit of the DIP Agent; and (b) all costs and expenses incurred by or for the benefit of the DIP Agent in connection with any filing, registration, recording, or perfection of any security interest contemplated or permitted by the DIP Credit Agreement or any other DIP Documents.

32. ***Professional Fee Procedural Requirements.***

(a) For payments authorized by paragraphs 20(iii) and 31 of this Order (such fees and expenses, the "Lender Professional Fees"), the Prepetition ABL Agent and DIP Agent (as applicable) shall submit a copy of each summary invoice to the Debtors, the U.S. Trustee, and the Committee. Such summary invoices for such Lender Professional Fees shall include the total number of hours billed and a summary description of the services provided and the expenses incurred by the applicable professional firm during the covered period; provided, however, that any such invoice (a) may be redacted to protect privileged, confidential, or proprietary information and (b) shall not be required to contain individual time detail. None of the Lender Professional Fees shall be subject to Court approval (subject to this paragraph 32) or required to be maintained

in accordance with the fee guidelines promulgated by the U.S. Trustee, and no recipient of any payment on account thereof shall be required to file with respect thereto any interim or final fee application with the Court.

(b) If no written objections to the reasonableness of the fees and expenses charged in any such statement or invoice (or portion thereof) is made within ten days of presentment of such statements or invoices, the Debtors shall thereafter promptly pay in cash all such Lender Professional Fees. Any objection raised by the Debtors, the U.S. Trustee, or the Committee with respect to such fee and expense statements or invoices (with notice of such objection provided to the DIP Agent and to the respective professional(s)) shall specify in writing the amount of the contested fees and expenses and the detailed basis for such objection. To the extent an objection only contests a portion of an invoice, the undisputed portion thereof shall be promptly paid. If any such objection to payment of an invoice (or any portion thereof) is not otherwise resolved between the applicable professional and the Debtors, the Committee, or the U.S. Trustee, either party may submit such dispute to the Court for resolution, and this Court retains jurisdiction to resolve any such dispute.

(c) The Lender Professional Fees shall not be subject to the Initial Approved DIP Budget or any Approved ABL Budget and shall not be subject to any offset, defense, claim, counterclaim, or diminution of any type, kind, or nature whatsoever.

33. ***Limitation on Charging Expenses Against Collateral***. Except to the extent of the Carve-Out, no expenses of administration of the Chapter 11 Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the DIP Collateral or the Prepetition Collateral, as the case may be, pursuant to section 506(c) of the Bankruptcy Code or any similar

principle of law, without the prior written consent of the DIP Agent (at the direction of the Required Lenders) or the Prepetition ABL Agent, as the case may be, and no such consent shall be implied from any other action or inaction by the DIP Agent, the other DIP Secured Parties, the Prepetition ABL Agent, or the other Prepetition Secured Parties.

34. ***Limitations under Section 552(b) of the Bankruptcy Code***. The Prepetition Secured Parties shall be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and the Debtors shall not invoke the "equities of the case" exception under section 552(b) of the Bankruptcy Code with respect to the proceeds, products, offspring, or profits of any of the Prepetition Collateral or the extension of the Adequate Protection Liens to cover proceeds of the Prepetition Collateral.

35. ***Payments Free and Clear***. Any and all payments or proceeds remitted to any DIP Secured Parties or (except as provided in paragraph 10 of this Order) to any Prepetition Secured Parties pursuant to, and in accordance with, the provisions of this Order or any subsequent order of this Court shall be received free and clear of any claim, charge, assessment, or other liability including, without limitation, any such claim or charge arising out of or based on, directly or indirectly, section 506(c) (whether asserted or assessed by, through or on behalf of the Debtors) or section 552(b) of the Bankruptcy Code, and shall not be subject to disgorgement or avoidance.

36. ***Prepetition Secured Party as Bailee***. To the extent any Prepetition Secured Party has possession of the Collateral or has control with respect to any Collateral that is subject to a DIP Lien, then such Prepetition Secured Party shall be deemed to maintain such possession or exercise such control as gratuitous bailee and/or gratuitous agent for perfection for the benefit of the DIP Secured Parties and shall comply with the instructions of the DIP Agent with respect to the exercise of such control.

37. ***Insurance***. To the extent any Prepetition Secured Party is listed as loss payee under the Debtors' insurance policies, the DIP Agent, for the benefit of the DIP Secured Parties, is also hereby deemed to be the loss payee under the Debtors' insurance policies and shall act in that capacity and, subject to the terms of the DIP Documents, distribute any proceeds recovered or received in respect of any such insurance policies to the payment in full of the applicable DIP Obligations.

38. ***Proceeds of Subsequent Financing***. If the Debtors, any trustee, any examiner with expanded powers, or any responsible officer subsequently appointed in these Chapter 11 Cases or any cases succeeding these Chapter 11 Cases obtains credit or incurs debt pursuant to sections 364(b), 364(c), or 364(d) of the Bankruptcy Code or in violation of the DIP Documents at any time prior to the indefeasible repayment in full of all DIP Obligations and the termination of the DIP Secured Parties' obligations to extend credit under the DIP Facilities, including subsequent to the confirmation of any plan with respect to any or all of the Debtors and the Debtors' estates, and such facilities are secured by any DIP Collateral, then all the cash proceeds derived from such credit or debt shall immediately be turned over to the DIP Agent to be applied in accordance with this Order and the DIP Documents.

39. ***Maintenance of DIP Collateral***. Until the indefeasible payment in full of all DIP Obligations and the termination of the DIP Secured Parties' obligations to extend credit under the DIP Facilities, the Debtors shall, and shall cause the Non-Debtor DIP Parties to: (a) insure the DIP Collateral as required under the DIP Facilities; and (b) maintain the cash management system in effect as of the Petition Date, as modified by any order that may be entered by the Court which has first been agreed to by the DIP Agent or as otherwise required by the DIP Documents.

40. ***Prepetition ABL Obligations***. Subject to the provisions of this Order, upon the repayment in full in cash of the Prepetition ABL Obligations, the commitments of all Prepetition Secured Parties under the Prepetition ABL Agreement and all other Loan Documents (as defined therein) shall be terminated and all security interests in, and liens on, Prepetition Collateral granted to secure the Prepetition ABL Obligations shall be immediately, and without the necessity of further action, deemed to be included among the DIP Liens granted pursuant to this Order to secure the DIP Obligations.

41. ***Preservation and Protection of Rights Granted Under the Order***.

(a) No claim or lien having a priority senior to or *pari passu* with those granted by this Order to the DIP Agent and Prepetition ABL Agent, respectively, shall be granted or allowed while any portion of the DIP Obligations or Adequate Protection Obligations (as applicable) remain outstanding, and the DIP Liens and Adequate Protection Liens shall not be subject or subordinated to or made *pari passu* with any lien or security interest that is avoided and preserved for the benefit of the Debtors' estates under section 551 of the Bankruptcy Code or any other lien or security interest, whether under section 364(d) of the Bankruptcy Code or otherwise.

(b) Unless all DIP Obligations shall have been indefeasibly paid in full in cash, it shall constitute a DIP Event of Default under the DIP Credit Agreement if (i) any Debtor seeks, or if there is entered, any modification of this Order without the prior written consent of the DIP Agent (at the direction of the Required Lenders) (and no such consent shall be implied by any other action, inaction, or acquiescence by the DIP Agent or any DIP Lender) or (ii) an order is entered converting or dismissing any of the Chapter 11 Cases.

(c) The Debtors' right to use Prepetition Collateral shall immediately terminate without further order of this Court if (i) any of the Debtors seeks, or if there is entered, any

modification of this Order that adversely affects any lien, claim, right, or other protection (including without limitation Adequate Protection) granted to or for the benefit of any Prepetition Secured Party without the prior written consent of the Prepetition ABL Agent and the Required Lenders (as defined in the Prepetition ABL Agreement) (and no such consent shall be implied by any other action, inaction, or acquiescence by the Prepetition ABL Agent or such Required Lenders) or (ii) an order is entered converting or dismissing any of the Chapter 11 Cases.

(d) If any or all of the provisions of this Order are hereafter reversed, modified, vacated, or stayed, such reversal, stay, modification, or vacatur shall not affect (i) the validity, priority, or enforceability of any DIP Obligations or the Adequate Protection Obligations incurred prior to the effective date of such reversal, stay, modification, or vacatur or (ii) the validity, priority, or enforceability of the DIP Liens or the Adequate Protection Liens. Notwithstanding any such reversal, stay, modification, or vacatur, any use of the Cash Collateral, any DIP Obligations, or any Adequate Protection Obligations incurred by the Debtors to the DIP Agent, the other DIP Secured Parties, the Prepetition ABL Agent or the other Prepetition Secured Parties, as the case may be, prior to the effective date of such reversal, stay, modification, or vacatur shall be governed in all respects by the original provisions of this Order, and the DIP Agent, the other DIP Secured Parties, the Prepetition ABL Agent and the Prepetition Secured Parties shall be entitled to all of the rights, remedies, privileges, and benefits granted in section 364(e) of the Bankruptcy Code, the Interim Order, this Order, the DIP Documents (with respect to all DIP Obligations), the Adequate Protection Obligations, and use of the Cash Collateral.

(e) Except as expressly provided in this Order or in the DIP Documents and until all DIP Obligations are indefeasibly paid in full in cash and all Adequate Protection Obligations are indefeasibly paid in full in cash or otherwise satisfied in accordance with this

Order, the terms of this Order, the DIP Liens, the DIP Superpriority Claims, the Adequate Protection Liens, the ABL Superpriority Claims, and all other rights and remedies of the DIP Agent, the other DIP Secured Parties, the Prepetition ABL Agent, and the other Prepetition Secured Parties granted by this Order and the DIP Documents shall survive and shall not be modified, impaired, or discharged by (i) the entry of an order converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code or dismissing any of the Chapter 11 Cases, (ii) the entry of an order appointing a trustee in the Chapter 11 Cases, (iii) the entry of an order approving the sale of any Prepetition Collateral or DIP Collateral pursuant to section 363(b) of the Bankruptcy Code, or (iv) the entry of an order confirming a plan of reorganization in any of the Chapter 11 Cases, and pursuant to section 1141(d)(4) of the Bankruptcy Code, the Debtors have waived any discharge as to any remaining DIP Obligations or Adequate Protection Obligations.

(f) In no event shall any of the DIP Secured Parties or the Prepetition Secured Parties be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to their respective liens and security interests upon and in the DIP Collateral or the Prepetition Collateral, as applicable. Any DIP Secured Party's or Prepetition Secured Party's delay or failure to exercise rights and remedies under the DIP Documents or this Order, as applicable, shall not constitute a waiver of such DIP Secured Party's or Prepetition Secured Party's rights hereunder, thereunder, or otherwise, unless any such waiver is pursuant to a written instrument executed in accordance with the terms of a DIP Credit Agreement or this Order, as applicable.

(g) The DIP Liens shall not be subject to sections 506(c), 510, 549, 550, or 551 of the Bankruptcy Code.

(h) No rights, protections, or remedies of the DIP Secured Parties or Prepetition Secured Parties granted by the provisions of this Order or the DIP Documents shall be limited,

modified, or impaired in any way by (i) any actual or purported withdrawal of the consent of any party to the Debtors' use of Cash Collateral, (ii) any actual or purported termination of the Debtors' authority to use Cash Collateral, (iii) the terms of any other order or stipulation related to the Debtors' use of Cash Collateral or any other matter, or (iv) the provision of adequate protection to any party.

(i) No restrictions on the exercise of remedies provided for in this Order shall apply to any exercise of remedies by the DIP Agent, the other DIP Secured Parties, the Prepetition ABL Agent, or the other Prepetition Secured Parties against the Non-Debtor DIP Parties or any other non-Debtors or their respective assets, and nothing in this Order shall be interpreted to extend the automatic stay or any other protections to the Non-Debtor DIP Parties or any other non-Debtors or their respective assets.

42. ***Binding Effect; Successors and Assigns***. The DIP Documents and the provisions of this Order, including all findings herein, shall be binding upon all parties in interest in the Chapter 11 Cases, including without limitation, the DIP Agent, the other DIP Secured Parties, the Prepetition ABL Agent, and the other Prepetition Secured Parties, and the Debtors and the respective successors and assigns of each (including any chapter 7 or chapter 11 trustee hereinafter appointed or elected for any of the Debtors, an examiner with expanded powers appointed pursuant to section 1104 of the Bankruptcy Code, or any other fiduciary appointed as a legal representative of any of the Debtors or with respect to the property of the estate of any of the Debtors) and shall inure to the benefit of the DIP Agent, the other DIP Secured Parties, the Prepetition ABL Agent and the other Prepetition Secured Parties, and the Debtors and their respective successors and assigns; provided that, except to the extent expressly set forth in this Order or the DIP Documents, the DIP Agent, the other DIP Secured Parties, the Prepetition ABL Agent and the other Prepetition

Secured Parties shall have no obligation to permit the use of the DIP Loans or the Cash Collateral or extend any financing to any chapter 7 trustee or similar responsible person appointed for the estates of the Debtors.

43. ***Limitation of Liability***. In determining to make any DIP Loan under the DIP Credit Agreement, permitting the use of Prepetition Collateral, or exercising any rights or remedies as and when permitted pursuant to this Order or the DIP Documents, the DIP Agent, the other DIP Secured Parties, the Prepetition ABL Agent and the other Prepetition Secured Parties shall not be deemed to be in control of the operations of the Debtors or to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of the Debtors (as such terms, or any similar terms, are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 29 U.S.C. §§ 9601 et seq., as amended, or any similar federal or state statute). Furthermore, nothing in this Order or in the DIP Documents shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Agent, the other DIP Secured Parties, the Prepetition ABL Agent and the other Prepetition Secured Parties of any liability for any claims arising from the prepetition or postpetition activities of any of the Debtors.

44. ***No Jurisdiction Over Non-Debtors***. Notwithstanding anything to the contrary in this Order, nothing herein shall be deemed or construed to be an exercise of jurisdiction by this Court over any of the Non-Debtor DIP Parties or any of their assets.

45. ***Non-Debtor Guarantors***. Any direct or indirect subsidiary of the Debtors that hereafter becomes a debtor in a case under chapter 11 of the Bankruptcy Code in this Court automatically and immediately, upon the filing of a petition for relief for such subsidiary, shall be deemed to be one of the "Debtors" hereunder in all respects, and all the terms and provisions of this Order, including, those provisions granting security interests in, and liens on, the DIP

Collateral, and the DIP Superpriority Claims in each of the Chapter 11 Cases, shall, to the extent not already, immediately be applicable in all respects to such subsidiary and its chapter 11 estate, subject to the terms and conditions of this Order. Within two business days of the filing of a petition for relief for any such subsidiary, the Debtors shall file a notice with the Court indicating that the subsidiary is a Guarantor under the DIP Credit Agreement and a "Debtor" subject to the terms of this Order.

46. ***Proofs of Claim***. The Prepetition Secured Parties shall not be required to file proofs of claim in any of the Chapter 11 Cases for any claim as to which the Debtors have stipulated in paragraph 8 of this Order; provided, however, the Prepetition ABL Agent shall have the right to file a proof of claim with respect to the Prepetition ABL Obligations on behalf of the Prepetition Secured Parties. The Debtors' stipulations and admissions contained in this Order shall be deemed to constitute timely proofs of claim for the Prepetition Secured Parties on account of their respective Prepetition ABL Obligations upon approval of this Order.

47. ***Non-Primed Liens***. For the avoidance of doubt, notwithstanding any other provisions included in this Order or any agreements approved hereby, to the extent (a) Jones Plastic & Engineering Company, LLC ("Jones"), (b) Ataco Steel Products Corporation ("Ataco"), and/or (c) Trend Technologies LLC ("Trend" and together with Jones and Ataco, the "Lien Claimants") have (i) valid, perfected, non-avoidable liens in existence on, as of, or after the Petition Date or (ii) valid and unavoidable liens in existence immediately prior to the Petition Date that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code (collectively, the "Non-Primed Liens"), the Non-Primed Liens shall not be primed by nor made subordinate to the DIP Liens or any other liens granted to any party hereby; provided that all

parties' rights to object to the priority, perfection, validity, amount, and extent of the claims and liens asserted by the Lien Claimants are fully preserved.

48. ***Picospray Settlement.*** Picospray, Inc. ("Picospray") asserts that it has a claim in these cases in the amount of $2,000,000 that is secured by a valid, perfected security interest in certain intellectual property that it sold to the debtors prior to the Petition Date. Picospray has also informally asserted certain objections to the Motion and to the proposed sale of such intellectual property by the Debtors. In full and final satisfaction of the any and all objections, claims or liens asserted by Picospray or any of its affiliates against the Debtors, the intellectual property, or any purchaser of the Debtors' assets, Picospray is granted: (i) an allowed secured administrative claim in the amount of $175,000, which claim shall be paid at closing from the proceeds of the sale of the Debtors' assets after the payment of any claims of the DIP Lenders, and (ii) an allowed general unsecured claim in the amount of $1,825,000 which shall be treated in accordance with any plan confirmed by the debtors in these cases.

49. ***Order Governs***. In the event of any inconsistency between the provisions of the Motion, the Interim Order, this Order, and/or the DIP Documents, the provisions of this Order shall govern.

50. ***Effectiveness***. This Order shall constitute findings of fact and conclusions of law and shall take effect immediately upon entry hereof. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062, or 9024 or any other Bankruptcy Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, this Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Order.

51. No later than two (2) business days after entry of this Order, the Debtors shall serve a copy of this Order and shall file a certificate of service no later than twenty-four (24) hours after service.

DATED: August 20, 2020
St. Louis, Missouri

Barry S. Schermer
United States Bankruptcy Judge

cke

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Exhibit A

DIP Credit Agreement

EXECUTION VERSION

J.P.Morgan

SENIOR SECURED DEBTOR-IN-POSSESSION
REVOLVING AND TERM CREDIT AGREEMENT

among

BRIGGS & STRATTON CORPORATION, as Lead Borrower,
the Subsidiary Borrowers from time to time party hereto,
as Borrowers,

VARIOUS LENDERS AND ISSUING BANKS,

JPMORGAN CHASE BANK, N.A.,
as the Administrative Agent, the Collateral Agent and the Swingline Lender

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Dated as of July 22, 2020

JPMORGAN CHASE BANK, N.A.,
BANK OF AMERICA, N.A.,
BANK OF MONTREAL,
WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Joint Lead Arrangers and Bookrunners

BANK OF AMERICA, N.A.,
BANK OF MONTREAL,
WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Co-Syndication Agents

and

U.S. BANK NATIONAL ASSOCIATION,
as Documentation Agent

ASSET BASED LENDING

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THIS SENIOR SECURED DEBTOR-IN-POSSESSION REVOLVING AND TERM CREDIT AGREEMENT, dated as of July 22, 2020 among BRIGGS & STRATTON CORPORATION, a Wisconsin corporation as debtor and debtor-in-possession (the "Lead Borrower"), each of the other U.S. Borrowers (as hereinafter defined) as debtors and debtors-in-possession party hereto from time to time, each of the other Borrowers (as hereinafter defined) party hereto from time to time, the Revolving Lenders (as hereinafter defined) party hereto from time to time, the DIP Term Lenders (as hereinafter defined) party hereto from time to time, the Issuing Banks (as hereinafter defined) party hereto from time to time and JPMORGAN CHASE BANK, N.A. ("JPMCB"), as the Administrative Agent, the Collateral Agent, the Australian Security Trustee and the Swingline Lender. All capitalized terms used herein and defined in Section 1.01 are used herein as therein defined.

W I T N E S S E T H:

WHEREAS, on July 20, 2020 (the "Petition Date"), each of the Debtors filed voluntary petitions in the United States Bankruptcy Court for the Eastern District of Missouri (the "Bankruptcy Court") for relief, and commenced jointly administered cases (the "Chapter 11 Cases") under chapter 11 of the U.S. Bankruptcy Code (11 U.S.C. §§ 101 et seq.; the "Bankruptcy Code") and have continued in the possession of their assets and in the management of their businesses pursuant to sections 1107 and 1108 of the Bankruptcy Code.

WHEREAS, in connection with the Chapter 11 Cases, the Borrowers have requested that the Revolving Lenders provide them with a senior secured priming first-out debtor-in-possession asset-based revolving credit facility, and the Swiss Borrower has requested that the Revolving Lenders provide it with continuing availability under a senior secured asset-based revolving credit facility on similar terms as provided in the Prepetition Credit Agreement (as defined below) subject to the changes agreed to herein, all in the form of Loans and Letters of Credit, at any time and from time to time prior to the Maturity Date, in an aggregate principal amount at any time outstanding not in excess of, on and after the DIP Closing Date and prior to the DIP Term Loan Closing Date, $412.5 million and, on and after the DIP Term Loan Closing Date, $350.0 million.

WHEREAS, the Lead Borrower has also requested that the DIP Term Lenders provide it with a senior secured priming last-out term credit facility in an aggregate principal amount not to exceed $265.0 million.

WHEREAS, the Borrowers are parties to that certain Revolving Credit Agreement dated as of September 27, 2019, as amended, restated, supplemented and/or otherwise modified from time to time prior to the Petition Date, among the Lead Borrower, the Borrowers, the lenders party thereto (the "Prepetition Lenders") and JPMorgan Chase Bank, N.A., as administrative agent (as so amended, restated, supplemented and/or otherwise modified from time to time, the "Prepetition Credit Agreement").

NOW, THEREFORE, the Lenders are willing to extend such credit to the Borrowers, the Swingline Lender is willing to make Swingline Loans to the Borrowers and the Issuing Banks are willing to issue Letters of Credit on the terms and subject to the conditions set forth herein and in the DIP Orders.

ARTICLE 1 DEFINITIONS AND ACCOUNTING TERMS

Section 1.01 Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Account Debtor" shall mean any Person who may become obligated to another Person under, with respect to, or on account of, an Account.

"Account Party" shall have the meaning assigned to such term in Section 2.13(a).

"Accounts" shall mean all "accounts," as such term is defined in the UCC as in effect on the date hereof in the State of New York or, if applicable, in the Canadian PPSA or the Australian PPSA, in which any Person now or hereafter has rights and shall include all rights to payment for goods sold or leased, or for services rendered.

"Acquisition" shall mean any transaction or series of related transactions (unless solely among the Lead Borrower and/or one or more of its Subsidiaries) for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of any business or division of a Person, (b) the acquisition of in excess of 50% of the Equity Interests of any Person, or otherwise causing any Person to become a Subsidiary or (c) a merger or consolidation or any other combination with another Person.

"Additional Mortgage" shall have the meaning assigned to such term in Section 9.10(c).

"Additional Security Documents" shall mean each document relating to Collateral that is entered into pursuant to any Initial Security Agreement or Section 9.10.

"Adjustment Date" shall mean the first day of January, April, July and October of each fiscal year.

"Administrative Agent" shall mean JPMCB, in its capacity as the Administrative Agent for the Lenders hereunder, and shall include its branch offices and affiliates in any applicable jurisdiction and any successor to the Administrative Agent appointed pursuant to Section 12.10.

"Administrative Agent Fees" shall have the meaning assigned to such term in Section 2.05(b).

"Administrative Questionnaire" shall mean an administrative questionnaire in the form supplied by the Administrative Agent.

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

"Affiliate" shall mean, when used with respect to a specified person, another person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the person specified; provided, however, that neither the Administrative Agent nor any Lender (nor any Affiliate thereof) shall be considered an Affiliate of the Lead Borrower or any subsidiary thereof as a result of this Agreement, the extensions of credit hereunder or its actions in connection therewith; provided further that no individual shall be deemed to be an Affiliate of a Person solely because such individual is a director (or the equivalent thereof) or senior officer of such Person.

"Agents" shall mean the Administrative Agent, the Collateral Agent, any sub-agent or co-agent of either of the foregoing pursuant to the Loan Documents, the Lead Arrangers and the Documentation Agent.

"Aggregate Availability" shall mean, as of any applicable date, the amount by which the Line Cap at such time exceeds the Aggregate Exposures on such date.

"Aggregate Borrowing Base" shall mean the sum of all of the Borrowing Bases.

The Aggregate Borrowing Base or any component thereof at any time shall be determined by reference to the most recent Borrowing Base Certificate delivered to the Administrative Agent pursuant to Section 6.01(o) or Section 9.18(a), as applicable.

The Administrative Agent shall (i) promptly notify the Lead Borrower in writing (including via e-mail) whenever it determines that a Borrowing Base as of any specified date set forth on a Borrowing Base Certificate differs from such Borrowing Base as determined by the Administrative Agent for such date, (ii) discuss at such time the basis for any such deviation and any changes proposed by the Lead Borrower, including the reasons for any impositions of or changes in Reserves (in the Administrative Agent's Permitted Discretion and subject to the definition thereof) or eligibility criteria, with the Lead Borrower, (iii) consider at such time, in the exercise of its Permitted Discretion, any additional factual information provided by the Lead Borrower relating to the determination of such Borrowing Base and (iv) promptly notify the Lead Borrower of its decision with respect to any changes proposed by the Lead Borrower. Pending a decision by the Administrative Agent to make any requested change, the initial determination of such Borrowing Base by the Administrative Agent shall continue to constitute such Borrowing Base.

"Aggregate Exposures" shall mean, at any time, the sum of (a) the aggregate Outstanding Amount of all Revolving Loans plus (b) the LC Exposure, each determined at such time.

"Aggregate First Out Obligation Cap" shall mean (a) prior to the occurrence of the DIP Term Loan Closing Date, $390,000,000 and (b) on and after the occurrence of the DIP Term Loan Closing Date, $320,000,000, in each case of clauses (a) and (b), unless such amount authorized to be increased in writing by the Required DIP Term Lenders.

"Aggregate First Out Obligations" shall mean, at any time, the sum of (a) the Aggregate Exposure and (b) prior to the occurrence of the DIP Term Loan Closing Date, the amount of the Aggregate Exposure (as defined in the Prepetition Credit Agreement) under the Prepetition Credit Agreement, and on and after the occurrence of the DIP Term Loan Closing Date, the amount of Qualified Reinstated Prepetition Obligations.

"Aggregate Revolving Commitments" shall mean, at any time, the aggregate amount of the North American Revolving Commitments and the Swiss Revolving Commitments of all Revolving Lenders.

"Agreement" shall mean this Senior Secured Debtor-in-Possession Revolving And Term Credit Agreement, as may be amended, restated, amended and restated, modified, supplemented, extended or renewed from time to time.

"ALTA" shall mean the American Land Title Association.

"ALTA Survey" shall mean, with respect to real property located in the United States, an ALTA survey (or its equivalent in non-ALTA jurisdictions) as of a date reasonably acceptable to the Administrative Agent and the title company issuing the applicable Mortgage Policy, certified to the Administrative Agent and the issuer of the Mortgage Policy in a manner reasonably satisfactory to the Administrative Agent by a land surveyor duly registered and licensed in the state in which such real property is located and reasonably acceptable to the Administrative Agent, showing no Liens other than the Permitted Liens and containing any Table A items (or their equivalent in non-ALTA jurisdictions) reasonably requested by the Administrative Agent and sufficient in all respects to remove the standard survey exceptions from the applicable Mortgage Policy and to allow the issuance of such survey-related endorsements that the Administrative Agent shall reasonably request.

"Alternative Currency" shall mean, (a) with respect to the North American Revolving Facility, each currency approved in accordance with Section 1.04 and (b) with respect to the Swiss Revolving Facility, (i) Pound Sterling, (ii) Euros, (iii) Australian Dollars and (iv) Swiss Francs, in each case of this clause (b) together with each other currency that is approved in accordance with Section 1.04.

"AML Legislation" shall mean anti-money laundering, anti-terrorist financing, government sanction and "know your client" laws, in each case to the extent applicable to the Loan Parties.

"Ancillary Document" shall have the meaning assigned to such term in Section 13.09(b).

"Anti-Corruption Laws" shall mean all laws, rules, and regulations of any jurisdiction applicable to the Lead Borrower or any of its Subsidiaries from time to time concerning or relating to bribery or corruption or money-laundering.

"Applicable Account Diligence" shall have the meaning assigned to such term in the definition of "Eligible Accounts".

"Applicable DIP Order" shall have the meaning assigned to such term in the Interim Order.

"Applicable Inventory Diligence" shall have the meaning assigned to such term in the definition of "Eligible Inventory".

"Applicable Margin" shall mean, (i) with respect to the DIP ABL Facilities, 3.50% per annum in the case of any LIBO Rate Loans and Overnight LIBO Rate Loans and 2.50% per annum in the case of any Base Rate Loans and (ii) with respect to the DIP Term Facility, 7.00% per annum in the case of any LIBO Rate Loans and 6.00% per annum in the case of any Base Rate Loans.

"Applicable Time" shall mean, with respect to any borrowings and payments in any Alternative Currency, the local time in the place of settlement for such Alternative Currency as may be determined by the Administrative Agent or the applicable Issuing Bank, as the case may be, to be necessary for timely settlement on the relevant date in accordance with normal banking procedures in the place of payment and, in the case of Notices of Borrowings and payments by Borrowers, notified in writing to the Lead Borrower.

"Approved Fund" shall mean any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) an existing Lender, (b) an Affiliate or branch of an existing Lender or (c) an entity or an Affiliate of an entity that administers or manages an existing Lender.

"Asset Sale" shall mean (x) any Disposition (including any sale and lease-back of assets and any mortgage or lease of owned Real Property) to any person of any asset or assets of the Lead Borrower or any Subsidiary and (y) any sale of any Equity Interests by any Subsidiary to a person other than the Lead Borrower or a Subsidiary.

"Assignment and Assumption" shall mean an Assignment and Assumption substantially in the form of Exhibit K (appropriately completed) or such other form as shall be acceptable to the Administrative Agent and the Lead Borrower (such approval by the Lead Borrower not to be unreasonably withheld, delayed or conditioned).

"AUD Rate" shall mean, for any Loans denominated in Australian Dollars, the AUD Screen Rate or, if applicable pursuant to the definition of "LIBO Rate", the applicable Interpolated Rate or such other rate as determined pursuant to the terms of Section 3.01, as applicable.

"AUD Screen Rate" shall mean, with respect to any Interest Period, the Australian Bank Bill Swap Reference Rate (Bid) as administered by ASX Benchmarks Pty Limited (or any other Person that takes over the administration of such rate) for a tenor equal to such Interest Period displayed on page BBSY of the Reuters screen (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen or service that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion and applied generally by the Administrative Agent to other credit facilities for which it acts as administrative agent for purposes of determining such rate) at or about 11:00 a.m. (Sydney, Australia time) on the Quotation Day for such Interest Period.

"Australian Account Control Deed" means each account control agreement over an Australian ADI Account held by a Loan Party between that Loan Party, the account bank that holds that Australian ADI Account and the Australian Security Trustee.

"Australian ADI Account" shall have the meaning assigned to such term in Section 10 of the Australian PPSA.

"Australian Borrowing Base" shall mean, at any time of calculation, an amount equal to the sum of, without duplication:

(a) (i) the book value of all Eligible Accounts of the Australian Loan Parties owing by an Account Debtor that has an Investment Grade Rating multiplied by the advance rate of 90% (or, for the period commencing on July 15 of each calendar year and ending on the last day of the fiscal month ending on or about the last day of February the following calendar year, 95%) plus (ii) the book value of all other Eligible Accounts of the Australian Loan Parties multiplied by the advance rate of 85% (or, for the period commencing on July 15 of each calendar year and ending on the last day of the fiscal month ending on or about the last day of February the following calendar year, 90%); plus

(b) the lesser of (i) the Cost of Eligible Inventory of the Australian Loan Parties multiplied by the advance rate of 75% and (ii) the Cost of Eligible Inventory of the Australian Loan Parties multiplied by the appraised NOLV Percentage of Eligible Inventory of the Australian Loan Parties multiplied by the advance rate of 85% (or, for the period commencing on July 15 of each calendar year and ending on the last day of the fiscal month ending on or about the last day of February the following calendar year, 90%); minus

(c) any Reserves pertaining to the Australian Loan Parties established from time to time by the Administrative Agent in accordance herewith (without duplication of any Reserves deducted in the calculation of any other Borrowing Base).

"Australian Collateral" shall mean all property (whether real, personal or otherwise) with respect to which any security interests have been granted (or purported to be granted) pursuant to any Australian Security Document (including any Additional Security Documents) or will be granted in accordance with requirements set forth in Section 9.12, including, without limitation, all collateral as described in the Australian Security Agreement. For the avoidance of doubt, in no event shall Australian Collateral include Excluded Property.

"Australian Corporations Act" shall mean the Corporations Act 2001 (Cth) of Australia.

"Australian Dollars" shall mean the lawful currency of Australia.

"Australian GAAP" shall mean generally accepted accounting principles, standards and practices in Australia.

"Australian Loan Parties" shall mean, individually and collectively, each Australian Subsidiary that is a Guarantor.

"Australian Pension Plan" shall mean a superannuation, retirement benefit or pension fund (whether established by deed or under any statute of Australia or any state or territory of Australia) contributed to by, or to which there is or may be an obligation to contribute by, any Loan Party in respect of its Australian employees and officers or former employees and officers.

"Australian Priority Payables Reserve" shall mean reserves for amounts which rank or are capable of ranking in priority to the Liens granted to the Australian Security Trustee under the Security Documents, including without limitation, in the Permitted Discretion of the Administrative Agent, any such amounts due or which may become due and not paid for wages, long service leave, retrenchment, payment in lieu of notice, or vacation pay (including in all respects amounts protected by or payable pursuant to the Fair Work Act 2009 (Cth of Australia)), any preferential claims as set out in the Australian Corporations Act, amounts due or which may become due and not paid under any legislation relating to workers' compensation or to employment insurance, all amounts deducted or withheld and not paid and remitted when due under the Taxation Administration Act 1953 (Cth of Australia) (but excluding Pay as You Go income withholding tax) and amounts in the future, currently or past due and not contributed, remitted or paid in respect of any Australian Pension Plan, together with any charges which may be levied by a Governmental Authority as a result of any default in payment obligations in respect of any Australian Pension Plan.

"Australian PPSA" shall mean the Personal Property Securities Act 2009 (Cth) of Australia.

"Australian Security Agreement" shall mean:

(a) each Initial Australian Security Agreement; and

(b) any other security deed, mortgage or agreement entered into, after the date of this Agreement by any Australian Loan Party or any other Person in respect of Australian Collateral for the benefit of the Secured Parties (in each case as required by this Agreement or any other Loan Document).

"Australian Security Documents" shall mean the Australian Security Agreement, the Australian Security Trust Deed and each Australian Account Control Deed.

"Australian Security Trust Deed" shall mean the Security Trust Deed, dated on or about the date of this Agreement, among each Loan Party thereto, the Administrative Agent and the Australian Security Trustee.

"Australian Security Trustee" shall mean JPMCB or any other security trustee appointed under this Agreement and the Australian Security Trust Deed.

"Australian Subsidiary" shall mean any Subsidiary of the Lead Borrower that is organized under the laws of Australia.

"Australian Tax Act" shall mean the Income Tax Assessment Act 1936 of Australia.

"Australian Tax Consolidated Group" shall mean a "Consolidated Group" or an "MEC Group" as defined in the Australian Tax Act.

"Availability Conditions" shall be deemed satisfied only if:

(a) (i) each Revolving Lender's North American Revolving Exposure, when aggregated with its "North American Revolving Exposure" (as defined in the Prepetition Credit Agreement) under the Prepetition Credit Agreement, does not exceed such Revolving Lender's North American Revolving Commitment and (ii) the aggregate North American Revolving Exposures, when aggregated with the aggregate "North American Revolving Exposures" (as defined in the Prepetition Credit Agreement) under the Prepetition Credit Agreement of the lenders thereunder, does not exceed the aggregate North American Revolving Commitments;

(b) (i) each Revolving Lender's Swiss Revolving Exposure, when aggregated with its "Swiss Revolving Exposure" (as defined in the Prepetition Credit Agreement) under the Prepetition Credit Agreement, does not exceed such Revolving Lender's Swiss Revolving Commitment and (ii) the aggregate Swiss Revolving Exposures, when aggregated with the aggregate "Swiss Revolving Exposures" (as defined in the Prepetition Credit Agreement) under the Prepetition Credit Agreement of the lenders thereunder, does not exceed the aggregate Swiss Revolving Commitments;

(c) the aggregate Revolving Exposures of all Revolving Lenders with respect to the U.S. Loan Parties when aggregated with the "Revolving Exposures of all Lenders with respect to the U.S. Loan Parties" (as such phrase is defined and interpreted under the Prepetition Credit Agreement) under the Prepetition Credit Agreement do not exceed an amount equal to (i) the U.S. Borrowing Base minus (ii) the excess, if any, of (A) the aggregate Revolving Exposures of all Revolving Lenders with respect to the Foreign Loan Parties when aggregated with the "Revolving Exposures of all Lenders with respect to the Foreign Loan Parties" (as such phrase is defined and interpreted under the Prepetition Credit Agreement) over (B) the sum of the Australian Borrowing Base plus the Swiss Borrowing Base; and

(d) the aggregate Revolving Exposures of all Revolving Lenders with respect to the Foreign Loan Parties when aggregated with the "Revolving Exposures of all Lenders with respect to the Foreign Loan Parties" (as such phrase is defined and interpreted under the Prepetition Credit Agreement) under the Prepetition Credit Agreement do not exceed an amount equal to (i) the sum of the U.S. Borrowing Base plus the Australian Borrowing Base plus the Swiss Borrowing Base minus (ii) the aggregate Revolving Exposures of all Revolving Lenders with respect to the U.S. Loan Parties when aggregated with the "Revolving Exposures of all Lenders with respect to the U.S. Loan Parties" (as such phrase is defined and interpreted under the Prepetition Credit Agreement).

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

"Bail-In Lender" shall have the meaning assigned to such term in Section 3.04.

"Bank Product" shall mean any of the following products, services or facilities extended to the Lead Borrower or any of its Subsidiaries: (a) Cash Management Services; (b) products under each Swap

Contract entered into by a Foreign Subsidiary as in existence on the DIP Closing Date and set forth on a notice delivered to the DIP Term Lender Notice Office and any extension or rollover thereof so long as the type of the Swap Contract shall not be changed and the "notional" amount thereunder shall not be increased without the consent of the Required DIP Term Lenders; (c) commercial credit card, purchase card and merchant card services; (d) [reserved] and (e) other banking products or services (including, without limitation, demand lines of credit) as may be requested by the Lead Borrower or any of its Subsidiaries and agreed to by the Required DIP Term Lenders, other than Letters of Credit issued pursuant to the provisions of Section 2.13 by the Administrative Agent or any Issuing Bank.

"Bank Product Debt" shall mean Indebtedness and other obligations of a Borrower or any of its Subsidiaries relating to Bank Products.

"Bank Product Reserve" shall mean the aggregate amount of reserves established by the Administrative Agent from time to time in its Permitted Discretion in respect of Secured Bank Product Obligations (which shall at all times include a reserve for the maximum amount of all Noticed Hedges outstanding at that time); *provided* that at any time and from time to time, upon receipt of a written notice from the Required DIP Term Lenders, the Administrative Agent shall impose a reserve in an amount designated in such written notice so long as such amount shall not exceed the maximum amount of Secured Bank Product Obligations set forth in the notices delivered by the Secured Bank Product Provider set forth in the definition of "Secured Bank Product Obligations".

"Bankruptcy Code" shall mean Title 11 of the United States Code entitled "Bankruptcy," as now or hereafter in effect, and any successor thereto.

"Bankruptcy Court" shall have the meaning assigned to such term in the recitals of this Agreement.

"Base Rate" shall mean, for any day, a rate *per annum* equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day *plus* ½ of 1.00%, (c) the LIBO Rate 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%; provided that the LIBO Rate for any day shall be based on the LIBO Rate at approximately 11:00 a.m. London time on such day and (d) 2.00%. Any change in the Base Rate due to a change in the Prime Rate, the NYFRB Rate or the LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the LIBO Rate, respectively.

"Base Rate Loan" shall mean each Loan which is designated or deemed designated as a Loan bearing interest at the Base Rate by the Lead Borrower at the time of the incurrence thereof or conversion thereto. All Base Rate Loans shall be denominated in U.S. Dollars.

"Beneficial Ownership Certification" shall mean a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" shall mean 31 C.F.R. § 1010.230.

"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.

"Bidding Procedures" shall mean the bidding procedures in substantially the form attached as Exhibit N hereto, as the same may be subsequently amended, restated or otherwise modified with the prior written consent of the Administrative Agent.

"Bidding Procedures Motion" shall mean the motion filed with the Bankruptcy Court seeking approval of the Bidding Procedures, which shall be reasonably satisfactory in form and substance to the Administrative Agent.

"Bidding Procedures Order" shall mean the order of the Bankruptcy Court approving the Bidding Procedures and the Bidding Procedures Motion, which shall be reasonably satisfactory in form and substance to the Administrative Agent.

"Board" shall mean the Board of Governors of the Federal Reserve System of the United States of America.

"Borrowers" shall mean, subject to Section 13.18(b)(2), the U.S. Borrowers and the Swiss Borrower.

"Borrowing" shall mean the borrowing of the same Type, Class and in the same currency, of Loan by the Borrowers from all the Lenders under the applicable Facility on a given date (or resulting from a conversion or conversions on such date), having, in the case of LIBO Rate Loans, the same Interest Period; provided that Base Rate Loans incurred pursuant to Section 3.01 shall be considered part of the related Borrowing of LIBO Rate Loans.

"Borrowing Base" shall mean any of the U.S. Borrowing Base, the Australian Borrowing Base and the Swiss Borrowing Base, as applicable.

"Borrowing Base Certificate" shall mean a certificate of a Responsible Officer of the Lead Borrower in form and substance reasonably satisfactory to the Administrative Agent.

"Borrowing Base Real Properties" shall mean the Material Real Properties that are identified on Schedule 1.01(B) on the DIP Closing Date other than the Real Property located at 731 Highway 142 & 3200 Butzen Dr., Poplar Bluff, MO 63901-8159. For the avoidance of doubt, the Fourth Amendment Mortgage Properties shall not constitute Borrowing Base Real Properties.

"Business Day" shall mean any day that is any day except Saturday, Sunday and any day which shall be in New York City a legal holiday or a day on which banking institutions are authorized or required by law or other government action to close in New York City, and (A) in connection with Loans to the Swiss Borrower, any day except Saturday, Sunday and any day which shall be in London a legal holiday or a day on which banking institutions are authorized or required by law or other government action to close in London, (B) if such day relates to (x) any Loans denominated in Euros or (y) payment or purchase of Euros, any day on which TARGET2 payment system is open for the settlement of payments in Euros, (C) if such day relates to (x) any Loans denominated in Pound Sterling or (y) payment or purchase of Pound Sterling, any day on which banks are open for general business in London and (D) with respect to all notices and determinations in connection with, and payments of principal and interest on, LIBO Rate Loans, any day which is a Business Day which is also a day for trading by and between banks in the New York or London interbank market or the principal financial center of such Alternative Currency.

"Canadian Collateral" shall mean all property (whether real, personal or otherwise) located in Canada with respect to which any security interests have been granted (or purported to be granted) pursuant to any U.S. Security Document (including any Additional Security Documents) or will be granted in accordance with requirements set forth in Section 9.12, including, without limitation, all collateral as described in the U.S. Security Documents. For the avoidance of doubt, in no event shall Canadian Collateral include Excluded Property.

"Canadian Dollars" and "C$" shall mean the lawful money of Canada.

"Canadian Economic Sanctions and Export Control Laws" shall mean any Canadian laws, regulations or orders governing transactions in controlled goods or technologies or dealings with countries, entities, organizations, or individuals subject to economic sanctions and similar measures, including the Special Economic Measures Act (Canada), the United Nations Act (Canada), the Freezing Assets of Corrupt Foreign Officials Act (Canada), Part II.1 of the Criminal Code (Canada) and the Export and Import Permits Act (Canada), and any related regulations.

"Canadian PPSA" shall mean the Personal Property Security Act (Ontario), as amended; provided that, in the event that, by reason of mandatory provisions of law, the validity, perfection and effect of perfection or non-perfection of a security interest or other applicable Lien is governed by other personal property security laws in any other province or territory of Canada, the term "Canadian PPSA" shall mean such other personal property security laws (including the *Civil Code* (Quebec)) of such other province or territory of Canada.

"Canadian Unpaid Supplier Reserve" shall mean, with respect to each U.S. Loan Party, a reserve established by the Administrative Agent in the exercise of its Permitted Discretion in respect of (i) any Inventory that is subject to rights of a supplier to repossess goods pursuant to Section 81.1 of the Bankruptcy and Insolvency Act (Canada) as amended, or any other laws of Canada or laws of any Province of Canada that grant repossession, revendication or similar rights to an unpaid supplier, and (ii) Accounts, Inventory and/or proceeds thereof subject to security interests, trusts or repossessory rights in favor of farmers under Section 81.2 of the *Bankruptcy and Insolvency Act* (Canada), in each case, where such supplier's or farmer's right ranks or is capable of ranking in priority to, or *pari passu* with, one or more of the Liens granted in the Security Documents.

"Capitalized Lease Obligations" shall mean an obligation that is required to be accounted for as a financing or capital lease (and, for the avoidance of doubt, not a straight-line or operating lease) on both the balance sheet and income statement for financial reporting purposes in accordance with GAAP as in effect prior to giving effect to the adoption of ASU No. 2016-02 "Leases (Topic 842)" and ASU No. 2018-11 "Leases (Topic 842)" and the stated maturity date thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty. In the case of an Australian Loan Party, it shall not include any liability in respect of a lease or hire purchase contract which would, in accordance with Australian GAAP in force prior to January 1, 2019, have been treated as an operating lease.

"Carve-Out" has the meaning given to that term in the DIP Orders.

"Carve-Out Reserves" shall mean, at any time, such reserves as Administrative Agent, from time to time, determines in its Permitted Discretion in respect of the Carve-Out.

"Cash Collateralize" shall mean to pledge and deposit with or deliver to the Administrative Agent for deposit into the LC Collateral Account, for the benefit of the Administrative Agent, the Issuing Banks or the Swingline Lender (as applicable) and the Revolving Lenders, cash (or other credit support in the form of a standby letter of credit in form and substance, and issued by a financial institution, reasonably acceptable to the Administrative Agent and the applicable Issuing Bank) as collateral for the LC Exposure, Obligations in respect of Swingline Loans, or obligations of Revolving Lenders to fund participations in respect of either thereof (as the context may require), cash in accordance with Section 2.13(j).

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

"Cash Equivalents" shall mean:

(i) U.S. Dollars, Canadian Dollars, Pound Sterling, Euros, the national currency of any participating member state of the European Union or, in the case of any Foreign Subsidiary, such local currencies held by it from time to time in the ordinary course of business;

(ii) readily marketable direct obligations of any member of the European Economic Area or Switzerland or any agency or instrumentality thereof or obligations unconditionally guaranteed by the full faith and credit of such country, and, at the time of acquisition thereof, having a credit rating of at least Aa3 (or the equivalent grade) by Moody's or AA- by S&P;

(iii) marketable general obligations issued by any state of the United States or any political subdivision thereof or any instrumentality thereof that are guaranteed by the full faith and credit of such state, and, at the time of acquisition thereof, having a credit rating of at least Aa3 (or the equivalent grade) by Moody's or AA- by S&P;

(iv) securities or any other evidence of Indebtedness or readily marketable direct obligations issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality of the United States government (provided that the full faith and credit of the United States is pledged in support of those securities), in such case having maturities of not more than twelve (12) months from the date of acquisition;

(v) certificates of deposit and eurodollar time deposits with maturities of twenty-four (24) months or less from the date of acquisition, bankers' acceptances with maturities not exceeding twenty-four (24) months and overnight bank deposits, in each case, with any Lender party to this Agreement at the time of acquisition thereof or any commercial bank or trust company having, or which is the principal banking subsidiary of a bank holding company having, a long-term unsecured debt rating of at least "A" or the equivalent thereof from S&P or "A2" or the equivalent thereof from Moody's;

(vi) repurchase obligations with a term of not more than thirty (30) days for underlying securities of the types described in clauses (iv) and (v) above entered into with any financial institution meeting the qualifications specified in clause (v) above;

(vii) commercial paper having one of the two highest ratings obtainable from Moody's or S&P and, in each case, maturing within twenty-four (24) months after the date of acquisition;

(viii) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (i) through (vii) of this definition; and

(ix) Indebtedness or preferred stock issued by Person having a credit rating of at least A-2 (or the equivalent grade) by Moody's or A by S&P, maturing within twenty-four (24) months after the date of acquisition.

"Cash Management Services" shall mean any services provided from time to time to any Borrower or any of its Subsidiaries in connection with operating, collections, payroll, trust, or other depository or disbursement accounts, including automated clearinghouse, e-payable, electronic funds transfer, wire transfer, controlled disbursement, overdraft, depository, information reporting, lockbox and stop payment services.

"Change in Law" shall mean (a) the adoption or taking effect of any law, rule, regulation or treaty after the DIP Closing Date or, as to any Lender, if later, the date such Lender becomes a party hereto, (b)

any change in law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority after the DIP Closing Date or, as to any Lender, if later, the date such Lender becomes a party hereto or (c) compliance by any Lender, Issuing Bank or Swingline Lender (or, for purposes of Section 3.01(b), by any lending office of such Lender or by such Lender's holding company, if any) with any written request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the DIP Closing Date or, as to any Lender, if later, the date such Lender becomes a party hereto; provided, however, that, notwithstanding anything herein to the contrary, except to the extent they are merely proposed and not in effect, (x) all requests, rules, guidelines or directives under or issued in connection with the Dodd-Frank Wall Street Reform and Consumer Protection Act, all interpretations and applications thereof and any compliance by a Lender with any request or directive relating thereto and (y) all requests, rules, guidelines or directives promulgated under or in connection with, all interpretations and applications of, and any compliance by a Lender, Issuing Bank or Swingline Lender with any request or directive relating to the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States of America or foreign regulatory authorities, in each case pursuant to Basel III (including CRD IV), shall in each case under clauses (x) and (y) above be deemed to be a "Change in Law" regardless of when adopted, enacted, issued or implemented but, for purposes of Section 3.01, only to the extent it is the general policy of a Lender, Issuing Bank or Swingline Lender, as applicable, to impose applicable increased costs or costs in connection with capital adequacy requirements similar to those described in clauses (b) and (c) of Section 3.01 generally on other similarly situated borrowers under similar circumstances under agreements permitting such impositions.

"Change of Control" shall mean (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any "person" or "group" (within the meaning of the Exchange Act and the rules of the SEC thereunder as in effect on the DIP Closing Date, but excluding any employee benefit plan and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) or any person or group of persons acting in concert of Equity Interests representing more than 50% of the aggregate ordinary voting power for the election of directors of the Lead Borrower (determined on a fully diluted basis); (b) the sale, lease or transfer (other than by way of merger, amalgamation, consolidation or other business combination transaction, and excluding the creation of a Lien), in one or a series of related transactions, of all or substantially all of the assets of the Lead Borrower and its Subsidiaries, taken as a whole, to any person, other than the Lead Borrower or any of its Subsidiaries; or (c) except as otherwise permitted by this Agreement, the Lead Borrower shall cease, directly or indirectly, to own and control legally and beneficially all of the Equity Interests in any other Borrower.

"Chapter 11 Cases" shall have the meaning assigned to such term in the recitals to this Agreement.

"Chattel Paper" shall have the meaning assigned to such term in Article 9 of the UCC or, if applicable, in the Canadian PPSA or the Australian PPSA (section 10).

"Claims" shall have the meaning assigned to such term in Section 14.02(a).

"Class" (a) when used with respect to Lenders, refers to whether such Lender has a Loan or Commitment with respect to the North American Revolving Facility, the Swiss Revolving Facility or the DIP Term Facility, (b) when used with respect to Commitments, refers to whether such Commitments are the North American Revolving Commitments, the Swiss Revolving Commitments or the DIP Term Commitments and (c) when used with respect to Loans or a Borrowing, refers to whether such Loans, or the Loans comprising such Borrowing, are Loans under the North American Revolving Facility, Loans under the Swiss Revolving Facility or Loans under the DIP Term Facility.

"Closing Date DIP Term Amount" shall have the meaning assigned to such term in Section 2.01(a)(iv).

"Co-Syndication Agents" shall mean Bank of America, N.A., Bank of Montreal and Wells Fargo Bank, National Association, in their capacities as co-syndication agents under this Agreement.

"Code" shall mean the U.S. Internal Revenue Code of 1986, as amended from time to time.

"Collateral" shall mean, collectively, the U.S. Collateral and the Foreign Collateral.

"Collateral Agent" shall mean JPMCB, in its capacity as Collateral Agent for the Secured Parties, and, where the context requires, shall include JPMCB in its capacity as Australian Security Trustee, and shall include its branch offices and affiliates in any applicable jurisdiction and any successor to the Collateral Agent appointed pursuant to Section 12.10.

"Collateral and Guarantee Requirement" shall mean the requirement that (in each case, subject to the last two paragraphs of Section 9.10, and subject to Schedule 9.12 (as may be updated pursuant to Section 13.12 of this Agreement) (which, for the avoidance of doubt, shall override the applicable clauses of this definition of "Collateral and Guarantee Requirement")):

(a) on the DIP Closing Date, the Collateral Agent shall have received:

(i) from (A) each U.S. Loan Party and (B) each other Loan Party that owns Equity Interests of a person incorporated or organized under the law of the United States, any state thereof, or the District of Columbia (other than Excluded Securities) (provided that the grant by any such other Loan Party under the Initial U.S. Security Agreement shall be solely with respect to such Equity Interests and related rights and assets as expressly set forth in the Initial U.S. Security Agreement), a counterpart of the Initial U.S. Security Agreement,

(ii) from each Loan Party, a counterpart of the Guarantee Agreement, in each case duly executed and delivered on behalf of such person,

(iii) from each Australian Loan Party, each Initial Australian Security Agreement to which it is a party,

(iv) from the Lead Borrower, the Initial Australian Security Agreement in paragraph (c) of the definition thereof,

(v) from each Swiss Loan Party, each Initial Dutch Security Agreement and each Initial Swiss Security Agreement to which it is a party, and

(vi) from each Swiss Loan Party, a valid and enforceable first ranking security interest (subject to any Liens permitted under Section 10.02(d) or (n)(i) of this Agreement, solely to the extent such Liens arise by operation of law and either (x) such Liens are permitted by the related Deposit Account Control Agreement or (y) the Administrative Agent has established a Reserve in its Permitted Discretion for liabilities secured by such Liens) over each of its Collection Accounts governed by the laws of the jurisdiction where the relevant Collection Account is located (including the Initial UK Security Agreement);

(b) on the DIP Closing Date, (i)(A) all outstanding Equity Interests directly owned by the Loan Parties, other than Excluded Securities, and (B) all Indebtedness owing to any Loan Party, other than Excluded Securities, shall have been pledged or assigned for security purposes pursuant to the Security Documents, (ii) the Collateral Agent shall have received certificates, updated share registers (where necessary under the laws of any applicable jurisdiction in order to create a perfected security interest in such Equity Interests) or other instruments (if any) representing such Equity Interests and any notes or other instruments required to be delivered pursuant to the applicable Security Documents, together with stock powers, note powers, stock transfer forms or other instruments of transfer with respect thereto (as applicable) endorsed in blank and appropriate authorities to complete and date same and certified copy share registers and (iii) the Collateral Agent shall have received with respect to each Mortgaged Property located in the United States of America or any State thereof as of the DIP Closing Date, the Flood Documentation; provided that to the extent any such Flood Documentation cannot be delivered on or prior to the DIP Closing Date after the Borrowers' use of commercially reasonable efforts to do so and without undue burden and expense, then the provision of such Flood Documentation may be delivered within thirty (30) days after the DIP Closing Date (or such longer period as agreed to by the Administrative Agent in its sole discretion) but in any event, prior to the delivery of the related Mortgage for such Real Property; provided, further, that any requirement to deliver certificates, notes or other instruments pursuant to this clause (b) shall be deemed satisfied to the extent any such certificates, notes or other instruments were delivered to JPMCB in its capacity as the Prepetition Agent prior to the date hereof;

(c) in the case of any Person that becomes a Borrower or a Guarantor after the DIP Closing Date, the Collateral Agent shall have received (i) a supplement to the Guarantee Agreement, (ii) a supplement to the applicable Security Document referred to in clause (a) above and any other Security Documents, if applicable, in the form specified therefor or otherwise reasonably acceptable to the Administrative Agent, in each case, duly executed and delivered on behalf of such Borrower or Guarantor and (iii) if requested by the Collateral Agent, such documents, certificates and opinions with respect to such Person of the type described in Section 6.01;

(d) after the DIP Closing Date (x) all outstanding Equity Interests of any person that becomes a Borrower or Guarantor after the DIP Closing Date and that are held by a Loan Party and (y) all Equity Interests directly acquired by a Loan Party, and Indebtedness owing to a Loan Party after the DIP Closing Date, in each case other than Excluded Securities, shall have been pledged pursuant to the Security Documents, together with stock powers, stock transfer forms or other instruments of transfer with respect thereto (as applicable) endorsed in blank;

(e) as of the DIP Closing Date, except as otherwise contemplated by this Agreement or any Security Document, all documents and instruments, including Uniform Commercial Code, Australian PPSA and Canadian PPSA financing statements, and filings with the United States Copyright Office, the United States Patent and Trademark Office and all other actions reasonably requested by the Collateral Agent (including those required by applicable Requirements of Law) to be delivered, filed, registered or recorded (x) to create the Liens purported to be created by the Foreign Security Documents (in each case, including any supplements thereto) and (y) otherwise in respect of the U.S. Security Documents and to perfect such Liens to the extent required by the Security Documents, shall have been delivered, filed, registered or recorded or delivered to the Collateral Agent for filing, registration or the recording substantially concurrently with, or promptly following, the execution and delivery of each such Security Document;

(f) as of the DIP Closing Date, evidence of the insurance (if any) required by the terms of Section 9.02 hereof shall have been received by the Collateral Agent;

(g) after the DIP Closing Date, the Collateral Agent shall have received such other Security Documents as may be required to be delivered pursuant to Section 9.10 or the Security Documents;

(h) within (x) thirty (30) days after the DIP Closing Date (or on such later date as the Administrative Agent may agree in its reasonable discretion) and (y) the time periods set forth in Section 9.10 with respect to Mortgaged Properties encumbered pursuant to such Section 9.10, the Collateral Agent shall have received:

(A) counterparts of each Mortgage to be entered into with respect to each such Mortgaged Property duly executed and delivered by the record owner of such Mortgaged Property and suitable for recording, registering or filing (together with any other forms or undertakings that are required or customary to effect such recording, registration or filing) in all filing, registration or recording offices that the Collateral Agent may reasonably deem necessary or desirable subject to no other Liens except Permitted Liens, at the time of filing, registration or recordation thereof, and

(B) with respect to the Mortgage encumbering each such Mortgaged Property (other than the DIP Closing Date Mortgaged Properties), opinions of local counsel regarding the due authorization, execution and delivery, the enforceability, and perfection of the Mortgages and such other matters customarily covered in real estate mortgage counsel opinions as the Collateral Agent may reasonably request, if and to the extent, and in such form, as local counsel customarily provides such opinions as to such other matters;

provided that, notwithstanding the foregoing, it is hereby understood and agreed that no Real Property may constitute "Eligible Real Property" until the Collateral Agent's receipt of the items described in clause (A) above; and

(i) within (x) thirty (30) days after the DIP Closing Date (or on such later date as the Administrative Agent may agree in its reasonable discretion) and (y) the time periods set forth in Section 9.10 with respect to Mortgaged Properties located in the United States and encumbered pursuant to said Section 9.10, the Collateral Agent shall have received:

(A) a Mortgage Policy, and

(B) an ALTA Survey of each Mortgaged Property (including all improvements, easements and other customary matters thereon reasonably required by the Collateral Agent), as applicable, for which all necessary fees (where applicable) have been paid with respect to properties located in the United States; provided, however, that, so long as the Title Insurer shall accept the same to eliminate the standard survey exceptions from such policy or policies and issue such survey-related endorsements as the Administrative Agent shall reasonably require and to issue a "same as survey" endorsement, in lieu of a new or revised ALTA Survey, the Borrowers may provide a "no material change" affidavit with respect to any prior survey for the respective Mortgaged Property (which prior survey otherwise substantially complies with the foregoing survey requirements).

Notwithstanding anything to the contrary in this Agreement or in the other Loan Documents, but subject to the provisos set forth at the end of clauses (h) and (i) above, it is understood that to the extent any Collateral (other than Collateral with respect to which a lien may be perfected by (A) the entry of the DIP Orders and the filing of a Canadian PPSA or Australian PPSA financing statement, (B) delivery and taking possession of stock or share certificates of the Subsidiaries of the Lead Borrower or (C) the filing of a short form security agreement with the United States Patent and Trademark Office or the United States Copyright

Office) is not or cannot be provided or the security interest of the Collateral Agent therein is not or cannot be perfected on the DIP Closing Date after the use of commercially reasonable efforts by the Borrowers to do so and without undue burden and expense, then the provision and/or perfection of the security interest in such Collateral shall not constitute a condition precedent to the DIP Closing Date or any Credit Event on or within thirty (30) days after the DIP Closing Date and shall instead be required to be delivered and perfected within thirty (30) days after the DIP Closing Date (subject to extension by the Administrative Agent in its sole discretion).

"Collection Account" has the meaning given to that term in Section 9.18(e)(i).

"Collections" has the meaning given to that term in Section 9.18(e)(i).

"Commitment" shall mean, with respect to any Lender, such Lender's Revolving Commitment, DIP Term Commitment, North American LC Commitment, Swiss LC Commitment or Swingline Commitment.

"Commodity Account" shall have the meaning assigned to such term in Article 9 of the UCC or, if applicable, a futures account as defined in the Canadian PPSA.

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

"Compliance Certificate" shall mean a certificate of the Responsible Officer of the Lead Borrower substantially in the form of Exhibit J hereto.

"Consolidated Cash Balance" means, at any time, without duplication, (a) the aggregate amount of cash and Cash Equivalents, marketable securities, treasury bonds and bills, certificates of deposit, investments in money market funds and commercial paper, in each case, (i) held or owned by (either directly or indirectly) or otherwise required to be reflected as cash or a cash equivalent asset on the balance sheet of the Lead Borrower and its Subsidiaries, and (ii) not subject to any Lien (other than in favor of the Lenders hereunder and non-consensual statutory Liens), less (b) the sum of (i) any restricted cash or Cash Equivalents (x) as a result of foreign laws or requirements delaying or prohibiting the repatriation of such cash or Cash Equivalents and maintained in the applicable jurisdiction as of the DIP Closing Date and/or (y) to pay royalty obligations, working interest obligations, suspense payments, severance taxes, payroll, payroll taxes, other taxes, employee wage and benefit obligations and trust and fiduciary obligations or other obligations of the Lead Borrower or any Subsidiary to third parties and for which the Lead Borrower or such Subsidiary has issued checks or has initiated wires or ACH transfers (or, in the Lead Borrower's discretion, will issue checks or initiate wires or ACH transfers within five (5) business days) in order to pay such obligations, (ii) other amounts for which the Lead Borrower or such Subsidiary has issued checks or has initiated wires or ACH transfers but have not yet been subtracted from the balance in the relevant account of the Lead Borrower or such Subsidiary, (iii) while and to the extent refundable, any cash or Cash Equivalents of the Lead Borrower or any Subsidiaries constituting purchase price deposits held in escrow pursuant to a binding and enforceable purchase and sale agreement with a third party containing customary provisions regarding the payment and refunding of such deposits, (iv) amounts held in Excluded Accounts (other than Excluded Accounts under clause (vi) of the definition of such term), (v) any cash or Cash Equivalents transferred pursuant to the U.S. Sweep or the Foreign Sweep and (vi) any cash or Cash Equivalents held by any Foreign Subsidiary that is not a Loan Party.

"Consolidated Total Assets" shall mean, as of any date of determination, the total assets of the Lead Borrower and the Subsidiaries, determined on a consolidated basis in accordance with GAAP, as set forth on the consolidated balance sheet of the Lead Borrower as of the last day of the Test Period ending

immediately prior to such date for which financial statements of the Lead Borrower have been delivered (or were required to be delivered) pursuant to Section 9.04(a) or 9.04(b), as applicable. Consolidated Total Assets shall be determined on a Pro Forma Basis.

"Control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by contract or otherwise, and "Controls," "Controlled" and "Controlling" shall have meanings correlative thereto.

"Cost" shall mean, as reasonably determined by the Administrative Agent in good faith, with respect to Inventory, the lower of (a) cost computed on a specific identification or first in first out basis or (b) market value, provided that for purposes of the calculation of a Borrowing Base, the cost of Inventory shall not include (A) the portion of the cost of Inventory equal to the profit earned by any Affiliate on the sale thereof to any Borrower, or (B) write ups or write downs in cost with respect to currency exchange rates.

"Covenant Transaction" shall have the meaning assigned to such term in Section 1.09(b).

"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).

"Covered Party" shall have the meaning assigned to such term in Section 13.21.

"Creditors' Committee" shall mean a statutory committee of unsecured creditors appointed in the Chapter 11 Cases.

"CRD IV" shall mean (a) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms; and (b) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms or any laws, rules or guidance by which CRD IV is implemented.

"Credit Event" shall mean the making of any Loan.

"Credit Extension" shall mean, as the context may require, (i) a Credit Event or (ii) the issuance, amendment to increase the face amount or extend the expiry date, extension or renewal of any Letter of Credit by any Issuing Bank; provided that "Credit Extensions" shall not include conversions and continuations of outstanding Loans.

"Debtor Relief Laws" shall mean the Bankruptcy Code, the Australian Corporations Act, the Dutch Bankruptcy Act (*Faillissementswet*) and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, administration, examinership, moratorium, rearrangement, arrangement, receivership, insolvency, judicial management, reorganization or similar debtor relief laws of the United

States or other applicable jurisdictions from time to time in effect including any proceeding under corporate law or other law of any jurisdiction whereby a corporation or other Person seeks a stay or a compromise of the claims of its creditors against it, each as now and hereafter in effect, any successors to such statutes and any other applicable insolvency or other similar law of any jurisdiction.

"Debtors" shall mean collectively each of the entities listed on Schedule 1.01(i).

"Default" shall mean any event, act or condition which with notice or lapse of time, or both, would constitute an Event of Default.

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

"Defaulting Lender" shall mean, any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days after the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Lead Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, any Issuing Bank, the Swingline Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swingline Loans) within two (2) Business Days after the date when due, (b) has notified the Lead Borrower or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by the Administrative Agent or the Lead Borrower, to confirm in writing to the Administrative Agent and the Lead Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Lead Borrower), or (d) has, or has a direct or indirect parent company that has other than via an Undisclosed Administration, (i) become the subject of (A) a proceeding under any Debtor Relief Law or (B) a Bail-In Action, or (ii) had appointed for it a receiver, interim receiver, custodian, conservator, trustee, monitor, administrator, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state, federal or foreign regulatory authority acting in such a capacity; provided further that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or Canada or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent demonstrable error, and such Lender shall be deemed to be a Defaulting Lender of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Lead Borrower and each other Lender promptly following such determination.

"Delaware Divided LLC" shall mean any Delaware LLC which has been formed upon consummation of a Delaware LLC Division.

"Delaware LLC" shall mean any limited liability company organized or formed under the laws of the State of Delaware.

"Delaware LLC Division" shall mean the statutory division of any Delaware LLC into two or more Delaware LLCs pursuant to Section 18-217 of the Delaware Limited Liability Company Act.

"Deposit Account" shall have the meaning assigned to such term in Article 9 of the UCC (and/or with respect to any Deposit Account located outside of the United States, any bank account with a deposit function) and shall include an Australian ADI Account.

"Deposit Account Control Agreement" shall mean a Deposit Account control agreement to be executed by each institution maintaining a Deposit Account (other than an Excluded Account) for any Loan Party, in each case as required by and in accordance with the terms of Section 9.18 (or any similar agreements, documentation or requirement necessary, including notice to and acknowledgement from the relevant institution maintaining a Deposit Account as determined by the Administrative Agent in its Permitted Discretion, to perfect the security interest of the Collateral Agent and/or effect control over the relevant Deposit Accounts).

"Designated Jurisdiction" shall mean any country, region or territory to the extent that such country, region or territory itself is the subject of any Sanctions (on the date of this Agreement, the Crimea region of the Ukraine, Cuba, Iran, North Korea and Syria).

"Dilution Factors" shall mean, without duplication, with respect to any period, the aggregate amount of all deductions, credit memos, returns, adjustments, allowances, bad debt write-offs and other non-cash credits which are recorded to reduce accounts receivable in a manner consistent with current accounting practices of the Loan Parties.

"Dilution Ratio" shall mean, at any date, the amount (expressed as a percentage) equal to (a) the aggregate amount of the applicable Dilution Factors for the twelve (12) most recently ended fiscal months divided by (b) total gross sales for the twelve (12) most recently ended fiscal months.

"Dilution Reserve" shall mean, at any date, the applicable Dilution Ratio multiplied by the Eligible Accounts.

"DIP ABL Budget Covenant" shall have the meaning specified in the Interim Order.

"DIP ABL Facilities" shall mean the North American Revolving Facility and the Swiss Revolving Facility, in each case, provided by the Revolving Lenders pursuant to this Agreement on or after the DIP Closing Date.

"DIP ABL Obligations" shall mean all obligations of the Borrowers to pay Revolving Loans and in respect of Letters of Credit under the DIP ABL Facilities and all interest, fees and charges payable hereunder, and all other payment obligations of the Borrowers or any Guarantor arising under or in relation to any Loan Document, in each case with respect to the DIP ABL Facilities or owing to Lenders under the DIP ABL Facilities, whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired, and including all interest costs, fees, and charges after commencement of an insolvency proceeding regardless of whether allowed or allowable in whole or in part as a claim in such insolvency proceeding.

"DIP Budget Covenants" shall mean the DIP ABL Budget Covenant and the DIP Term Budget Covenant.

"DIP Closing Date" shall mean that date on which all of the conditions set forth in Section 6.01 have been satisfied or waived.

"DIP Closing Date Mortgaged Properties" shall have the meaning assigned to such term in the definition of the term "Mortgaged Properties".

"DIP Orders" shall mean the Interim Order and the Final Order.

"DIP Prepayment Event" means:

(i) any Disposition (including any Disposition of unencumbered (or partly unencumbered) assets of the Debtors that are subject to a superpriority claim in favor of the Administrative Agent (including, without limitation, any unencumbered portion of the equity of any Debtors' Foreign Subsidiaries) of any property or asset of any Debtor pursuant to Section 10.05(g);

(ii) any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of any Debtor with a fair value immediately prior to such event equal to or greater than $250,000; or

(iii) the incurrence by any Debtor of any Indebtedness, other than Indebtedness permitted under Section 10.01.

"DIP Term Budget Covenant" shall have the meaning specified in the Interim Order.

"DIP Term Commitment" shall mean, with respect to each DIP Term Lender, the commitment of such DIP Term Lender to make DIP Term Loans hereunder up to the amount set forth and opposite such DIP Term Lender's name on Schedule 2.01 as of the DIP Closing Date under the caption "DIP Term Commitment", as the same may be reduced or increased from time to time pursuant to assignments by or to such DIP Term Lender pursuant to Section 13.04. The aggregate amount of the DIP Term Lenders' DIP Term Commitments on the DIP Closing Date is $265,000,000.

"DIP Term Commitment Termination Date" shall mean the first Business Day following the Final Order Deadline.

"DIP Term Facility" shall mean the DIP Term Loans and/or the DIP Term Commitments of the DIP Term Lenders.

"DIP Term Loans" shall mean advances made pursuant to Article 2 hereof under the DIP Term Facility.

"DIP Term Loan Closing Date" shall mean the date of funding of the DIP Term Loans (other than the Interim DIP Term Loans) upon the satisfaction or waiver of the applicable conditions set forth in Section 6.02 and Section 6.03.

"DIP Term Lenders" shall mean, at any time, each Lender that has a DIP Term Commitment and/or DIP Term Loans at such time.

"DIP Term Lender Notice Office" shall mean the email address set forth in Schedule 13.03.

"DIP Term Obligations" shall mean all obligations of the Lead Borrower to pay DIP Term Loans and all interest, fees and charges payable hereunder, and all other payment obligations of the Lead Borrower

or any Guarantor arising under or in relation to any Loan Document, in each case with respect to the DIP Term Facility or owing to the DIP Term Lenders, whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired, and including all interest costs, fees, and charges after commencement of an insolvency proceeding regardless of whether allowed or allowable in whole or in part as a claim in such insolvency proceeding.

"Disclosure Exceptions" shall have the meaning assigned to such term in Section 9.04(i).

"Disinterested Director" shall mean, with respect to any person and transaction, a member of the Board of Directors of such person who does not have any material direct or indirect financial interest in or with respect to such transaction.

"Dispose" or "Disposed of" shall mean to convey, sell, lease, sell and lease-back, assign, farm-out, transfer or otherwise dispose of (other than, in each of the foregoing cases, for security purposes) any property, business or asset (including any disposition of any property, business or asset to a Delaware Divided LLC pursuant to a Delaware LLC Division). The term "Disposition" shall have a correlative meaning to the foregoing.

"Disqualified Stock" shall mean, with respect to any person, any Equity Interests of such person that, by its terms (or by the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable, in each case, at the option of the holder thereof), or upon the happening of any event or condition (a) matures or is mandatorily redeemable (other than solely for Qualified Equity Interests of the Lead Borrower), pursuant to a sinking fund obligation or otherwise, (b) is redeemable at the option of the holder thereof (other than solely for Qualified Equity Interests of the Lead Borrower), in whole or in part, or (c) is or becomes convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Stock, in the case of each of the foregoing clauses (a), (b) and (c), prior to the date that is ninety-one (91) days after the Maturity Date in effect at the time of issuance thereof and except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment (or offer to repay) in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments (provided that only the portion of the Equity Interests that so mature or are mandatorily redeemable, are so convertible or exchangeable or are so redeemable at the option of the holder thereof prior to such date shall be deemed to be Disqualified Stock). Notwithstanding the foregoing: (i) any Equity Interests issued to any employee or to any plan for the benefit of employees of the Lead Borrower or the Subsidiaries or by any such plan to such employees shall not constitute Disqualified Stock solely because they may be required to be repurchased by the Lead Borrower in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability and (ii) any class of Equity Interests of such person that by its terms authorizes such person to satisfy its obligations thereunder by delivery of Equity Interests that are not Disqualified Stock shall not be deemed to be Disqualified Stock.

"Disregarded Entity" shall mean an entity that is disregarded as separate from its owner for U.S. federal income tax purposes.

"Dividend" shall mean, with respect to any Person, that such Person has paid a dividend, distribution or returned any equity capital to its stockholders, partners or members or authorized or made any other payment or delivery of property (other than common equity of such Person) to its stockholders, partners or members as such, or redeemed, retired, purchased or otherwise acquired, directly or indirectly, for a consideration any shares of any class of its capital stock or any partnership or membership interests outstanding on or after the DIP Closing Date (or any options or warrants issued by such Person with respect to its Equity Interests).

"Documentation Agent" shall mean U.S. Bank National Association, in its capacity as documentation agent for this Agreement.

"Dollar Equivalent" shall mean, at the time of determination thereof, (a) if such amount is expressed in U.S. Dollars, such amount, (b) if such amount is expressed in an Alternative Currency, the equivalent of such amount in U.S. Dollars determined by using the rate of exchange for the purchase of the U.S. Dollars with the Alternative Currency in the London foreign exchange market at or about 11:00 a.m. London time (or New York time, as applicable) on a particular day as displayed by ICE Data Services as the "ask price", or as displayed on such other information service which publishes that rate of exchange from time to time in place of ICE Data Services (or if such service ceases to be available, the equivalent of such amount in U.S. Dollars as reasonably determined by the Administrative Agent using any method of determination it deems reasonably appropriate) and (c) if such amount is denominated in any other currency, the equivalent of such amount in U.S. Dollars as reasonably determined by the Administrative Agent using any reasonable method of determination it deems reasonably appropriate.

"Dominion Account" shall mean a special concentration account established by the Lead Borrower in the United States, at JPMCB, an affiliate thereof, another Revolving Lender or any affiliate or branch thereof, over which the Administrative Agent has exclusive control for withdrawal purposes pursuant to the terms and provisions of this Agreement and the other Loan Documents.

"Dutch Collateral" shall mean all property (whether real, personal or otherwise) with respect to which any security interests have been granted (or purported to be granted) pursuant to any Dutch Security Document (including any Additional Security Documents) or will be granted in accordance with requirements set forth in Section 9.12, including, without limitation, all collateral as described in the Dutch Movables Pledge. For the avoidance of doubt, in no event shall Dutch Collateral include Excluded Property.

"Dutch Movables Pledge" shall mean the Dutch law governed pledge of movables assets entered into on or about the date of this Agreement by and among the Swiss Borrower, as pledgor, and the Collateral Agent, as pledgee.

"Dutch Security Documents" shall mean the Dutch Movables Pledge and, after the execution and delivery thereof, each Additional Security Document governed by Dutch law, together with any other applicable security documents governed by Dutch law from time to time in favor of the Collateral Agent for the benefit of the Secured Parties.

"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 clauses (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.

"Electronic Signature" means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

"Eligible Accounts" shall mean, on any date of determination of any Borrowing Base, all of the Accounts owned by all applicable Loan Parties and reflected in the most recent Borrowing Base Certificate delivered by the Lead Borrower to the Administrative Agent, except any Account to which any of the exclusionary criteria set forth below applies. In addition, the Administrative Agent reserves the right, at any time and from time to time after the DIP Closing Date, to adjust on no less than three (3) Business Days' prior written notice to the Lead Borrower (unless the exigencies of the circumstance are such that such additional notice cannot be given, in which case the Administrative Agent shall provide written notice to the Lead Borrower substantially concurrently with such change or as expeditiously thereafter as commercially practicable) any of the criteria set forth below, to establish new criteria with respect to Eligible Accounts and to adjust the advance rates, in each case, in its Permitted Discretion, subject to the approval of the Supermajority Lenders, as the case may be, in the case of adjustments, new criteria or increases in advance rates which, in each case, have the effect of making more credit available than would have been available if the standards in effect on the DIP Closing Date had continued to be in effect. Eligible Accounts shall not include any of the following Accounts:

(i) any Account in which the Collateral Agent, on behalf of the Secured Parties, does not have a valid and enforceable first priority (subject to (x) Permitted Borrowing Base Liens which do not have priority over the Lien in favor of the Collateral Agent or (y) any other Permitted Lien for which the Administrative Agent has established a Reserve in its Permitted Discretion for liabilities secured by such Permitted Lien (including, without limitation, Liens securing the NMTC Financing, to the extent of the NMTC Reserve)) perfected (or equivalent in any foreign jurisdiction) Lien governed by the laws of each applicable jurisdiction or any Account that is subject to any other Lien of any nature whatsoever (except as set forth in the first parenthetical of this clause (i));

(ii) any Account that is not owned by a Loan Party;

(iii) any Account due from (A) an Account Debtor that is not domiciled in the United States, Canada, an Eligible Asian Jurisdiction or an Eligible European Jurisdiction and (if not a natural person) organized or incorporated under the laws of the United States, Canada, an Eligible Asian Jurisdiction or an Eligible European Jurisdiction, (B) with respect to the Australian Borrowing Base, an Account Debtor that is not domiciled in an Eligible Asian Jurisdiction and (if not a natural person) organized or incorporated under the laws of Eligible Asian Jurisdiction or (C) with respect to the Swiss Borrowing Base, an Account Debtor that is not domiciled in an Eligible European Jurisdiction or the United States and (if not a natural person) organized or incorporated under the laws of Eligible European Jurisdiction or the United States, unless, in each case, such Account is backed by credit insurance satisfactory to the Administrative Agent or a letter of credit acceptable to the Administrative Agent which is in the possession of, is directly drawable by the Administrative Agent and with respect to which the Administrative Agent has "control" as defined in Section 9-107 of the UCC; provided that (x) so long as Husqvarna AB has an Investment Grade Rating, any Account in respect of which such Person (or its subsidiaries) is an Account Debtor shall not be excluded from "Eligible Accounts" pursuant to this clause and (y) up to $12,500,000 of Accounts in respect of which Ningbo Daye Machinery Co. (or its subsidiaries) is an Account Debtor shall not be excluded from "Eligible Accounts" pursuant to this clause;

(iv) any Account that is payable in any currency other than U.S. Dollars, Australian Dollars, Canadian Dollars, Pound Sterling, Euros or Swiss Francs;

(v) any Account that does not arise from the sale of goods or the performance of services by such Loan Party in the ordinary course of its business;

(vi) any Account that does not comply in all material respects with all applicable legal requirements, including, without limitation, all laws, rules, regulations and orders of any relevant Governmental Authority;

(vii) any Account (A) as to which a Loan Party's right to receive payment is contingent upon the fulfillment of any condition whatsoever unless such condition is satisfied, (B) as to which a Loan Party is not able to bring suit or otherwise enforce its remedies against the Account Debtor through judicial or administrative process, (C) that represents a progress or milestone billing consisting of an invoice for goods sold or used or services rendered pursuant to a contract under which the Account Debtor's obligation to pay that invoice is subject to a Loan Party's completion of further performance under such contract or is subject to the equitable lien of a surety bond issuer or (D) that arises with respect to goods that are delivered on a bill-and-hold, cash-on-delivery basis or placed on consignment, guaranteed sale or other terms by reason of which the payment by the Account Debtor is or may be conditional;

(viii) to the extent that any defense, counterclaim or dispute arises, or any accrued rebate or sales commission payable exists or is owed, or the Account is, or is reasonably likely to become, subject to any right of recoupment, chargeback or set-off by the Account Debtor, for customer deposits or otherwise, to the extent of the amount of such dispute, defense, counterclaim, rebate, sales commission, recoupment, chargeback or set-off, it being understood that the remaining balance of the Account shall be eligible;

(ix) any Account that is subject to any netting or similar arrangement;

(x) any Account that is not a true and correct statement of bona fide indebtedness incurred in the amount of the Account for merchandise sold to or services rendered and accepted by the applicable Account Debtor;

(xi) any Account with respect to which an invoice or other electronic transmission constituting a request for payment, reasonably acceptable to the Administrative Agent in form and substance (it being acknowledged and agreed that the Loan Parties' manner of invoicing and/or requesting payment as of the DIP Closing Date is so acceptable to the Administrative Agent), has not been sent on a timely basis to the applicable Account Debtor according to the normal invoicing and timing procedures of the Loan Parties or that represents a partial payment on a delivered invoice;

(xii) any Account that arises from a sale to any director, officer, other employee or Affiliate of a Loan Party; provided that up to $5,000,000 of Accounts with respect to which Power Distributors, LLC is the Account Debtor shall not be deemed ineligible by virtue of this clause (xii);

(xiii) any Account that is in default; provided that, without limiting the generality of the foregoing, an Account shall be deemed in default at any time upon the occurrence of any of the following; provided further, that, in calculating delinquent portions of Accounts under clause (xiii)(A)(x) below, credit balances will be excluded:

(A) such Account (x) is not paid and more than one-hundred twenty (120) days after the date of the original invoice therefor have elapsed, (y) such Account has dated terms of more than one-hundred twenty (120) days from the invoice date or (z) such Account has been written off the books of the Loan Parties or otherwise designated as uncollectible or has been sent to a collection agency; or

(B) the Account Debtor obligated upon such Account suspends business, makes a general assignment for the benefit of creditors, fails to pay its debts generally as they come due, or is classified by the Lead Borrower and its Subsidiaries as "cash only, bad check," as determined by the Lead Borrower and its Subsidiaries in the ordinary course of business consistent with past-practice; or

(C) a petition or other proceeding is filed by or against any Account Debtor obligated upon such Account under any Debtor Relief Law; provided that so long as an order exists permitting payment of trade creditors specifically with respect to such Account Debtor and such Account Debtor has obtained adequate post-petition financing to pay such Accounts, the Accounts of such Account Debtor shall not be deemed ineligible under the provisions of this clause (C) to the extent the order permitting such financing allows the payment of the applicable Account;

(xiv) any Account that is the obligation of an Account Debtor (other than an individual) if 50% or more of the Dollar Equivalent of all Accounts owing by such Account Debtor are ineligible under the criteria set forth in clause (xiii) above;

(xv) any Account as to which any of the representations or warranties in the Loan Documents are untrue in any material respect (to the extent such materiality relates to the amount owing on such Account);

(xvi) any Account which is evidenced by a judgment, Instrument (as defined in the applicable Security Document) or Chattel Paper (as defined in the applicable Security Document) and such Instrument or Chattel Paper is not pledged and delivered to the Administrative Agent in accordance with the Security Documents;

(xvii) any Account on which the Account Debtor is a Governmental Authority, unless the applicable Loan Party has assigned its rights to payment of such Account to the Administrative Agent pursuant to the Assignment of Claims Act of 1940, as amended, in the case of a U.S. federal Governmental Authority, and pursuant to applicable law, if any, in the case of any other Governmental Authority, and such assignment has been accepted and acknowledged by the appropriate government officers to the extent required under such law for a valid assignment of such Account;

(xviii) any Account arising on account of a supplier rebate, unless the Loan Parties have received a waiver of offset from the supplier in form and substance reasonably satisfactory to the Administrative Agent;

(xix) any Account which is owing by an Account Debtor to the extent the aggregate amount of Accounts owing from such Account Debtor and its Affiliates to the Loan Parties exceeds, in the case of (A) an Account Debtor with an Investment Grade Rating, 25% of the aggregate Eligible Accounts of all Loan Parties, (B) in the case of an Account Debtor that does not have an Investment Grade Rating, 15% of the aggregate Eligible Accounts of all Loan Parties and (C) in the case of an Account Debtor listed on Schedule 1.01(A), the percentage set forth on such schedule opposite such Account Debtor's name (which Schedule 1.01(A) may be updated from time to time solely with the consent of the Administrative Agent, such consent to be granted or withheld in its Permitted Discretion, and the Lead Borrower) of the aggregate Eligible Accounts of all Loan Parties;

(xx) any Account which the goods giving rise to such Account have not been shipped to the Account Debtor (or which is accounted for as deferred revenue following the shipment thereof until the risk

of loss has passed to the Account Debtor) or for which the services giving rise to such Account have not been performed by such Loan Party;

(xxi) any Account which is owing in respect of interest and late charges or fees in respect of Indebtedness;

(xxii) any Account which is acquired by a Loan Party after the DIP Closing Date in an acquisition or other bulk purchase of assets (other than from another Loan Party) and would constitute, taken together with all other assets acquired in such acquisition or bulk purchase after the DIP Closing Date and to become eligible pursuant to this clause (xxii) or clause (xii) of the definition of "Eligible Inventory," more than 15% of the applicable Borrowing Base, unless and until such time as the Administrative Agent shall have received or conducted a field examination, from an examiner reasonably satisfactory to the Administrative Agent, of such Accounts acquired in such acquisition or other bulk purchase of assets and such other customary due diligence as the Administrative Agent may reasonably require in its Permitted Discretion in order to determine the appropriate Reserves against such Accounts, all of the results of the foregoing to be reasonably satisfactory to the Administrative Agent (the receipt or completion of such field examination and completion of such due diligence, with results reasonably satisfactory to the Administrative Agent, are collectively referred to herein as the "Applicable Account Diligence"); provided that, notwithstanding the foregoing provisions of this clause (xxii), if the Applicable Account Diligence has not been completed with respect to any such acquired or purchased Account within ninety (90) days following such acquisition or purchase, such Account shall not constitute an "Eligible Account";

(xxiii) any Account as to which the contract or agreement underlying such Account is governed by (or, if no governing law is expressed therein, is deemed to be governed by) the laws of any jurisdiction other than (A) in the case of the U.S. Borrowing Base, the United States, any state thereof, Canada, any province or territory thereof, the District of Columbia, any Eligible Asian Jurisdiction or any Eligible European Jurisdiction, (B) in the case of the Australian Borrowing Base, any Eligible Asian Jurisdiction, (C) in the case of the Swiss Borrowing Base, any Eligible European Jurisdiction or (D) such other jurisdiction as may be consented to by the Administrative Agent in its Permitted Discretion (such consent not to be unreasonably withheld, delayed or conditioned); provided that up to $12,500,000 of Accounts in respect of which Ningbo Daye Machinery Co. (or its subsidiaries) is an Account Debtor shall not be excluded from "Eligible Accounts" pursuant to this clause, so long as the contract or agreement underlying such Account is governed by the laws of the United States, any state thereof or the District of Columbia or Germany;

(xxiv) any Account which is subject to any limitation on assignment or other restriction (whether arising by operation of law, by agreement or otherwise) which would, under the local governing law of the contract creating such Account, have the effect of restricting the assignment for or by way of security or the creation of security over such Account generally, in each case unless the Administrative Agent has reasonably determined that such limitation is not enforceable. Each Loan Party shall use its reasonable endeavors to remove any such restrictions from the underlying contracts evidencing its Accounts or to obtain consents to the granting of security over the Accounts from the relevant Account Debtors;

(xxv) any Account which is excluded from the scope of any Security Document by virtue of the definition of "Excluded Property" (or equivalent terminology in any such Security Document);

(xxvi) any Account (A) the contract or related documentation (such as invoices or purchase orders) for which contains extended or extendible retention of title rights in favor of the vendor or supplier thereof or (B) on which, under applicable governing laws, extended or extendible retention of title may be imposed unilaterally by the vendor or supplier thereof;

(xxvii) any Account that is accounted for as deferred revenue, including Accounts arising under extended warranty contracts;

(xxviii) any Account arising under a contract for which a Loan Party has posted a performance bond, up to the bond amount;

(xxix) any Account that is represented in the accounting of any Loan Party as unapplied cash, unreconciled difference, debit memos or credit memos, customer returns, adjustments or customer reserves;

(xxx) any Account due from an Account Debtor that is a Sanctioned Person; or

(xxxi) any Account arising out of public procurement contracts.

"Eligible Asian Jurisdiction" shall mean any of Australia, Singapore, Hong Kong and New Zealand.

"Eligible Equipment" shall mean, on any date of determination of any Borrowing Base, all of the Equipment owned by all applicable Loan Parties and reflected in the most recent Borrowing Base Certificate delivered by the Lead Borrower to the Administrative Agent, except any Equipment that does not meet the criteria set forth below. In addition, the Administrative Agent reserves the right, at any time and from time to time after the DIP Closing Date, to adjust on no less than three (3) Business Days' prior written notice to the Lead Borrower (unless the exigencies of the circumstance are such that such advance notice cannot be given, in which case the Administrative Agent shall provide written notice to the Lead Borrower substantially concurrently with such change or as expeditiously thereafter as commercially practicable) any of the criteria set forth below, to establish new criteria with respect to Eligible Equipment and to adjust the advance rates, in each case, in its Permitted Discretion, subject to the approval of the Supermajority Lenders, as the case may be, in the case of adjustments, new criteria or increases in advance rates which, in each case, have the effect of making more credit available than would have been available if the standards in effect on the DIP Closing Date had continued to be in effect. Eligible Equipment shall not include any Equipment of a Loan Party that does not meet each of the following requirements:

(i) an appraisal report has been delivered to the Administrative Agent in form, scope and substance reasonably satisfactory to the Administrative Agent;

(ii) such Loan Party has good title to such Equipment;

(iii) such Equipment is subject to a first priority perfected Lien (subject to (x) Permitted Borrowing Base Liens which do not have priority over the Lien in favor of the Collateral Agent or (y) any other Permitted Lien for which the Administrative Agent has established a Reserve in its Permitted Discretion for liabilities secured by such Permitted Lien (including, without limitation, Liens securing the NMTC Financing, to the extent of the NMTC Reserve)) in favor of the Collateral Agent, for the benefit of the Secured Parties, governed by the laws of each applicable jurisdiction and is free and clear of all other Liens of any nature whatsoever (except as set forth in the immediately preceding parenthetical);

(iv) the full purchase price for such Equipment has been paid by such Loan Party;

(v) such Equipment is located on premises (A) owned by such Loan Party, which premises are subject to a first priority perfected Lien (subject to Permitted Liens) in favor of the Administrative Agent, unless (x) such Loan Party shall have delivered to the Administrative Agent a mortgage waiver in form and substance reasonably satisfactory to the Administrative Agent or (y) such premises are owned by such Loan Party in fee title free and clear of any Liens (other than Permitted Liens), or (B) leased by such Loan Party

where (x) the lessor has delivered to the Administrative Agent a collateral access agreement or (y) a Reserve for rent, charges, and other amounts due or to become due with respect to such facility has been established by the Administrative Agent in its Permitted Discretion;

(vi) such Equipment is in good working order and condition (ordinary wear and tear excepted) and is used or held for use by such Loan Party in the ordinary course of business of such Loan Party;

(vii) except for the Loan Documents and documentation governing other Indebtedness permitted by this Agreement, such Equipment is not subject to any agreement which materially restricts the ability of such Loan Party to use, sell, transport or dispose of such Equipment or which restricts the Administrative Agent's ability to take possession of, sell or otherwise dispose of such Equipment;

(viii) such Equipment does not constitute "Fixtures" under the applicable laws of the jurisdiction in which such Equipment is located; and

(ix) such Equipment does not constitute Equipment located in the Netherlands on the premises of such Loan Party subject to or liable for Taxes imposed by the Netherlands and that is to be considered a movable asset apparently intended to durably serve such premises (for purposes of Sections 22(3) and 22bis of the Dutch 1990 Tax Collection Act (Invorderingswet 1990).

"Eligible European Jurisdiction" shall mean any of the United Kingdom, Belgium, France, Germany, Ireland, Italy, Netherlands, Spain, Switzerland, Norway, Denmark, Sweden, Finland, Austria, Portugal and Luxembourg.

"Eligible In-Transit Inventory" shall mean Inventory in an aggregate amount not to exceed $15,000,000 that is owned by a U.S. Loan Party or an Australian Loan Party that would meet all of the criteria of "Eligible Inventory" if it were not in transit (solely to a location in the U.S. or Australia that would otherwise be acceptable pursuant to the other clauses of this definition). In addition, no Inventory shall be Eligible In-Transit Inventory unless (a) it is subject to a negotiable document of title, showing the Administrative Agent (or, with the consent of the Administrative Agent in its Permitted Discretion, the applicable U.S. Loan Party or Australian Loan Party) as consignee and the Administrative Agent has control over such documents of title (including by delivery of customs broker or freight forwarder agreements in a form and substance reasonably acceptable to the Administrative Agent); (b) such Inventory is insured in accordance with the provisions of this Agreement and the other Loan Documents, including, without limitation, to the extent applicable, marine cargo insurance; (c) such Inventory has been identified to the applicable sales contract and title has passed to the applicable U.S. Loan Party or Australian Loan Party; (d) such Inventory is not sold by a vendor that has a right to reclaim, divert shipment of, repossess, stop delivery, claim any reservation of title or otherwise assert Lien rights against the Inventory; (e) such Inventory is shipped by a common carrier that is not affiliated with the vendor and has not been acquired from a Person that is (x) currently the subject or target of any Sanctions or (y) a Sanctioned Person; (f) it is being handled by a customs broker, freight-forwarder or other handler that has delivered a customary lien waiver; and (g) such Inventory is in transit for sixty (60) or fewer total consecutive days.

"Eligible Inventory" shall mean, subject to adjustment as set forth below, items of Inventory of any applicable Loan Party held for sale in the ordinary course. Eligible Inventory shall exclude any Inventory to which any of the exclusionary criteria set forth below apply. The Administrative Agent shall have the right to establish, modify or eliminate Reserves against Eligible Inventory from time to time in its Permitted Discretion (subject to the terms and conditions of the definition of "Reserves"). In addition, the Administrative Agent reserves the right, at any time and from time to time after the DIP Closing Date, to adjust on no less than three (3) Business Days' prior written notice to the Lead Borrower (unless the exigencies of the circumstance are such that such advance notice cannot be given, in which case the

Administrative Agent shall provide written notice to the Lead Borrower substantially concurrently with such change or as expeditiously thereafter as commercially practicable) any of the criteria set forth below, to establish new criteria with respect to Eligible Inventory and to adjust advance rates, in each case, in its Permitted Discretion, subject to the approval of the Supermajority Lenders, in the case of adjustments, new criteria or increases in the advance rates, in each case, which have the effect of making more credit available than would have been available if the standards in effect on the DIP Closing Date had continued to be in effect. Eligible Inventory shall not include any Inventory of the Loan Parties that:

(i) is not solely owned by a Loan Party (or a combination of Loan Parties), or is leased by or is on consignment to a Loan Party, or the Loan Parties do not have title thereto (it being understood that the existence of any retention of title rights of the types described in clause (xv) below shall not cause ineligibility under this clause (i), but shall be subject to such clause (xv));

(ii) the Collateral Agent, on behalf of the Secured Parties, does not have a valid and enforceable first priority (subject to (x) Permitted Borrowing Base Liens which do not have priority over the Lien in favor of the Collateral Agent or (y) any other Permitted Lien for which the Administrative Agent has established a Reserve in its Permitted Discretion for liabilities secured by such Permitted Lien (including, without limitation, Liens securing the NMTC Financing, to the extent of the NMTC Reserve)) perfected (or equivalent in any foreign jurisdiction) Lien in respect of such Inventory governed by the laws of each applicable jurisdiction or that is subject to any other Lien of any nature whatsoever (except as set forth in the immediately preceding parenthetical); provided that the existence of any retention of title rights of the types described in clause (xv) below shall not cause ineligibility under this clause (ii), but shall be subject to such clause (xv);

(iii) (A) is stored at a location leased by a Loan Party unless (x) the Administrative Agent has given its prior consent thereto, (y) a reasonably satisfactory Landlord Lien Waiver and Access Agreement has been delivered to the Administrative Agent or (z) Landlord Lien Reserves reasonably satisfactory to the Administrative Agent have been established with respect thereto, or (B) is stored with a bailee or warehouseman unless either (x) a reasonably satisfactory acknowledged bailee waiver letter has been received by the Administrative Agent or (y) Landlord Lien Reserves reasonably satisfactory to the Administrative Agent have been established with respect thereto;

(iv) (A) is placed on consignment, unless a valid consignment agreement which is reasonably satisfactory to the Administrative Agent is in place with respect to such Inventory or (B) is in transit (except Eligible In-Transit Inventory);

(v) is covered by a negotiable document of title, unless such document has been delivered to the Administrative Agent with all necessary endorsements, free and clear of all Liens except Liens in favor of landlords, carriers, bailees and warehousemen if clause (iii) above has been complied with;

(vi) is unsalable, shopworn, seconds, damaged, obsolete, distressed, has been written off or is unfit for sale, in each case, as determined in the ordinary course of business by the Loan Parties;

(vii) consists of display items or packing or shipping materials or manufacturing supplies;

(viii) is not of a type generally held for sale in the ordinary course of the Loan Parties', as applicable, business;

(ix) except as otherwise agreed by the Administrative Agent, does not conform in all material respects to the representations or warranties pertaining to Inventory set forth in the Loan Documents;

(x) is subject to any licensing arrangement or any other Intellectual Property or other proprietary rights of any Person, the effect of which would be to limit the ability of the Administrative Agent, or any Person selling the Inventory on behalf of the Administrative Agent, to sell such Inventory in enforcement of the Administrative Agent's Liens without further consent or payment to the licensor or such other Person (unless such consent has then been obtained);

(xi) is not covered by casualty insurance maintained as required by Section 9.02;

(xii) is acquired by a Loan Party after the DIP Closing Date in an acquisition or other bulk purchase of assets (other than from another Loan Party) and would constitute, taken together with all other assets acquired in such acquisition or bulk purchase after the DIP Closing Date and to become eligible pursuant to this clause (xii) or clause (xxii) of the definition of "Eligible Accounts," more than 15% of the Aggregate Borrowing Base, unless and until such time as the Administrative Agent shall have received or conducted an appraisal, from an appraiser reasonably satisfactory to the Administrative Agent, of such Inventory acquired in such acquisition or other bulk purchase of assets and such other customary due diligence as the Administrative Agent may reasonably require in its Permitted Discretion order to determine the appropriate Reserves against such Inventory, all of the results of the foregoing to be reasonably satisfactory to the Administrative Agent (the receipt or completion of such appraisal and completion of such due diligence, with results reasonably satisfactory to the Administrative Agent, are collectively referred to herein as the "Applicable Inventory Diligence"); provided that, notwithstanding the foregoing provisions of this clause (xii), (A) if the Applicable Inventory Diligence has not been completed with respect to any such acquired or purchased Inventory within ninety (90) days following such acquisition or purchase, such Inventory shall not constitute "Eligible Inventory" and (B) prior to the completion of the Applicable Inventory Diligence with respect to any Inventory that otherwise constituted "Eligible Inventory," such Inventory shall be included in the "U.S. Borrowing Base," the "Australian Borrowing Base" or the "Swiss Borrowing Base," as applicable, pursuant to clause (b)(i) of the definition thereof (without giving effect to clause (b)(ii) thereof);

(xiii) is located at any location where the aggregate value of all Eligible Inventory of the Loan Parties at such location is less than $100,000;

(xiv) is Inventory of another type deemed ineligible per the initial inventory appraisal;

(xv) is Inventory in relation to which (i) any contract or related documentation (such as invoices or purchase orders) relating to such Inventory includes retention of title rights in favor of the vendor or supplier thereof, or (ii) under applicable governing laws, retention of title may be imposed unilaterally by the vendor or supplier thereof; provided that Inventory which may be subject to any rights of retention of title shall not be excluded from Eligible Inventory solely pursuant to this sub-paragraph (xv) in the event that (A) the Administrative Agent shall have received evidence satisfactory to it that the full purchase price of such Inventory has, or will have, been paid prior, or upon the delivery of, such Inventory to the relevant Loan Party or (B) a Letter of Credit has been issued under and in accordance with the terms of this Agreement for the purchase of such Inventory;

(xvi) is stored at a location not in the United States, Canada, the Netherlands or Australia;

(xvii) has been returned by a customer or is in the process of being reworked or retooled;

(xviii) is not finished goods, work-in-process or raw materials or which constitutes spare or replacement parts, subassemblies, packaging and shipping material, manufacturing supplies, samples, prototypes, displays or display items, bill-and-hold or ship-in-place goods, goods that are returned or

marked for return, repossessed goods, defective or damaged goods, goods held on consignment, or goods which are not of a type held for sale in the ordinary course of business;

(xix) is held for use by an outside processor or subcontractor;

(xx) is of a type generally sold and delivered by the Loan Parties on a "drop-ship" basis;

(xxi) is represented in the accounting of any Loan Party as inventory adjustment, variance, reclassification, warranty reserve, write-off, inventory valuation or unreconciled difference; or

(xxii) has been acquired from any Sanctioned Person.

"Eligible Real Property" shall mean, on any date of determination of any Borrowing Base, the Real Property of any Loan Party that satisfies the eligibility criteria set forth below. In addition, the Administrative Agent reserves the right, at any time and from time to time after the DIP Closing Date, to adjust on no less than three (3) Business Days' prior written notice to the Lead Borrower (unless the exigencies of the circumstance are such that such advance notice cannot be given, in which case the Administrative Agent shall provide written notice to the Lead Borrower substantially concurrently with such change or as expeditiously thereafter as commercially practicable) the criteria set forth below, to establish new criteria with respect to Eligible Real Property and to adjust the advance rates, in each case, in its Permitted Discretion, subject to the approval of the Supermajority Lenders, as the case may be, in the case of adjustments, new criteria or increases in advance rates which, in each case, have the effect of making more credit available than would have been available if the standards in effect on the DIP Closing Date had continued to be in effect. Eligible Real Property shall not include any Real Property of a Loan Party that does not meet each of the following requirements:

(i) to the extent not previously delivered to JPMCB in its capacity as Prepetition Agent, an appraisal report has been delivered to the Administrative Agent in form, scope and substance reasonably satisfactory to the Administrative Agent;

(ii) to the extent not previously delivered to JPMCB in its capacity as Prepetition Agent, evidence of zoning compliance has been delivered to the Administrative Agent in the form of an industry standard zoning report issued by a reputable national provider of zoning services or other form of report reasonably acceptable to the Administrative Agent;

(iii) the Administrative Agent is reasonably satisfied that all actions necessary or desirable (including, without limitation, the filing and recording of Mortgages) in order to create a perfected first priority Lien (subject to (x) Permitted Borrowing Base Liens which do not have priority over the Lien in favor of the Collateral Agent or (y) any other Permitted Lien for which the Administrative Agent has established a Reserve in its Permitted Discretion for liabilities secured by such Permitted Lien (including, without limitation, Liens securing the NMTC Financing, to the extent of the NMTC Reserve)) in favor of the Collateral Agent, on behalf of the Secured Parties, on such Real Property have been taken under the laws of each applicable jurisdiction and such Real Property is free and clear of all other Liens of any nature whatsoever (except as set forth in the immediately preceding parenthetical);

(iv) it is adequately protected by a Mortgage or the applicable Mortgage has been delivered to the title company for recordation;

(v) to the extent not previously delivered to JPMCB in its capacity as Prepetition Agent, a Phase I Environmental Assessment has been completed and delivered;

(vi) to the extent not previously delivered to JPMCB in its capacity as Prepetition Agent, an ALTA Survey has been delivered for which all necessary fees have been paid;

(vii) to the extent reasonably required by the Administrative Agent, (A) a local counsel opinion has been delivered and (B) the applicable Loan Party shall have obtained (to the extent not previously delivered to JPMCB in its capacity as Prepetition Agent) (i) estoppel certificates and subordination agreements executed by all material tenants of such Real Property and (ii) such other consents, agreements and confirmations of lessors and third parties as the Administrative Agent may reasonably deem necessary or desirable, together with evidence that all other actions that the Administrative Agent may reasonably deem necessary or desirable in order to create perfected first priority Liens (subject to Permitted Liens) on the property described in the Mortgages have been taken;

(viii) to the extent not previously delivered to JPMCB in its capacity as Prepetition Agent, the Administrative Agent shall have received all Flood Documentation;

(ix) such Real Property is a Borrowing Base Real Property located in the United States; and

(x) to the extent reasonably requested and requested at a commercially reasonable time, the Administrative Agent shall have received such other reports, mortgage tax affidavits and declarations and other similar information and related certifications as are usual and customary for similar credit facilities and in form and substance reasonably acceptable to the Administrative Agent.

"Eligible Trademarks" shall mean, on any date of determination of any Borrowing Base, all of the Trademarks owned by all applicable Loan Parties and reflected in the most recent Borrowing Base Certificate delivered by the Lead Borrower to the Administrative Agent, except any Trademark that does not meet the criteria set forth below. In addition, the Administrative Agent reserves the right, at any time and from time to time after the DIP Closing Date, to adjust on no less than three (3) Business Days' prior written notice to the Lead Borrower (unless the exigencies of the circumstance are such that such advance notice cannot be given, in which case the Administrative Agent shall provide written notice to the Lead Borrower substantially concurrently with such change or as expeditiously thereafter as commercially practicable) any of the criteria set forth below, to establish new criteria with respect to Eligible Trademark and to adjust the advance rates, in each case, in its Permitted Discretion, subject to the approval of the Supermajority Lenders, as the case may be, in the case of adjustments, new criteria or increases in advance rates which, in each case, have the effect of making more credit available than would have been available if the standards in effect on the DIP Closing Date had continued to be in effect. Eligible Trademark shall not include any Trademark of a Loan Party that does not meet each of the following requirements:

(i) to the extent not previously delivered to JPMCB in its capacity as Prepetition Agent, an appraisal report has been delivered to the Administrative Agent in form, scope and substance reasonably satisfactory to the Administrative Agent;

(ii) such Loan Party has good title to such Trademark; and

(iii) such Trademark is subject to a first priority perfected (or the equivalent thereof in any foreign jurisdiction) Lien (subject to (x) Permitted Borrowing Base Liens which do not have priority over the Lien in favor of the Collateral Agent or (y) any other Permitted Lien for which the Administrative Agent has established a Reserve in its Permitted Discretion for liabilities secured by such Permitted Lien) in favor of the Collateral Agent, on behalf of the Secured Parties, governed by the laws of each applicable jurisdiction and is free and clear of all other Liens of any nature whatsoever (except as set forth in the immediately preceding parenthetical).

"Eligible Transferee" shall mean and include any existing Lender, any Approved Fund or any commercial bank, an insurance company, a finance company, a financial institution, any fund that invests in loans or any other "accredited investor" (as defined in Regulation D of the Securities Act) but in any event excluding (i) any natural person or any holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person, (ii) a Defaulting Lender or its subsidiaries, and (iii) each Borrower and its respective subsidiaries and Affiliates.

"Environment" shall mean ambient and indoor air, surface water and groundwater (including potable water, navigable water and wetlands), the land surface or subsurface strata, natural resources such as flora and fauna or as otherwise defined in any Environmental Law.

"Environmental Claims" shall mean any and all administrative, regulatory or judicial actions, suits, demands, demand letters, directives, claims, liens, notices of noncompliance or violation, investigations and/or proceedings relating in any way to any Environmental Law or any permit issued, or any approval given, under any such Environmental Law, including, without limitation, (a) any and all Environmental Claims by governmental or regulatory authorities for enforcement, investigation, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law, and (b) any and all Environmental Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief arising out of or relating to an alleged injury or threat of injury to human health, safety or the Environment, in each case due to the presence of Hazardous Materials, including any Release or threat of Release of any Hazardous Materials.

"Environmental Laws" shall mean all applicable laws (including common law), rules, regulations, codes, ordinances, orders, binding agreements, technical standards, decrees or judgments, promulgated or entered into by or with any Governmental Authority, relating in any way to the Environment, preservation or reclamation of natural resources, any Hazardous Materials or to public or employee health and safety matters (to the extent relating to the Environment or Hazardous Materials).

"Environmental Permits" shall have the meaning assigned to such term in Section 8.16.

"Equipment" shall mean all "equipment", as such term is defined in the UCC as in effect on the date hereof in the State of New York or, if applicable, in the Canadian PPSA, wherever located, in which any Person now or hereafter has rights.

"Equipment Amortization Factor" shall mean, with respect to any Equipment on any date of determination, 1 minus a fraction, the numerator of which is the number of full fiscal quarters of the Lead Borrower elapsed as of such date (including any such fiscal quarter ending on such date) since December 31, 2019 (or, if later, the date of the Administrative Agent's receipt of the results of the most recent completed appraisal of such Equipment conducted pursuant to Section 9.07) and the denominator of which is 28.

"Equity Interests" of any person shall mean any and all shares, interests, equity quotas, rights to purchase or otherwise acquire, warrants, options, participations or other equivalents of or interests in (however designated) equity or ownership of such person, including any preferred stock (including any preferred equity certificates (and any other similar instruments)), any limited or general partnership interest and any limited liability company membership interest, and any securities or other rights or interests convertible into or exchangeable for any of the foregoing.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time and any final regulations promulgated and the rulings issued thereunder.

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

"ERISA Event" shall mean (a) any Reportable Event or the requirements of Section 4043(b) of ERISA apply with respect to a Plan; (b) with respect to any Plan, the failure to satisfy the minimum funding standard under Section 412 of the Code or Section 302 of ERISA, whether or not waived; (c) a determination that any Plan is, or is expected to be, in "at-risk" status (as defined in Section 303(i)(4) of ERISA or Section 430(i)(4) of the Code); (d) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan, the failure to make by its due date a required installment under Section 430(j) of the Code with respect to any Plan or the failure to make by its due date any required contribution to a Multiemployer Plan; (e) the incurrence by the Lead Borrower, any other Borrower, a Subsidiary or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan or Multiemployer Plan; (f) the receipt by the Lead Borrower, any other Borrower, a Subsidiary or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or to appoint a trustee to administer any Plan; (g) the incurrence by the Lead Borrower, any other Borrower, a Subsidiary or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; (h) the receipt by the Lead Borrower, any other Borrower, a Subsidiary or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Lead Borrower, any other Borrower, any Subsidiary or any ERISA Affiliate of any notice, concerning the impending imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA, or in "endangered" or "critical" status, within the meaning of Section 432 of the Code or Section 305 of ERISA; (i) the conditions for imposition of a lien under Section 303(k) of ERISA shall have been met with respect to any Plan; or (j) the withdrawal of any of the Lead Borrower, any other Borrower, a Subsidiary or any ERISA Affiliate from a Plan subject to Section 4063 of ERISA during a plan year in which such entity was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA.

"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" or "€" shall mean the single currency of the Participating Member States.

"Event of Default" shall have the meaning assigned to such term in Section 11.01.

"Excess Obligations" shall have the meaning set forth in the last paragraph of Section 11.02.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Excluded Account" shall mean a Deposit Account, Securities Account or Commodity Account (i) which is used for the sole purpose of making payroll and withholding tax payments related thereto and other employee wage and benefit payments and accrued and unpaid employee compensation payments (including salaries, wages, benefits and expense reimbursements, 401(k) and other retirement plans and employee benefits, including rabbi trusts for deferred compensation and health care benefits), (ii) in the case of a Foreign Loan Party, which is used for the sole purpose of paying taxes, including sales taxes, (iii) which is used as an escrow account or as a fiduciary or trust account or is otherwise held exclusively for the benefit of an unaffiliated third party, (iv) in the case of a Foreign Loan Party, which is a zero balance Deposit Account, Securities Account or Commodity Account, unless such zero balance Deposit Account is

used for purposes of the collection of Accounts (v) which constitutes a reserve account or disbursing account pledged as collateral under the NMTC Financing, (vi) the Professional Fee Account (as defined in the DIP Orders) or (vii) which is not otherwise subject to the provisions of this definition and, in the case of each Foreign Loan Party, is not used for the purposes of collection of Accounts and together with any other Deposit Accounts, Securities Accounts or Commodity Accounts that are excluded pursuant to this clause (vii), has an average daily balance for any fiscal month of less than $2,000,000; provided that the foregoing shall not constitute Excluded Accounts with respect to the Debtors (other than for purposes of Section 9.18) to the extent not excluded from the Liens granted under the DIP Orders.

"Excluded Property" shall have the meaning assigned to such term in Section 9.10.

"Excluded Securities" shall mean any of the following:

(a) any Equity Interests or Indebtedness with respect to which the Collateral Agent and the Lead Borrower reasonably agree that the cost or other consequences (including Tax consequences) of pledging such Equity Interests or Indebtedness in favor of the Secured Parties under the Security Documents are likely to be excessive in relation to the value to be afforded thereby; provided that, with respect to Equity Interests or Indebtedness in existence or pledged as of the DIP Closing Date, the term "cost or other consequences" shall not include any Tax consequences under Code Section 956;

(b) any Equity Interests or Indebtedness to the extent, and for so long as, the pledge thereof is prohibited by any Requirement of Law (in each case, except to the extent such prohibition is unenforceable after giving effect to applicable provisions of the Uniform Commercial Code, the Specified Foreign Laws and other applicable law);

(c) any Equity Interests of any person that is not a Wholly Owned Subsidiary to the extent (A) that a pledge thereof to secure the Obligations is prohibited by (i) any applicable organizational documents, constitutional documents, joint venture agreement, shareholder agreement, or similar agreement or (ii) any other contractual obligation (not created in contemplation of the consummation of the Transactions) with an unaffiliated third party not in violation of Section 10.09 that was existing on the DIP Closing Date or at the time of the acquisition of such Person and was not created in contemplation of such acquisition, (B) any organizational documents, constitutional documents, joint venture agreement, shareholder agreement, or similar agreement (or other contractual obligation referred to in subclause (A)(ii) above) prohibits such a pledge without the consent of any other party; provided that this clause (B) shall not apply if (1) such other party is a Loan Party or a Wholly Owned Subsidiary or (2) consent has been obtained to consummate such pledge (it being understood that the foregoing shall not be deemed to obligate the Lead Borrower or any Subsidiary to obtain any such consent) and for so long as such organizational documents, constitutional documents, joint venture agreement, shareholder agreement or similar agreement (or other contractual obligation referred to in subclause (A)(ii) above) or replacement or renewal thereof is in effect, or (C) a pledge thereof to secure the Obligations would give any other party (other than a Loan Party or a Wholly Owned Subsidiary) to any organizational documents, constitutional documents, joint venture agreement, shareholder agreement or similar agreement governing such Equity Interests the right to terminate its obligations thereunder; and

(d) any Margin Stock,

provided that the foregoing shall not constitute Excluded Securities with respect to the Debtors to the extent not excluded from the Liens granted under the DIP Orders.

Notwithstanding anything to the contrary herein, in no event shall any asset included in any Borrowing Base constitute Excluded Securities.

"Excluded Subsidiary" shall mean any of the following:

(i) each Subsidiary that is not a Wholly Owned Subsidiary on the DIP Closing Date (for so long as such Subsidiary remains a non-Wholly Owned Subsidiary),

(ii) each Subsidiary that is prohibited from Guaranteeing or granting Liens to secure the Obligations by any Requirement of Law or that would require consent, approval, license or authorization of a Governmental Authority to Guarantee or grant Liens to secure the Obligations (unless such consent, approval, license or authorization has been received),

(iii) each Subsidiary that is prohibited by any applicable contractual requirement (not created in contemplation of the consummation of the Transactions) from Guaranteeing or granting Liens to secure the Obligations on the DIP Closing Date or at the time such Subsidiary becomes a Subsidiary not in violation of Section 10.09 (and for so long as such restriction or any replacement or renewal thereof is in effect),

(iv) any Foreign Subsidiary (other than any Foreign Subsidiary that is organized or incorporated in a Specified Jurisdiction),

(v) any other Subsidiary with respect to which the Administrative Agent and the Lead Borrower reasonably agree that the cost or other consequences (including, without limitation, Tax consequences) of providing a Guarantee of or granting Liens to secure the Obligations are excessive in relation to the value to be afforded thereby; provided that, with respect to any Subsidiary in existence as of the DIP Closing Date (or any successor thereof) the term "cost or other consequences" shall not include any Tax consequences under Code Section 956,

(vi) each Not-for-Profit Subsidiary; and

(vii) each Immaterial Subsidiary.

Notwithstanding anything to the contrary herein, no Loan Party on the DIP Closing Date or required to become a Loan Party on the DIP Closing Date shall be an Excluded Subsidiary.

"Excluded Swap Obligation" shall mean, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of (a) such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder or (b) in the case of a Swap Obligation subject to a clearing requirement pursuant to Section 2(h) of the Commodity Exchange Act (or any successor provision thereto), because such Guarantor is a "financial entity," as defined in Section 2(h)(7)(C)(i) of the Commodity Exchange Act (or any successor provision thereto), in each case at the time the Guarantee of such Guarantor or the grant of such security interest becomes effective with respect to such Swap Obligation, unless otherwise agreed between the Administrative Agent and the Lead Borrower. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

"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 Loan Party hereunder or under any other Loan Document (a "Recipient"), (i) Taxes imposed on or measured by its net income

(however denominated, and including, for the avoidance of doubt, franchise and similar Taxes imposed on it in lieu of net income Taxes) and branch profits Taxes, in each case, imposed by a jurisdiction (including any political subdivision thereof) as a result of such Recipient being organized in, having its principal office in, being engaged in a trade or business in for tax purposes, or in the case of any Lender, having its applicable lending office in, such jurisdiction, or as a result of any other present or former connection with such jurisdiction (other than any such connection arising solely from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received, perfected or enforced a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan, Letter of Credit or Loan Document), (ii) solely with respect to the North American Revolving Facility and DIP Term Facility, U.S. federal withholding Tax imposed on any payment by or on account of any obligation of any Loan Party hereunder or under any other Loan Document to a Lender (other than to the extent such Lender is an assignee pursuant to a request by a Borrower under Section 3.04) pursuant to laws in force at the time such Lender becomes a party hereto as a Lender in respect of the North American Revolving Facility or DIP Term Facility, as applicable (or designates a new lending office in respect of the North American Revolving Facility or DIP Term Facility, as applicable), except to the extent that such Lender (or its assignor, if any) was entitled, immediately prior to the designation of a new lending office (or assignment), to receive additional amounts or indemnification payments from any Loan Party with respect to such withholding Tax pursuant to Article 5, (iii) any withholding Tax imposed on any payment by or on account of any obligation of any Loan Party hereunder that is attributable to such Recipient's failure to comply with Section 5.01(e) or (iv) any withholding Tax imposed under FATCA.

"Existing Letters of Credit" shall mean each letter of credit that is listed on Schedule 1.01(C) hereto.

"Facility" shall mean the North American Revolving Facility, the Swiss Revolving Facility and the DIP Term Facility.

"Fair Market Value" shall mean, with respect to any asset or property, the price that could be negotiated in an arms'-length transaction between a willing seller and a willing buyer, neither of whom is under undue pressure or compulsion to complete the transaction (as determined in good faith by the management of the Lead Borrower), including reliance on the most recent real property tax bill or assessment in the case of Real Property.

"FATCA" shall mean 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 administrative interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code, and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"Federal Funds Rate" shall mean, for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depositary institutions, as determined in such manner as shall be set forth on the Federal Reserve Bank of New York's Website from time to time, and published on the next succeeding Business Day by the NYFRB as the federal funds effective rate; provided that, if the above rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Federal Reserve Bank of New York's Website" means the website of the NYFRB at http://www.newyorkfed.org, or any successor source.

"Fee Letter" shall mean the Fee Letter, dated July 22, 2020, by and among JPMCB and the Lead Borrower.

"Fees" shall mean all amounts payable pursuant to or referred to in Section 2.05.

"Final Order" shall mean an order of the Bankruptcy Court entered in the Chapter 11 Cases, in substantially the form of the Interim Order, with such modifications thereto as are satisfactory in form and substance to the Administrative Agent and the Required Lenders, which order shall, among other things, authorize on a final basis the DIP ABL Facilities and the DIP Term Facility under this Agreement and the other Loan Documents and the repayment in full of the Prepetition Obligations.

"Final Order Deadline" shall have the meaning assigned to such term in Section 9.24(c).

"Financial Officer" of any person shall mean the Chief Financial Officer, principal accounting officer, Treasurer, Assistant Treasurer, Controller, Assistant Controller or other executive responsible for the financial affairs of such person.

"Financial Statements" shall mean the annual and quarterly financial statements required to be delivered pursuant to Sections 9.04(a) and (b).

"First Day Orders" shall mean all orders entered by the Bankruptcy Court on, or within five days of, the Petition Date or based on motions filed by the Debtors on or about the Petition Date, each of which shall be subject to the terms of the DIP Orders and shall be in form and substance reasonably acceptable to the Administrative Agent.

"Fixtures" shall mean "fixtures" as such term is defined in the UCC as in effect on the date hereof in the State of New York and shall, for the purpose of Equipment located in the Netherlands, include Equipment that is located in the Netherlands and that is to be considered an immovable asset (*onroerende zaak*) by reason of apparent destination to remain at its location or otherwise (for purposes of Section 3:3(1) of the Dutch Civil Code) or a constituent part (*bestanddeel*) of an immovable asset due to affixation or in accordance with generally accepted practice (for purposes of Section 3:4 of the Dutch Civil Code).

"Flood Documentation" shall mean with respect to each Mortgaged Property located in the United States of America or any territory thereof, (i) a completed "life-of-loan" Federal Emergency Management Agency standard flood hazard determination (and to the extent a Mortgaged Property is located in a Special Flood Hazard Area, a notice about Special Flood Hazard Area status and flood disaster assistance duly executed by the Lead Borrower) and (ii) a copy of, or a certificate as to coverage under, and a declaration page relating to, the insurance policies, along with a copy of the underlying policies (if requested by the Administrative Agent) required by Section 9.02(c) hereof and the applicable provisions of the Security Documents, each of which shall (A) be endorsed or otherwise amended to include a "standard" or "New York" lender's loss payable or mortgagee endorsement (as applicable), (B) name the Collateral Agent, on behalf of the Secured Parties, as additional insured and lender's loss payee/mortgagee, (C) identify the address of each property located in a Special Flood Hazard Area, the applicable flood zone designation and the flood insurance coverage and deductible relating thereto and (D) be otherwise in form and substance reasonably satisfactory to the Collateral Agent and each of the Lenders, subject to the provisions of Sections 9.02(a), 9.02(b) and 9.02(c).

"Flood Insurance Laws" shall mean, collectively, (i) the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (ii) the Flood Disaster Protection Act of 1973 as now or hereafter in effect or any successor statute thereto, (iii) the National Flood Insurance Reform Act of 1994 as now or hereafter in effect or any successor statute thereto, (iv) the Flood Insurance Reform Act of 2004 as now or hereafter in effect or any successor statute thereto and (v) the Biggert-Waters Flood Insurance Reform Act of 2012 as now or hereafter in effect or any successor statute thereto.

"Forbearance Period" shall have the meaning assigned to such term in Section 14.01(c).

"Foreign Collateral" shall mean all Australian Collateral, Canadian Collateral and Dutch Collateral.

"Foreign Loan Parties" shall mean, collectively, the Australian Loan Parties and the Swiss Loan Parties.

"Foreign Priority Waterfall" shall have the meaning assigned to such term in Section 14.04.

"Foreign Subsidiary" shall mean any Subsidiary that is not incorporated or organized under the laws of the United States of America, any state thereof or the District of Columbia.

"Fourth Amendment Mortgage Properties" shall mean the parcels of Real Property located at (a) 110 Main St, Murray, KY 42071-2147, (b) 5375 N Main St, Munnsville, NY 13409-4003 and (c) 1502 W 4th Ave, Holdrege, NE 68949.

"Fronting Exposure" shall mean the Pro Rata Share of LC Exposure or Swingline Exposure of a Defaulting Lender that is a Revolving Lender, as applicable, except to the extent allocated to other Revolving Lenders under Section 2.11.

"Fronting Fees" shall have the meaning assigned to such term in Section 2.05(c).

"Full Senior Obligation Repayment" shall mean, at any time, (i) the repayment in full in cash of all of (1) the DIP ABL Obligations then outstanding, (2) prior to the DIP Term Loan Closing Date, the Prepetition Obligations then outstanding and (3) any Qualified Reinstated Prepetition Obligations then outstanding, (ii) the termination of all Commitments of any Lender in respect of the DIP ABL Facilities and (iii) the Cash Collateralization of all outstanding Letters of Credit issued or continued under the DIP ABL Facilities in an amount equal to 103% (or, in the case of Letters of Credit issued in any currency other than U.S. Dollars, 105%) of the stated amount of such Letters of Credit (or, if agreed by the applicable Issuing Bank, pursuant to any backstop or other arrangement acceptable to such Issuing Bank), other than (x) in respect of contingent indemnification and expense reimbursement claims not then due and (y) any Excess Obligations.

"GAAP" shall mean generally accepted accounting principles in effect from time to time in the United States of America subject to the provisions of Section 1.02.

"Governmental Authority" shall mean the government of the United States of America, Australia, Canada, the Netherlands, Switzerland or any other country, including any political subdivision of any of the foregoing (including state, provincial, territorial, municipal, local or otherwise), the European Central Bank, the Council of Ministers of the European Union, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity (including any European supranational body) exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" of or by any person (the "guarantor") shall mean, without duplication, (a) any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other monetary obligation payable or performable by another person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof (net of the

fair market value of the property, securities or services required to be purchased, as determined by the Lead Borrower in good faith), (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (iv) entered into for the purpose of assuring in any other manner the holders of such Indebtedness or other obligation of the payment thereof or to protect such holders against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of the guarantor securing any Indebtedness or other obligation (or any existing right, contingent or otherwise, of the holder of Indebtedness or other obligation to be secured by such a Lien) of any other person, whether or not such Indebtedness or other obligation is assumed by the guarantor; provided, however, that the term "Guarantee" shall not include endorsements of instruments for deposit or collection in the ordinary course of business or customary and reasonable indemnity obligations in effect on the DIP Closing Date or entered into in connection with any acquisition or Disposition of assets permitted by this Agreement (other than such obligations with respect to Indebtedness). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the Indebtedness or other obligation in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by such person in good faith. The amount of the Indebtedness or other obligation subject to any Guarantee provided by any person for purposes of clause (b) above shall (except to the extent the applicable Indebtedness has been assumed by such person or is otherwise recourse to such person) be deemed to be equal to the lesser of (A) the aggregate unpaid amount of such Indebtedness or other obligation and (B) the Fair Market Value of the property encumbered thereby.

"Guarantee Agreement" shall mean the Guarantee Agreement executed by each Loan Party and the Collateral Agent.

"Guaranteed Creditors" shall mean and include (x) each of the Administrative Agent, the Collateral Agent, the Lenders, each Issuing Bank and the Swingline Lender and (y) any Secured Bank Product Provider or any Person that was a Secured Bank Product Provider on the DIP Closing Date or at the time of entry into a particular Secured Bank Product Obligation.

"Guarantor" shall mean and include each Borrower (with respect to the Obligations of each other Borrower) and each Subsidiary of the Lead Borrower (other than the Borrowers) that is or becomes a party to the Guarantee Agreement, whether existing on the DIP Closing Date or established, created or acquired after the DIP Closing Date, unless and until such time as such Subsidiary is released from its obligations under the Guarantee Agreement in accordance with the terms and provisions hereof or thereof.

"Hazardous Materials" shall mean all pollutants, contaminants, wastes, chemicals, materials, substances and constituents, including, without limitation, explosive or radioactive substances or petroleum by products or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas or pesticides, fungicides, fertilizers or other agricultural chemicals, of any nature subject to regulation or which can give rise to liability under any Environmental Law.

"Hedging Agreement" shall mean any agreement with respect to any swap, forward, future or derivative transaction, or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value, or credit spread transaction, repurchase transaction, reserve repurchase transaction, securities lending transaction, weather index transaction, spot contracts, fixed price physical delivery contracts, or any similar transaction or any combination of these transactions, in each case of the foregoing, whether or not exchange traded; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Lead Borrower or any of the Subsidiaries shall be a Hedging Agreement.

"Immaterial Subsidiary" shall mean any Subsidiary that (a) did not, as of the last day of the fiscal quarter of the Lead Borrower most recently ended for which financial statements have been (or were required to be) delivered pursuant to Section 9.04(a) or 9.04(b), have assets (after elimination of intercompany assets) with a value in excess of 0.25% of the Consolidated Total Assets or revenues representing in excess of 0.25% of total revenues of the Lead Borrower and the Subsidiaries on a consolidated basis as of such date, and (b) taken together with all such Subsidiaries as of such date (excluding Subsidiaries that constitute Excluded Subsidiaries other than by virtue of being Immaterial Subsidiaries), did not have assets (after elimination of intercompany assets) with a value in excess of 0.50% of Consolidated Total Assets as of such date or revenues (after elimination of intercompany revenues) representing in excess of 0.50% of total revenues of the Lead Borrower and the Subsidiaries on a consolidated basis for the immediately preceding period of four fiscal quarters; provided that no Borrower shall be an Immaterial Subsidiary.

"Impacted Interest Period" shall have the meaning assigned to such term in the definition of "LIBO Rate".

"Indebtedness" of any person shall mean, without duplication,

(a) all obligations of such person for borrowed money,

(b) all obligations of such person evidenced by bonds, debentures, notes or similar instruments (except any such obligation issued in the ordinary course of business with a maturity date of no more than six months in a transaction intended to extend payment terms of trade payables or similar obligations to trade creditors incurred in the ordinary course of business),

(c) all obligations of such person under conditional sale or other title retention agreements relating to property or assets purchased by such person (except any such obligation that constitutes a trade payable or similar obligation to a trade creditor incurred in the ordinary course of business),

(d) all obligations of such person issued or assumed as the deferred purchase price of property or services (except (i) any such balance that constitutes a trade payable or similar obligation to a trade creditor incurred in the ordinary course of business, (ii) any earn-out obligations until such obligation becomes a liability on the balance sheet of such person in accordance with GAAP and is probable to be paid and reasonably calculable and (iii) liabilities accrued in the ordinary course of business; it being understood that, for the avoidance of doubt, obligations owed to banks and other financial institutions in connection with any arrangement whereby a bank or other institution purchases payables described in clause (i) above owed by the Lead Borrower or its Subsidiaries shall not constitute Indebtedness) which purchase price is due more than six months after the date of placing the property in service or taking delivery and title thereto,

(e) all Guarantees by such person of Indebtedness of others,

(f) all Capitalized Lease Obligations of such person,

(g) net payment or other settlement obligations under any Hedging Agreements,

(h) the principal component of all non-contingent reimbursement or payment obligations of such person as an account party in respect of letters of credit,

(i) the principal component of all obligations of such person in respect of bankers' acceptances,

(j) the amount of all obligations of such person with respect to the redemption, repayment or other repurchase of any Disqualified Stock (excluding accrued dividends that have not increased the liquidation preference of such Disqualified Stock), and

(k) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such person, whether or not the Indebtedness secured thereby has been assumed,

if and to the extent any of the preceding items (other than letters of credit) would appear as a liability upon a balance sheet of such person prepared in accordance with GAAP; provided that, notwithstanding the foregoing, (i) contingent obligations incurred in the ordinary course of business or consistent with past practice, (ii) any balance that constitutes a trade payable, accrued expense or similar obligation to a trade creditor, in each case incurred in the ordinary course of business, (iii) intercompany liabilities that would be eliminated on the consolidated balance sheet of the Lead Borrower and its Subsidiaries, (iv) prepaid or deferred revenue arising in the ordinary course of business, (v) in connection with the purchase by the Lead Borrower or any Subsidiary of any business, assets, Equity Interests or Person, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; provided, however, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid in a timely manner, (vi) obligations, to the extent such obligations would otherwise constitute Indebtedness, under any agreement that have been irrevocably defeased or irrevocably satisfied and discharged pursuant to the terms of such agreement or (vii) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, deferred compensatory or employee or director equity plans pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage taxes, in each case, shall be deemed not to constitute Indebtedness. The amount of Indebtedness of any person for purposes of clause (k) above shall (unless such Indebtedness has been assumed by such person) be deemed to be equal to the lesser of (A) the aggregate unpaid amount of such Indebtedness and (B) the Fair Market Value of the property encumbered thereby. Notwithstanding anything in this Agreement to the contrary, Indebtedness shall not include, and shall be calculated without giving effect to, (A) the effects of Financial Accounting Standards Board Accounting Standards Codification 825 and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under this Agreement as a result of accounting for any embedded derivatives created by the terms of such Indebtedness and any such amounts that would have constituted Indebtedness under this Agreement but for the application of this sentence shall not be deemed an incurrence of Indebtedness under this Agreement and (B) interest, fees, make-whole amounts, premiums, charges or expenses, if any, relating to the principal amount of Indebtedness. For all purposes of this Agreement, the amount of Indebtedness of the Lead Borrower and its Subsidiaries shall be calculated without duplication of guaranty obligations of the Lead Borrower or any Subsidiary in respect thereof.

"Indemnified Person" shall have the meaning assigned to such term in Section 13.01(a).

"Indemnified Taxes" shall mean all Taxes imposed on or with respect to any payment by or on account of any obligation of any Loan Party hereunder or under any other Loan Document other than (a) Excluded Taxes and (b) Other Taxes.

"Initial Australian Security Agreement" shall mean:

(a) the Australian Specific Security Deed dated on or about the DIP Closing Date granted by the Australian Loan Parties in favor of the Security Trustee over all the Australian Collateral;

(b) the Australian Featherweight Security Deed dated on or about the DIP Closing Date granted by the Australian Loan Parties in favor of the Security Trustee;

(c) the Australian Specific Security Deed (Marketable Securities) dated on or about the DIP Closing Date granted by the Lead Borrower in favor of the Security Trustee over all Equity Interests it owns in the Australian Loan Parties; and

(d) each Deposit Account Control Agreement over each Deposit Account held by the Australian Loan Parties.

"Initial Dutch Security Agreement" shall mean the Dutch Movables Pledge.

"Initial Security Agreements" shall mean the Initial U.S. Security Agreement, the Initial Australian Security Agreement, the Initial Dutch Security Agreement, the Initial Swiss Security Agreements and the Initial UK Security Agreement.

"Initial Swiss Security Agreements" shall mean the Swiss Claims Assignment Agreement, the Swiss Bank Account Claims Assignment Agreement and the Swiss Share Pledge Agreement.

"Initial U.S. Security Agreement" shall mean the U.S. Collateral Agreement substantially in the form of Exhibit I dated as of the DIP Closing Date, among each U.S. Loan Party, each other Loan Party that owns Equity Interests of a person incorporated or organized under the law of the United States, any state thereof, or the District of Columbia (other than Excluded Securities) (provided that the grant by any such other Loan Party under such U.S. Collateral Agreement shall be solely with respect to such Equity Interests and related rights and assets as expressly set forth in such U.S. Collateral Agreement) and the Collateral Agent, as may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"Initial UK Security Agreement" shall mean (a) the English law governed Book Debts and Account Charge dated as of the DIP Closing Date by the Swiss Borrower, as chargor, and the Collateral Agent and (b) the English law governed Book Debts and Account Charge dated as of the DIP Closing Date by the Lead Borrower, as chargor, and the Collateral Agent.

"Intellectual Property" shall mean all intellectual property rights, including the following intellectual property rights, and both statutory and common law rights, if applicable: (a) copyrights, registrations and applications for registration thereof, (b) Trademarks, (c) patents and industrial designs, together with any registered or unregistered rights in designs in the United Kingdom, as well as any reissued and reexamined patents and industrial designs and extensions corresponding to the patents and industrial designs and any patent and industrial design applications, as well as any related continuation, continuation in part and divisional applications and patents issuing therefrom and (d) trade secrets and confidential information, including ideas, designs, concepts, compilations of information, methods, techniques, procedures, processes and other know-how, whether or not patentable.

"Interest Period" shall mean, as to any Borrowing of a LIBO Rate Loan, the period commencing on the date of such Borrowing or on the last day of the immediately preceding Interest Period applicable to such Borrowing, as applicable, and ending one week thereafter or on the numerically corresponding day (or, if there is no numerically corresponding day, on the last day) in the calendar month that is one, two, three, six, or, if agreed to by all Lenders under the applicable Facility, twelve (12) months or less than one month thereafter, as the Lead Borrower may elect, or the date any Borrowing of a LIBO Rate Loan is converted to a Borrowing of a Base Rate Loan in accordance with Section 2.08 or repaid or prepaid in accordance with Section 2.07 or Section 2.09; provided that if any Interest Period would end on a day other

than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day. Interest shall accrue from and including the first day of an Interest Period to but excluding the last day of such Interest Period.

"Interim DIP ABL Amounts" shall have the meaning assigned to such term in Section 2.01(c).

"Interim DIP Term Amount" shall have the meaning assigned to such term in Section 2.01(a)(iii).

"Interim DIP Term Funding Date" shall have the meaning assigned to such term in Section 2.01(a)(iii).

"Interim DIP Term Loans" shall mean the DIP Term Loans funded on the Interim DIP Term Funding Date.

"Interim Order" shall have the meaning assigned to such term in Section 6.01(r).

"Interim Period" shall mean the period commencing on and from the DIP Closing Date and ending on the date on which the Prepetition Obligations Refinancing occurs.

"Interpolated Rate" shall mean, at any time, for any Interest Period, the rate per annum (rounded to the same number of decimal places as the LIBO Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent demonstrable error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBO Screen Rate for the longest period for which the LIBO Screen Rate is available) that is shorter than the applicable Impacted Interest Period; and (b) the LIBO Screen Rate for the shortest period (for which that LIBO Screen Rate is available) that exceeds the Impacted Interest Period, in each case, at such time.

"Inventory" shall mean all "inventory" (including parts, work-in-process, raw materials, and finished goods), as such term is defined in the UCC as in effect on the date hereof in the State of New York or, if applicable, in the Canadian PPSA or the Australian PPSA, wherever located, in which any Person now or hereafter has rights.

"Inventory Reserves" shall mean reserves established by the Administrative Agent in its Permitted Discretion to reflect factors that may reasonably be expected to negatively impact the value of Eligible Inventory including change in salability, obsolescence, seasonality, theft, shrinkage, imbalance, change in composition or mix, markdowns, marked to market and vendor chargebacks.

"Investment" shall have the meaning assigned to such term in Section 10.04.

"Investment Grade Rating" shall mean, at any time of determination with respect to any Person, that such Person has at such time a corporate credit rating of BBB- or better by S&P and a corporate family rating of Baa3 or better by Moody's (or comparable ratings by any other rating agency).

"IRS" shall mean the U.S. Internal Revenue Service.

"Issuing Banks" shall mean the North American Issuing Banks and the Swiss Issuing Banks, collectively.

"JPMCB" shall have the meaning assigned to such term in the preamble hereto.

"Junior Debt Restricted Payment" shall mean, any payment or other distribution (whether in cash, securities or other property), directly or indirectly made by the Lead Borrower or any if its Subsidiaries, of or in respect of principal on any Indebtedness (other than intercompany Indebtedness) that is (x) by its terms subordinated in right of payment to the Loan Obligations, (y) not secured by a Lien or (z) secured by a Lien that ranks junior in priority to the Lien securing the Obligations (each of the foregoing, a "Junior Financing"). For the avoidance of doubt, the DIP Term Obligations shall constitute a Junior Financing.

"Junior Financing" shall have the meaning assigned to such term in the definition of the term "Junior Debt Restricted Payment."

"Landlord Lien Reserve" shall mean an amount equal to three months' rent (or, if less, the balance of the term of the lease) for all of the leased locations of the Borrowers at which Eligible Inventory is stored, other than leased locations with respect to which the Administrative Agent (or the Prepetition Agent) has received a Landlord Lien Waiver and Access Agreement.

"Landlord Lien Waiver and Access Agreement" shall mean a Landlord Lien Waiver and Access Agreement, in a form reasonably approved by the Administrative Agent.

"Latest Maturity Date" shall mean, at any date of determination, the latest maturity date applicable to any Loan or Commitment under any Facility hereunder as of such date of determination.

"LC Collateral Account" shall mean a collateral account in the form of a deposit account established and maintained by the Administrative Agent for the benefit of the Secured Parties, in accordance with the provisions of Section 2.13.

"LC Disbursements" shall mean the North American LC Disbursements and/or the Swiss LC Disbursements.

"LC Documents" shall mean all documents, instruments and agreements delivered by any Borrower or any Subsidiary of any Borrower that is a co-applicant in respect of any Letter of Credit to any Issuing Bank or the Administrative Agent in respect of any Letter of Credit.

"LC Exposure" shall mean the North American LC Exposure and/or the Swiss LC Exposure.

"LC Obligations" shall mean the North American LC Obligations and/or the Swiss LC Obligations.

"LC Participation Fee" shall have the meaning assigned to such term in Section 2.05(c)(i).

"LC Request" shall mean a request in accordance with the terms of Section 2.13(b) in form and substance satisfactory to the Issuing Banks.

"LC Sublimit" shall have the meaning assigned to such term in Section 2.13(b).

"Lead Arrangers" shall mean JPMorgan Chase Bank, N.A., Bank of America, N.A., Bank of Montreal and Wells Fargo Bank, National Association, in their capacities as joint lead arrangers and bookrunners for this Agreement.

"Lead Borrower" shall have the meaning assigned to such term in the preamble hereto.

"Lender" shall mean each Person listed on Schedule 2.01, subject to adjustments in connection with any assignment after the DIP Closing Date in accordance with Section 13.04(b), as well as any Person

that becomes a "Lender" hereunder pursuant to Section 3.04 or 13.04(b), and, as the context requires, includes the Swingline Lender.

"Lender Loss Sharing Agreement" shall mean that certain Lender Loss Sharing Agreement entered into by each Revolving Lender as of the DIP Closing Date and each other Revolving Lender becoming party to this Agreement via an Assignment and Assumption or otherwise after the DIP Closing Date.

"Lender Party" shall have the meaning assigned to such term in Section 14.01(b).

"Letter of Credit" shall mean a North American Letter of Credit and/or a Swiss Letter of Credit, as applicable.

"Letter of Credit Expiration Date" shall mean the date which is five (5) Business Days prior to the Maturity Date.

"LIBO Rate" shall mean, with respect to (a) any LIBO Rate Loan denominated in any LIBOR Quoted Currency and for any applicable Interest Period, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for such LIBOR Quoted Currency for a period equal in length to such Interest Period as displayed on pages LIBOR01 or LIBOR02 of the Reuters screen or, in the event such rate does not appear on either of such Reuters pages, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate as shall be selected by the Administrative Agent from time to time in its reasonable discretion (consistent with any such selection by the Administrative Agent generally under substantially similar credit facilities for which it acts as administrative agent) (in each case the "LIBO Screen Rate") at approximately 11:00 a.m., London time, on the Quotation Day for such LIBOR Quoted Currency and Interest Period; provided that, if the LIBO Screen Rate shall be less than 1.00%, such rate shall be deemed to be 1.00% for the purposes of this Agreement and (b) any LIBO Rate Borrowing denominated in Australian Dollars and for any applicable Interest Period, the AUD Screen Rate for Australian Dollars on the Quotation Day for Australian Dollars and Interest Period; provided that, if the AUD Screen Rate shall be less than 1.00%, such rate shall be deemed to be 1.00% for the purposes of this Agreement; provided, further, that if a LIBO Screen Rate or the AUD Screen Rate, as applicable, shall not be available at such time for such Interest Period (the "Impacted Interest Period"), then the LIBO Screen Rate or AUD Screen Rate, as applicable, for such currency and such Interest Period shall be the Interpolated Rate; provided that, if any Interpolated Rate shall be less than 1.00%, such rate shall be deemed to be 1.00% for the purposes of this Agreement. It is understood and agreed that all of the terms and conditions of this definition of "LIBO Rate" shall be subject to Section 3.01.

"LIBO Rate Loan" shall mean a Loan made by the Lenders to the Borrowers which bears interest at a rate based on the LIBO Rate (other than pursuant to clause (c) of the definition of "Base Rate"). LIBO Rate Loans may be denominated in U.S. Dollars or in an applicable Alternative Currency.

"LIBO Screen Rate" has the meaning assigned to such term in the definition of "LIBO Rate".

"LIBOR Quoted Currency" shall mean each of (i) U.S. Dollars, (ii) Euros, (iii) Pound Sterling and (iv) Swiss Francs.

"Lien" shall mean, with respect to any asset, (a) any mortgage, deed of trust, lien, hypothecation, pledge, charge, security interest or similar monetary encumbrance in or on such asset (including, without limitation, any "security interest" as defined in Sections 12(1) and 12(2) of the Australian PPSA) and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing)

relating to such asset; provided that in no event shall an operating lease or an agreement to sell be deemed to constitute a Lien.

"Line Cap" shall mean an amount equal to the lesser of (a) the Aggregate Revolving Commitments and (b) the then applicable Aggregate Borrowing Base.

"Liquidity Event" shall mean the occurrence of a date when (a) Aggregate Availability shall have been less than the greater of 10% of the Line Cap and $40,000,000 for five (5) consecutive Business Days, until such date as (b) Aggregate Availability shall have been at least equal to the greater of 10% of the Line Cap and $40,000,000 for thirty (30) consecutive calendar days.

"Liquidity Notice" shall mean a written notice delivered by the Administrative Agent at any time during a Liquidity Period (other than during the Interim Period) to any bank or other depository at which any Deposit Account (other than any Excluded Account) is maintained directing such bank or other depository (a) to remit all funds in such Deposit Account to, in the case of a U.S. Loan Party, a Dominion Account or, in the case of a Deposit Account of a Foreign Loan Party, to the Administrative Agent on a daily basis, (b) to cease following directions or instructions given to such bank or other depository by any Loan Party regarding the disbursement of funds from such Deposit Account (other than any Excluded Account), and (c) to follow all directions and instructions given to such bank or other depository by the Administrative Agent in each case, pursuant to the terms of any Deposit Account Control Agreement in place.

"Liquidity Period" shall mean (a) initially, the Interim Period and (b) thereafter, shall mean any period throughout which (i) a Liquidity Event has occurred and is continuing or (ii) an Event of Default has occurred and is continuing.

"Liquidity Reserve" shall mean, at any time, a reserve established by the Administrative Agent in an amount equal to the minimum Aggregate Availability required by Section 10.10 at such time.

"Loan Documents" shall mean this Agreement, and, after the execution and delivery thereof pursuant to the terms of this Agreement, each Note, the Guarantee Agreement, each Security Document and, during the pendency of the Chapter 11 Cases, the DIP Orders.

"Loan Obligations" shall mean all now existing or hereafter arising debts, obligations, covenants, and duties of payment or performance by any Loan Party of every kind, matured or unmatured, direct or contingent, owing, arising, due, or payable to any Lender, Issuing Bank, Agent or Indemnified Person by any Loan Party arising out of this Agreement or any other Loan Document, including, without limitation, all obligations to repay principal or interest (including interest, fees and other amounts accruing during any proceeding under any Debtor Relief Laws, regardless of whether allowed or allowable in such proceeding) on the Loans, Letters of Credit or any other Obligations, and to pay interest, fees, costs, charges, expenses, professional fees, and all sums chargeable to any Loan Party or for which any Loan Party is liable as indemnitor under the Loan Documents, whether or not evidenced by any note or other instrument.

"Loan Party" shall mean the Borrowers and the Guarantors.

"Loans" shall mean advances made to or at the instructions of the Lead Borrower pursuant to Article 2 hereof and may constitute Revolving Loans, Swingline Loans or DIP Term Loans.

"Local Time" shall mean (i) New York City time in the case of a Loan, Borrowing or LC Disbursement denominated in U.S. Dollars and (ii) London time in the case of a Loan, Borrowing or LC Disbursement denominated in Pound Sterling, Euros, Australian Dollars or Swiss Francs.

"Margin Stock" shall have the meaning assigned to such term in Regulation U.

"Material Adverse Effect" shall mean a material adverse effect on (a) the business, property, operations or financial condition of the Lead Borrower and its Subsidiaries, taken as a whole ((x) other than, in the case of the Debtors, (A) any events or conditions leading up to the filing of the Chapter 11 Cases, (B) the filing of the Chapter 11 Cases and (C) those events which customarily occur following the commencement of the Chapter 11 Cases and other events ancillary thereto and (y) in the case of the Debtors, taking into account the effect of the automatic stay under the Bankruptcy Code), (b) the validity or enforceability of any of the Loan Documents against a Loan Party or (c) the rights and remedies of the Administrative Agent, the Collateral Agent, the Issuing Banks, the Swingline Lender and the Lenders against a Loan Party thereunder.

"Material Indebtedness" shall mean Indebtedness (other than Loans) of any one or more of the Lead Borrower or any Subsidiary in an aggregate principal amount exceeding $50,000,000.

"Material Real Property" shall mean any parcel of Real Property or group of parcels of Real Property that are adjacent, contiguous or located in close proximity as an integrated operation located in the United States having a Fair Market Value (on a per-property basis) greater than or equal to $5,000,000 as of (x) the DIP Closing Date, for Real Property then owned or (y) the date of acquisition, for Real Property acquired after the DIP Closing Date, in each case as determined by the Lead Borrower in good faith; provided that (i) "Material Real Property" shall exclude all leasehold interests in Real Property and (ii) the Lead Borrower may elect in its discretion to treat any such Real Property as a "Material Real Property" (subject to the requirements of this Agreement relating to Material Real Properties) even if its Fair Market Value is less than the foregoing threshold. Notwithstanding the foregoing, it is understood and agreed that the parcel of Real Property located at 1502 W 4th Ave, Holdrege, NE 68949 shall be deemed to be a Material Real Property.

"Material Subsidiary" shall mean any Subsidiary, other than an Immaterial Subsidiary.

"Maturity Date" shall mean the earlier of (i) the date that is 9 months following the Petition Date, and (ii) the effective date of a plan of reorganization filed in the Chapter 11 Cases that is confirmed pursuant to an order entered by the Bankruptcy Court.

"Milestone" shall have the meaning assigned to such term in Section 9.24.

"Moody's" shall mean Moody's Investors Service, Inc. (or an applicable foreign Affiliate thereof).

"Mortgage Policy" shall mean an ALTA title insurance policy (or its equivalent in non-ALTA jurisdictions) with respect to the applicable real property naming the Administrative Agent as insured party for the benefit of the applicable Lenders, insuring that the Mortgage creates a valid and enforceable first priority mortgage lien (subject to (x) Permitted Borrowing Base Liens which do not have priority over the Lien in favor of the Collateral Agent or (y) any other Permitted Lien for which the Administrative Agent has established a Reserve in its Permitted Discretion for liabilities secured by such Permitted Lien (including, without limitation, Liens securing the NMTC Financing, to the extent of the NMTC Reserve)) on the applicable parcel of real property, free and clear of all Liens, defects and encumbrances (except as set forth in the immediately preceding parenthetical), which Mortgage Policies shall (A) be in an amount no greater than the value of such parcel of real property, as determined by the appraisal report to be delivered pursuant to clause (a) of the definition of Eligible Real Property (provided, however, that, if such Eligible Real Property is located in a mortgage or recording tax jurisdiction and the Administrative Agent limits its recovery under the applicable Mortgage, the insured amount shall be equal to 120% of such appraised value), (B) be from a nationally recognized title insurance company reasonably acceptable to the

Administrative Agent ("Title Insurer"), (C) include such endorsements and reinsurance as the Administrative Agent may reasonably require and (D) otherwise satisfy the reasonable title insurance requirements of the Administrative Agent.

"Mortgaged Properties" shall mean (a) the Material Real Properties that are identified on Schedule 1.01(B) on the DIP Closing Date other than the Real Property located at 731 Highway 142 & 3200 Butzen Dr., Poplar Bluff, MO 63901-8159 (all such Material Real Properties, the "DIP Closing Date Mortgaged Properties") and (b) each additional Material Real Property encumbered by a Mortgage after the DIP Closing Date pursuant to Section 9.10.

"Mortgages" shall mean, collectively, the mortgages, trust deeds, deeds of trust, deeds to secure debt, assignments of leases and rents, debentures, deeds of hypothec and other security documents (including amendments to any of the foregoing) executed and delivered with respect to Mortgaged Properties (either as stand-alone documents or forming part of other Security Documents), each in form and substance reasonably satisfactory to the Collateral Agent and the Lead Borrower, in each case, as amended, supplemented or otherwise modified from time to time. For the avoidance of doubt, upon the expiration or termination of any such agreement or instrument in accordance with its terms (including, without limitation, in connection with the release of a Loan Party in accordance with the Loan Documents), such document shall cease to constitute a "Mortgage".

"Multiemployer Plan" shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA to which the Lead Borrower or any Subsidiary or any ERISA Affiliate (other than one considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Code Section 414) is making or accruing an obligation to make contributions, or has within any of the preceding six plan years made or accrued an obligation to make contributions.

"Net Proceeds" shall mean, with respect to any event, (a) the cash proceeds actually received by the Lead Borrower or any Subsidiary in respect of such event including (A) any cash received in respect of any non-cash proceeds (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but excluding any interest payments), but only as and when received, (B) in the case of a casualty, insurance proceeds and (C) in the case of a condemnation or similar event, condemnation awards and similar payments, minus (b) the sum of (i) the out-of-pocket fees and expenses actually incurred by the Lead Borrower or any Subsidiary (other than those paid to Affiliates) in connection with such event, (ii) in the case of a Disposition of an asset (including pursuant to a sale leaseback transaction or a casualty or a condemnation or similar proceeding), the amount of all payments required to be made as a result of such event to repay Indebtedness (other than Loans) or other obligations related to and secured by such asset or otherwise subject to mandatory prepayment as a result of such event and (iii) the amount of all taxes paid (or reasonably estimated to be payable) and the amount of any reserves established in accordance with GAAP against any adjustment to the sale price or any liabilities and that are related to such asset or to such event (as determined reasonably and in good faith by a Financial Officer of the Lead Borrower); provided that, upon the reversal (without the satisfaction of any applicable adjustment to the sale price or liabilities in cash in a corresponding amount) of all or any portion of any reserve described in clause (b)(iii) above or if such adjustment to the sale price or liabilities have not been satisfied in cash and such reserve is not reversed within 365 days after such event, then, without duplication, the amount of any such reversal of such reserve shall be deemed to be "Net Proceeds" of such event received at the time of such reversal, and any such reserve remaining outstanding on such 365th day shall be deemed to be "Net Proceeds" of such event received on such 365th day, as applicable; provided further that any proceeds held in escrow pending a purchase price, net working capital or other similar adjustment and/or for the duration of any indemnity period shall not constitute Net Proceeds until released from escrow to the Lead Borrower or applicable Subsidiary.

"NMTC Financing" shall mean the financing transaction contemplated by that certain Loan Agreement dated as of August 16, 2017 among ST CDE XXXVIII, LLC, a Georgia limited liability company, DVCI CDE XXXIV, LLC, a Delaware limited liability company, MUNISTRATEGIES SUB-CDE#24, LLC, a Mississippi limited liability company, and the Lead Borrower, as borrower, relating to the financing of the facilities located at 46 Holland Industrial Park, Statesboro, Georgia 30461 and 7251 Zell Miller Parkway, Statesboro, Georgia 30458.

"NMTC Reserve" shall mean a reserve established by the Administrative Agent in the exercise of its Permitted Discretion in respect of liabilities of the Lead Borrower and/or its Subsidiaries under the NMTC Financing, to the extent secured by a Lien on any assets of the Lead Borrower and/or its Subsidiaries.

"NOLV Percentage" shall mean the fraction, expressed as a percentage, (a) the numerator of which is the amount equal to the blended recovery on the aggregate amount of Eligible Equipment, Eligible Inventory or Eligible Trademarks at such time on a "net orderly liquidation value" basis as set forth in the most recent appraisal of inventory, equipment and/or trademarks received by the Administrative Agent in accordance with Section 9.07(b), net of operating expenses, liquidation expenses and commissions reasonably anticipated in the disposition of such assets, and (b) the denominator of which is (i) in the case of Eligible Equipment, the market value of the aggregate amount of Eligible Equipment, as set forth in the most recent appraisal of equipment received by the Administrative Agent in accordance with Section 9.07(b), (ii) in the case of Eligible Inventory, the original Cost of the aggregate amount of Eligible Inventory subject to appraisal and (iii) in the case of Eligible Trademarks, the market value of the aggregate amount of Eligible Trademarks, as set forth in the most recent appraisal of trademarks received by the Administrative Agent in accordance with Section 9.07(b).

"Non-Debtor Loan Party" shall have the meaning assigned to that term in Section 10.01(e).

"Non-Defaulting Lender" shall mean and include each Lender other than a Defaulting Lender.

"Non-U.S. Lender" shall mean a Lender that is neither a U.S. Person nor a Disregarded Entity that is treated for U.S. federal income Tax purposes as having a U.S. Person as its sole owner.

"Non-U.S. Security Documents" shall mean the Australian Security Documents, the Swiss Security Documents, the Dutch Security Documents and the Initial UK Security Agreement.

"North American Issuing Bank" shall mean, as the context may require, (a) JPMCB, with respect to Letters of Credit issued by it, Bank of America, N.A., with respect to Letters of Credit issued by it, Bank of Montreal, with respect to Letters of Credit issued by it and Wells Fargo Bank, National Association, with respect to Letters of Credit issued by it, and (b) any other Revolving Lender that may become a North American Issuing Bank pursuant to Sections 2.13(i) and 2.13(k), with respect to Letters of Credit issued by such Revolving Lender; or (c) collectively, all of the foregoing. Each North American Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by affiliates or branches of such North American Issuing Bank (including without limitation with respect to Letters of Credit with a co-Applicant that is not a Foreign Loan Party), in which case the term "North American Issuing Bank" shall include any such affiliate or branch with respect to Letters of Credit issued by such affiliate or branch.

"North American Issuing Bank Sublimit" shall mean (i) with respect to JPMCB, $1,000,000, (ii) with respect to Bank of America, N.A., $1,000,000, (iii) with respect to Bank of Montreal, $1,000,000, (iv) with respect to Wells Fargo Bank, National Association, $1,000,000 and (v) with respect to each other North American Issuing Bank, such amount as may be agreed among the Lead Borrower and such other North American Issuing Bank (and notified to the Administrative Agent) at the time such other North

American Issuing Bank becomes a North American Issuing Bank. The North American Issuing Bank Sublimit of any North American Issuing Bank may be increased or decreased as agreed by such North American Issuing Bank and the Lead Borrower (each acting in their sole discretion) and notified in a writing executed by such North American Issuing Bank and the Lead Borrower. It is understood and agreed that Existing Letters of Credit issued under the Prepetition Credit Agreement and any Letters of Credit issued under this Agreement after the DIP Closing Date, in each case, in excess of the foregoing sublimit amounts shall be deemed to have been issued at the discretion of the applicable Issuing Bank.

"North American LC Commitment" shall mean the commitment of each North American Issuing Bank to issue Letters of Credit under the North American Revolving Facility pursuant to Section 2.13.

"North American LC Disbursement" shall mean a payment or disbursement made by any North American Issuing Bank pursuant to a North American Letter of Credit under the North American Revolving Facility.

"North American LC Exposure" shall mean at any time the sum of (a) the aggregate undrawn amount of all outstanding North American Letters of Credit at such time *plus* (b) the aggregate principal amount of all North American LC Disbursements that have not yet been reimbursed at such time. The North American LC Exposure of any Revolving Lender at any time shall mean its Pro Rata Percentage (with respect to the North American Revolving Facility) of the aggregate North American LC Exposure at such time.

"North American LC Obligations" shall mean the sum (without duplication) of (a) all amounts owing by the Borrowers for any drawings under North American Letters of Credit (including any bankers' acceptances or other payment obligations arising therefrom); and (b) the stated amount of all outstanding North American Letters of Credit.

"North American LC Sublimit" shall have the meaning assigned to such term in Section 2.13(b).

"North American Letter of Credit" shall mean any letters of credit issued or to be issued by any North American Issuing Bank under the North American Revolving Facility for the account of any U.S. Borrower (or any Subsidiary of such Borrower, with such Borrower as a co-applicant thereof) pursuant to Section 2.13, including any standby letter of credit, time, or documentary letter of credit or any functional equivalent in the form of an indemnity, or bank guarantee or similar form of credit support issued by the Administrative Agent or a North American Issuing Bank for the benefit of a U.S. Borrower.

"North American Revolving Borrowing" shall mean a Borrowing comprised of North American Revolving Loans.

"North American Revolving Commitment" shall mean, with respect to each Revolving Lender, the commitment, if any, of such Revolving Lender to make North American Revolving Loans hereunder up to the amount set forth and opposite such Revolving Lender's name on Schedule 2.01 as of the DIP Closing Date and as of the DIP Term Facility Closing Date, subject to adjustments in connection with any assignment after the DIP Closing Date or the DIP Term Facility Closing Date in accordance with Section 13.04(b), in each case, under the caption "North American Revolving Commitment," or in the Assignment and Assumption pursuant to which such Revolving Lender assumed its North American Revolving Commitment, as applicable, as the same may be (a) reduced from time to time pursuant to Section 2.07 and (b) reduced or increased from time to time pursuant to assignments by or to such Revolving Lender pursuant to Section 13.04. The aggregate amount of the Revolving Lenders' North American Revolving Commitments (x) on the DIP Closing Date is $383,700,000 and (y) subject to reduction as provided in Section 2.07, on the DIP Term Loan Closing Date shall be $321,200,000.

"North American Revolving Exposure" shall mean, with respect to any Revolving Lender at any time, the aggregate principal amount at such time of all outstanding North American Revolving Loans of such Revolving Lender, *plus* the aggregate amount of such Revolving Lender's Swingline Exposure under the North American Revolving Facility, *plus* the aggregate amount of such Revolving Lender's North American LC Exposure in respect of Letters of Credit issued for a U.S. Borrower.

"North American Revolving Facility" shall mean the North American Revolving Commitments of the Revolving Lenders and the Loans and Letters of Credit pursuant to those North American Revolving Commitments in accordance with the terms hereof.

"North American Revolving Lenders" shall mean each Revolving Lender that has a North American Revolving Commitment or North American Revolving Loans at such time.

"North American Revolving Loans" shall mean advances made pursuant to Article 2 hereof under the North American Revolving Facility (including, for the avoidance of doubt, any North American Swingline Loans).

"North American Swingline Loans" shall have the meaning assigned to such term in Section 2.12(a).

"Not-for-Profit Subsidiary" shall mean an entity, including entities qualifying under Section 501(c)(3) of the Code, that uses surplus revenue to achieve its goals rather than distributing them as profit or dividends.

"Note" shall mean each revolving note substantially in the form of Exhibit B hereto.

"Notice of Borrowing" shall mean a notice substantially in the form of the relevant notice attached as Exhibit A-1 hereto or, in the case of a Swingline Borrowing, Exhibit A-2 hereto.

"Notice of Conversion/Continuation" shall mean a notice substantially in the form of Exhibit A-3 hereto.

"Notice Office" shall mean JPMorgan Chase Bank, N.A., 10 S. Dearborn Street, Chicago, Illinois 60603, Telephone Number: (312) 732-8111, Fax Number: (312) 548-1943, Email: john.morrone@jpmorgan.com, Attn: John Morrone or, in each case, such other offices or persons as the Administrative Agent may hereafter designate in writing as such to the other parties hereto.

"Noticed Hedge" shall mean any Secured Bank Product Obligations arising under a Swap Contract described under clause (b) of the definition of "Bank Product" with respect to which the Lead Borrower and the Secured Bank Product Provider thereof have notified the Administrative Agent and the DIP Term Lender Notice Office of its intent to include such Secured Bank Product Obligations as a Noticed Hedge hereunder and with respect to which the Administrative Agent has established a Bank Product Reserve in the maximum amount thereof.

"NYFRB" shall mean the Federal Reserve Bank of New York.

"NYFRB Rate" shall mean, for any day, the greater of (a) the Federal Funds Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term "NYFRB Rate" shall mean the rate for a federal funds transaction quoted at 11:00 a.m. on such day received to the Administrative Agent from a federal funds broker of

recognized standing selected by it; provided further that, if any of the aforesaid rates shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Obligations" shall mean (a) the Loan Obligations and (b) all Secured Bank Product Obligations (with respect to any Loan Party, other than any Excluded Swap Obligation of such Loan Party) entered into by the Lead Borrower or any of its Subsidiaries, whether now in existence or hereafter arising. Notwithstanding anything to the contrary contained above, other than in connection with any application of proceeds pursuant to Section 11.02, (x) obligations of any Loan Party under any Secured Bank Product Obligations shall be secured and guaranteed pursuant to the Loan Documents only to the extent that, and for so long as, the Loan Obligations are so secured and guaranteed and (y) any release of Collateral or Guarantors effected in the manner permitted by this Agreement shall not require the consent of holders of obligations under Secured Bank Product Obligations.

"Other Taxes" shall mean all present or future stamp or documentary Taxes or any other excise, transfer, sales, property, intangible, mortgage recording or similar Taxes arising from any payment made hereunder or under any other Loan Document or from the execution, registration, delivery or enforcement of, consummation or administration of, from the receipt or perfection of security interest under, or otherwise with respect to, any Loan Document or Letter of Credit, except any such Taxes that are imposed with respect to an assignment (other than an assignment made pursuant to Section 3.04) as a result of any present or former connection between the Recipient and the jurisdiction imposing such Tax (other than any such connection arising solely from such Recipient having executed, delivered, become party to, performed its obligations under, received payments under, received, perfected or enforced a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan, Letter of Credit or Loan Document).

"Outstanding Amount" shall mean, with respect to Loans on any date, the Dollar Equivalent amount of the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Loans occurring on such date.

"Overnight Bank Funding Rate" shall mean, for any day, the rate comprised of both overnight federal funds and overnight LIBO Rate borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on the Federal Reserve Bank of New York's Website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate (from and after such date as the NYFRB shall commence to publish such composite rate).

"Overnight LIBO Rate" shall mean, with respect to any Overnight LIBO Rate Loan on any day, a rate per annum equal to the London interbank offered rate as administered by the ICE Benchmark Administration Limited (or any other Person that takes over the administration of such rate) for overnight deposits of an Alternative Currency (other than Australian Dollars) as displayed on the applicable Reuters screen page (LIBOR01 or LIBOR02) (or, in the event such rate does not appear on a page of the Reuters screen, on the appropriate page of such other information service that publishes such rate as shall be selected by the Administrative Agent from time to time in its reasonable discretion (consistent with any such selection by the Administrative Agent generally under substantially similar credit facilities for which it acts as administrative agent)) at approximately 11:00 a.m., London time, on such day; provided that, if the Overnight LIBO Rate shall be less than 1.00%, such rate shall be deemed to be 1.00% for all purposes of this Agreement. It is understood and agreed that all of the terms and conditions of this definition of "Overnight LIBO Rate" shall be subject to Section 3.01.

"Overnight LIBO Rate Loan" shall mean a Loan made by the Swingline Lender or any other Lenders to any Borrower which bears interest at a rate based on the Overnight LIBO Rate. Overnight LIBO

Rate Loans may be denominated in U.S. Dollars or in an Alternative Currency (other than Australian Dollars). All Swingline Loans (other than North American Swingline Loans) shall be Overnight LIBO Rate Loans or Loans with such other rate as may be agreed by the applicable Borrower and the Swingline Lender in its sole discretion.

"Parallel Debt Obligation" and "Parallel Debt Obligations" shall have the meanings assigned to such term in Section 12.15.

"Participant" shall have the meaning assigned to such term in Section 13.04(c).

"Participant Register" shall have the meaning assigned to such term in Section 13.04(c).

"Participating Member State" shall mean any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

"Patriot Act" shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. No. 107 56 (signed into law October 26, 2001)).

"Payment Office" shall mean the office of the Administrative Agent located at 10 South Dearborn Street, Floor L2, Chicago, Illinois 60603, or such other office as the Administrative Agent may hereafter designate in writing as such to the other parties hereto.

"PBGC" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

"Perfection Certificate" shall mean the Perfection Certificate with respect to the Borrowers and the other Loan Parties substantially in the form attached hereto as Exhibit G, or such other form as is reasonably satisfactory to the Administrative Agent, as the same may be supplemented from time to time to the extent required by Section 9.04(f).

"Permitted Borrowing Base Liens" shall mean Liens on the Collateral permitted by Sections 10.02(d), (e), and (oo) (in the case of clauses (e) and (oo), subject to compliance with clause (iii) of the definition of "Eligible Inventory" and, in each case, solely to the extent any such Lien set forth in clause (d), (e) or (oo) arises by operation of law).

"Permitted Business" shall mean any business, service or activity that is the same as, or reasonably related, incidental, ancillary, complementary or similar to, or that is a reasonable extension or development of, any of the businesses, services or activities in which the Lead Borrower and its Subsidiaries are engaged on the DIP Closing Date.

"Permitted Discretion" shall mean reasonable (from the perspective of a secured asset-based lender) credit judgment exercised in good faith in accordance with customary business practices of the Administrative Agent for comparable asset-based lending transactions, and as it relates to the establishment of reserves or the imposition of exclusionary criteria shall require that (a) the contributing factors to the imposition of any reserves shall not duplicate (i) the exclusionary criteria set forth in the definitions of Eligible Accounts, Eligible Equipment, Eligible Inventory, Eligible Real Property or Eligible Trademarks, as applicable, and vice versa or (ii) any reserves deducted in computing book value and (b) the amount of any such reserve so established or the effect of any adjustment or imposition of exclusionary criteria be a reasonable quantification of the incremental dilution of the Borrowing Base attributable to such contributing factors.

"Permitted Investments" shall mean:

(a) direct obligations of the United States of America, Canada, Switzerland, the United Kingdom (and any nation thereof) or any member of the European Union or any agency thereof or obligations guaranteed by the United States of America, Canada, Switzerland, the United Kingdom (and any nation thereof) or any member of the European Union or any agency thereof, in each case with maturities not exceeding two years from the date of acquisition thereof;

(b) time deposit accounts, certificates of deposit, guaranteed investment certificates, money market deposits, banker's acceptances and other bank deposits maturing within 180 days of the date of acquisition thereof issued by a bank or trust company having capital, surplus and undivided profits in excess of $250,000,000 and whose long-term debt, or whose parent holding company's long-term debt, is rated at least A by S&P or A2 by Moody's (or such similar equivalent rating or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act));

(c) repurchase obligations with a term of not more than 180 days for underlying securities of the types described in clause (a) above entered into with a bank meeting the qualifications described in clause (b) above;

(d) commercial paper, maturing not more than one year after the date of acquisition, issued by a corporation (other than an Affiliate of the Lead Borrower) with a rating at the time as of which any investment therein is made of P-1 (or higher) according to Moody's, or A-1 (or higher) according to S&P (or such similar equivalent rating or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act));

(e) securities with maturities of two years or less from the date of acquisition, issued or fully guaranteed by any State of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least A by S&P or A by Moody's (or such similar equivalent rating or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act));

(f) shares of mutual funds whose investment guidelines restrict 95% of such funds' investments to those satisfying the provisions of clauses (a) through (e) above;

(g) money market funds that (i) comply with the criteria set forth in Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA by S&P or Aaa by Moody's and (iii) have portfolio assets of at least $1,000,000,000;

(h) time deposit accounts, certificates of deposit, guaranteed investment certificates, money market deposits, banker's acceptances and other bank deposits in an aggregate face amount not in excess of 0.5% of the total assets of the Lead Borrower and the Subsidiaries, on a consolidated basis, as of the end of the Lead Borrower's most recently completed fiscal year; and

(i) instruments equivalent to those referred to in clauses (a) through (h) above denominated in any foreign currency comparable in credit quality and tenor to those referred to above and commonly used by corporations for cash management purposes in any jurisdiction outside the United States of America to the extent reasonably required in connection with any business conducted by the Lead Borrower or any Subsidiary organized/incorporated in such jurisdiction.

"Permitted Liens" shall have the meaning assigned to such term in Section 10.02.

"Person" shall mean any natural person, corporation, business trust, joint venture, association, company, partnership, limited liability company, unlimited liability company or government, individual or family trusts, or any agency or political subdivision thereof.

"Petition Date" shall have the meaning assigned to such term in the recitals of this Agreement.

"Phase I Environmental Assessment" shall mean a Phase I environmental assessment, consistent with the ASTM Phase I standard in effect at the time performed, from an environmental consultant reasonably acceptable to the Administrative Agent, dated as of a date reasonably acceptable to the Administrative Agent and indicating that, as of such date, no recognized environmental conditions (as defined by ASTM) or other adverse environmental conditions (in each case, other than conditions acceptable to the Administrative Agent in its Permitted Discretion) are present in, on, under or exist with respect to the applicable parcel of real property and any improvements thereon.

"Plan" shall mean any employee pension benefit plan (other than a Multiemployer Plan) that is (i) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, (ii) sponsored or maintained (at the time of determination or at any time within the five years prior thereto) by the Lead Borrower, any other Borrower, any Subsidiary or any ERISA Affiliate, and (iii) in respect of which the Lead Borrower, any other Borrower, any Subsidiary or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Plan Asset Regulations" shall mean 29 CFR § 2510.3-101 *et seq*., as modified by Section 3(42) of ERISA, as amended from time to time.

"Platform" shall mean Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system.

"Pledged Collateral" shall have the meaning assigned to such term in the Initial U.S. Security Agreement.

"Pound Sterling" or "£" shall mean the lawful currency of the United Kingdom.

"primary obligor" shall have the meaning assigned to such term in the definition of the term "Guarantee."

"Prepetition Agent" shall mean the administrative agent and collateral agent under the Prepetition Credit Agreement.

"Prepetition Collateral" shall mean the Loan Parties' assets securing Prepetition Obligations.

"Prepetition Credit Agreement" shall have the meaning assigned to such term in the recitals of this Agreement.

"Prepetition Hedging Obligations" shall mean any Secured Bank Product Obligations (as defined under the Prepetition Credit Agreement) arising under any Swap Contract with respect to which (other than in respect of any Swap Contract with JPMCB or its Affiliates or branches) the Secured Bank Product Provider (as defined under the Prepetition Credit Agreement) thereof have notified the Administrative Agent or the Prepetition Agent of the intent to include such Secured Bank Product Obligations as Prepetition Hedging Obligations hereunder.

"Prepetition Hedging Reserves" shall mean the aggregate amount of reserves established by the Administrative Agent from time to time in its Permitted Discretion in respect of the Prepetition Hedging Obligations (which shall at all times include a reserve for the maximum amount of all Prepetition Hedging Obligations outstanding at that time provided that any such reserve taken for any Prepetition Hedging Obligations shall be automatically eliminated upon the payment in full of the Prepetition Hedging Obligations).

"Prepetition Lenders" shall have the meaning assigned to such term in the recitals of this Agreement.

"Prepetition Loan Documents" means "Loan Documents" as defined in the Prepetition Credit Agreement.

"Prepetition Obligation Payoff Letter" shall mean one or more customary payoff letters in form and substance reasonably acceptable to the Administrative Agent and the Required DIP Term Lenders in respect of the Prepetition Obligations setting forth the amount of Prepetition Obligations to be paid off and confirming that upon receipt of such amount by the Prepetition Agent, all Prepetition Obligations shall be deemed paid in full and all guaranties and security interests over Prepetition Collateral in respect thereof shall be terminated and released (subject to customary reinstatement if all or a portion of the payoff amount is voided or rescinded or must be returned to the Loan Parties under the Bankruptcy Code, any other Debtor Relief Law or otherwise).

"Prepetition Obligations" means "Obligations" as defined in the Prepetition Credit Agreement.

"Prepetition Obligations Refinancing" shall have the meaning assigned to such term in Section 6.02(a).

"Prepetition Secured Parties" shall mean the "Secured Parties" under and as defined in the Prepetition Credit Agreement.

"Prime Rate" shall mean the rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. 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 and in good faith determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as reasonably and in good faith determined by the Administrative Agent); provided that, if any such rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement. Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

"Priority Payables Reserve" shall mean reserves for amounts which rank or are capable of ranking in priority to, or *pari passu* with, the Liens granted to the Collateral Agent under the Security Documents and/or for amounts which may represent costs relating to the enforcement of the Collateral Agent's Liens, including without limitation, in the Permitted Discretion of the Administrative Agent, any such amounts due and not paid for wages, vacation and/or holiday pay, severance pay, employee deductions, income tax, amounts due and not paid under any legislation relating to workers' compensation or to employment insurance, amounts currently or past due and not paid for taxes and pension obligations and/or contributions.

"Proceeds of Crime Act" shall mean the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended from time to time, and including all regulations thereunder.

"Process Agent" shall have the meaning assigned to such term in Section 13.08(d).

"Pro Forma Basis" shall mean, as to any person, for any events as described below that occur subsequent to the commencement of a period for which the financial effect of such events is being calculated, and giving effect to the events for which such calculation is being made, such calculation as will give pro forma effect to such events as if such events occurred on the first day of the most recent Test Period ended on or before the occurrence of such event (the "Reference Period"):

(i) the Transactions, any Asset Sale, any asset acquisition or Investment (or series of related Investments), in each case, in excess of $10,000,000, merger, amalgamation, consolidation (or any similar transaction or transactions), any dividend, distribution or other similar payment;

(ii) [reserved]; and

(iii) any incurrence, repayment, repurchase or redemption of Indebtedness (or any issuance, repurchase or redemption of Disqualified Stock or preferred stock), other than fluctuations in revolving borrowings in the ordinary course of business (and not resulting from a transaction as described in clause (i) above).

Pro forma calculations made pursuant to this definition shall be determined in good faith by a Responsible Officer of the Lead Borrower.

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 on which the relevant calculation is being made had been the applicable rate for the entire period (taking into account any hedging obligations applicable to such Indebtedness if such hedging obligation has a remaining term in excess of twelve (12) months). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a Financial Officer of the Lead Borrower to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period, except to the extent the outstandings thereunder are reasonably expected to increase as a result of any transactions described in clause (i) of the first paragraph of this definition of "Pro Forma Basis" which occurred during the respective period or thereafter and on or prior to the date of determination. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such applicable optional rate as the Lead Borrower may designate.

"Pro Rata Percentage" of any Lender at any time shall mean either (i) the percentage of the total Revolving Commitments represented by such Lender's Revolving Commitment, (ii) the percentage of the total North American Revolving Commitments represented by such Lender's North American Revolving Commitment, (iii) the percentage of the total Swiss Revolving Commitments represented by such Lender's Swiss Revolving Commitment or (iv) the percentage of the total outstanding principal amount of the DIP Term Loans represented by such Lender's DIP Term Loans, as applicable.

"Pro Rata Share" shall mean, with respect to each Lender at any time, either (i) a fraction (expressed as a percentage, carried out to the ninth decimal place), the numerator of which is the amount of the Aggregate Exposure of such Lender at such time and the denominator of which is the aggregate amount of all Aggregate Exposures at such time, (ii) a fraction (expressed as a percentage, carried out to the ninth decimal place), the numerator of which is the amount of the North American Revolving Exposure of such Lender at such time and the denominator of which is the aggregate amount of all North American Revolving

Exposures at such time or (iii) a fraction (expressed as a percentage, carried out to the ninth decimal place), the numerator of which is the amount of the Swiss Revolving Exposure of such Lender at such time and the denominator of which is the aggregate amount of all Swiss Revolving Exposures at such time, as applicable.

"Projections" shall mean any projections and any forward-looking statements (including statements with respect to booked business) of the Lead Borrower and the Subsidiaries furnished to the Lenders or the Administrative Agent by or on behalf of the Lead Borrower or any of the Subsidiaries prior to the DIP Closing Date.

"Properly Contested" with respect to any obligation of a Loan Party, (a) the obligation is subject to a bona fide dispute regarding amount or the Loan Party's liability to pay; (b) the obligation is being properly contested in good faith by appropriate action; (c) appropriate reserves have been established in accordance with GAAP; (d) non-payment would not reasonably be expected to have a Material Adverse Effect, nor result in forfeiture or sale of any assets of the Loan Party; (e) no Lien is imposed with respect thereto on assets of the Loan Party, unless bonded and stayed to the reasonable satisfaction of the Administrative Agent; and (f) if the obligation results from entry of a judgment or other order, such judgment or order is stayed pending appeal or other judicial review.

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

"Public-Sider" shall mean a Lender whose representatives may trade in securities of the Lead Borrower or its Controlling person or any of its subsidiaries while in possession of the financial statements provided by the Lead Borrower under the terms of this Agreement.

"Purchase Obligations" shall mean all Obligations that would be required to achieve Full Senior Obligation Repayment.

"Purchase Price" shall mean an amount that would cause the Revolving Lenders to receive an amount that they would receive upon Full Senior Obligation Repayment.

"Qualified Equity Interests" shall mean any Equity Interest other than Disqualified Stock.

"Qualified Sale" shall mean (x) any sale pursuant to the Qualified Sale Order or (y) any other sale, disposition, transfer or plan that provides for a cash purchase price payable at closing of the transaction of not less than $550,000,000 (net of any hold-backs, escrows or adjustments to be made prior to the closing of such sale, disposition, transfer or plan) and the proceeds of which shall be sufficient to result in the occurrence of the Termination Date and is otherwise on terms and conditions, and subject to definitive documentation, substantially similar or more favorable to the Debtors and the Lenders as a sale contemplated under the Qualified Sale Order.

"Qualified Sale Documentation" shall mean (x) the Stalking Horse APA, including any definitive documentation related thereto and all annexes, exhibits, schedules thereof and (y) any definitive documentation, including any purchase agreement and all annexes, exhibits, schedules thereof, in respect of or relating to a Qualified Sale.

"Qualified Sale Order" shall mean an order of the Bankruptcy Court, reasonably satisfactory to the Administrative Agent, approving the sale of substantially all of the Debtors' assets (including, without limitation, the Equity Interests of one or more of the Debtors' direct or indirect subsidiaries and/or certain joint venture equity interests held by the Debtors) free and clear of all liens and security interests in

accordance with section 363 of the Bankruptcy Code to the Stalking Horse Bidder or any other entity approved by the Administrative Agent (or such Stalking Horse Bidder's or other entity's controlled affiliate), which order shall be in full force and effect, shall not have been vacated or reversed, shall not be subject to a stay, shall not have been amended, supplemented or otherwise modified in any manner that could reasonably be expected to materially adversely affect the interests of the Administrative Agent, the Lead Arrangers or the Lenders.

"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).

"QFC Credit Support" shall have the meaning assigned to such term in Section 13.21.

"Qualified Reinstated Prepetition Obligations" shall mean that portion of the Reinstated Prepetition Obligations that if repaid in accordance with Section 11.02 of the Credit Agreement does not (i) reduce the amount or change the priority of the DIP Term Obligations, (ii) obligate any DIP Term Lender or the Loan Parties to pay any other prepetition claim against the Debtors, or (iii) otherwise prejudice or impair the DIP Term Obligations or the rights, remedies and privileges of the DIP Term Lenders under the Loans Documents and the Applicable DIP Order.

"Quotation Day" shall mean, with respect to any LIBO Rate Loan and any Interest Period, the Business Day that is generally treated as the rate fixing day by market practice in the applicable interbank market, as reasonably determined by the Administrative Agent.

"Real Property" shall mean, collectively, all right, title and interest (including any leasehold estate) in and to any and all parcels of or interests in real property owned in fee simple or leased by any Loan Party, whether by lease, license or other means, together with, in each case, all easements, hereditaments and appurtenances relating thereto, all improvements and appurtenant fixtures and equipment, incidental to the ownership, lease or operation thereof.

"Real Property Amortization Factor" shall mean, with respect to any Eligible Real Property on any date of determination, 1 minus a fraction, the numerator of which is the number of full fiscal quarters of the Lead Borrower elapsed as of such date (including any such fiscal quarter ending on such date) since December 31, 2019 and the denominator of which is 60.

"Recipient" shall have the meaning assigned to such term in the definition of "Excluded Taxes", unless otherwise specified.

"Reference Period" shall have the meaning assigned to such term in the definition of the term "Pro Forma Basis".

"Register" shall have the meaning assigned to such term in Section 13.04(b)(iv).

"Regulation" shall have the meaning assigned to such term in Section 8.27.

"Regulation D" shall mean Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof establishing reserve requirements.

"Regulation T" shall mean Regulation T of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Regulation U" shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Regulation X" shall mean Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Reinstated Prepetition Obligations" shall mean reinstated Prepetition Obligations equal to the aggregate amount of repayments of Prepetition Obligations on or after the Petition Date that are disgorged and returned to the Debtors pursuant to a final, non-appealable order of the Bankruptcy Court as a direct result of a successful "Challenge" (as defined in the Applicable DIP Order) to the Prepetition Obligations, or the liens securing such obligations, made in accordance with the Applicable DIP Order.

"Related Party" shall mean with respect to any Agent, such Agent's Affiliates and the respective directors, officers, employees, agents and advisors of such Agent and such Agent's Affiliates.

"Release" shall mean any spilling, leaking, seepage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, emanating or migrating in, into, onto or through the Environment.

"Releasees" shall have the meaning assigned to such term in Section 14.02(a).

"Releasors" shall have the meaning assigned to such term in Section 14.02(a).

"Relevant Entities" shall have the meaning assigned to such term in the last paragraph of Section 9.04.

"Replaced Lender" shall have the meaning assigned to such term in Section 3.04.

"Replacement Lender" shall have the meaning assigned to such term in Section 3.04.

"Reportable Event" shall mean any reportable event as defined in Section 4043(c) of ERISA or the regulations issued thereunder, other than those events as to which the 30-day notice period referred to in Section 4043(c) of ERISA has been waived, with respect to a Plan (other than a 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).

"Required Facility Lenders" shall mean (a) with respect to any Facility (other than the DIP Term Facility), Non-Defaulting Lenders, the sum of whose outstanding principal of Commitments under such Facility as of any date of determination represents greater than 50% of the sum of all outstanding principal of Commitments under such Facility of Non-Defaulting Lenders at such time and (b) with respect to the DIP Term Facility, Non-Defaulting Lenders, the sum of whose outstanding principal of DIP Term Loans as of any date of determination represents greater than 50% of the sum of all outstanding principal of DIP Term Loans of Non-Defaulting Lenders at such time.

"Required Lenders" shall mean, at any time, each of, collectively, (a) the Required Revolving Lenders and (b) the Required DIP Term Lenders.

"Required Revolving Lenders" shall mean Revolving Lenders that are Non-Defaulting Lenders, the sum of whose outstanding principal of Revolving Commitments as of any date of determination represents greater than 50% of the sum of all outstanding principal of all Revolving Commitments of Non-Defaulting Lenders at such time.

"Required DIP Term Lenders" shall mean DIP Term Lenders that are Non-Defaulting Lenders, the sum of whose outstanding principal of DIP Term Loans and unfunded DIP Term Commitments as of any date of determination represents greater than 50% of the sum of all outstanding principal of all DIP Term Loans and unfunded DIP Term Commitments of Non-Defaulting Lenders at such time.

"Requirement of Law" shall mean, as to any person, any law, treaty, rule, regulation, statute, order, ordinance, decree, judgment, consent decree, writ, injunction, settlement agreement or governmental requirement enacted, promulgated or imposed or entered into or agreed by any 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.

"Reserves" shall mean, without duplication of any items that are otherwise addressed or excluded through eligibility criteria, such reserves as the Administrative Agent, from time to time determines in its Permitted Discretion, including but not limited to Dilution Reserves, Inventory Reserves, the Canadian Unpaid Supplier Reserve, Landlord Lien Reserves, NMTC Reserves and any Bank Product Reserves and, with respect to the Australian Borrowing Base and the Swiss Borrowing Base, the Priority Payables Reserves, the Carve-Out Reserves, the Prepetition Hedging Reserves, the Liquidity Reserve and/or the Australian Priority Payables Reserve (as applicable) and reserves for VAT.

Notwithstanding anything to the contrary in this Agreement, (i) such Reserves shall not be established or changed except upon not less than three (3) Business Days' prior written notice to the Lead Borrower, which notice shall include a reasonably detailed description of such Reserve being established (during which period (a) the Administrative Agent shall, if requested, discuss any such Reserve or change with the Lead Borrower, (b) the Lead Borrower may take such action as may be required so that the event, condition or matter that is the basis for such Reserve or change thereto no longer exists or exists in a manner that would result in the establishment of a lower Reserve or result in a lesser change thereto, in a manner and to the extent reasonably satisfactory to the Administrative Agent and (c) no Credit Extensions shall be made to the Borrowers if after giving effect to such Credit Extension the Availability Conditions would not be met after taking into account such Reserves), (ii) the amount of any Reserve established by the Administrative Agent, and any change in the amount of any Reserve, shall have a reasonable relationship to the event, condition or other matter that is the basis for such Reserve or such change and (iii) no reserves or changes shall be duplicative of reserves or changes already accounted for through eligibility criteria. Notwithstanding clause (i) of the preceding sentence, changes to the Reserves solely for purposes of correcting mathematical or clerical errors shall not be subject to such notice period.

"Responsible Officer" shall mean, with respect to any Person, its chief financial officer, chief executive officer, president, or any vice president, managing director, member of the management board, director, company secretary, treasurer, controller or other officer of such Person having substantially the same authority and responsibility and, solely for purposes of notices given pursuant to Article 2, any other officer or employee of the applicable Loan Party so designated by any of the foregoing officers in a notice to the Administrative Agent or any other officer or employee of the applicable Loan Party designated in or pursuant to an agreement between the applicable Loan Party and the Administrative Agent; provided that, with respect to compliance with financial covenants, "Responsible Officer" shall mean the chief financial officer, treasurer or controller of the Lead Borrower, or any other officer of the Lead Borrower having substantially the same authority and responsibility.

"Restricted Obligations" shall have the meaning assigned to such term in Article 4.

"Restricted Payments" shall have the meaning assigned to such term in Section 10.06. The amount of any Restricted Payment made other than in the form of cash or cash equivalents shall be the Fair Market Value thereof.

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

"Reuters" means, as applicable, Thomson Reuters Corp., Refinitiv, or any successor thereto.

"Revaluation Date" shall mean (a) with respect to any Loan, each of the following: (i) each date of a Borrowing of a LIBO Rate Loan, denominated in an Alternative Currency, (ii) each date of a continuation of a LIBO Rate Loan denominated in an Alternative Currency pursuant to Section 2.02, (iii) for purposes of calculating the Unused Line Fee, the last day of any calendar month and (iv) such additional dates as the Administrative Agent shall determine or require in its Permitted Discretion; (b) with respect to any Letter of Credit, each of the following: (i) each date of issuance of a Letter of Credit denominated in an Alternative Currency, (ii) each date of an amendment of any such Letter of Credit having the effect of increasing the amount thereof, (iii) each date of any payment by the applicable Issuing Bank under any Letter of Credit denominated in an Alternative Currency and (iv) for purposes of calculating the Unused Line Fee, the LC Participation Fee and the Fronting Fee, the last day of any calendar month; or (c) with respect to the Swiss Revolving Facility, if required by the Administrative Agent or the Required Facility Lenders, any date on which the Dollar Equivalent of the Outstanding Amount in respect of the Swiss Revolving Facility, as recalculated based on the exchange rate therefor quoted in the Wall Street Journal on the respective date of determination pursuant to this exception, would result in an increase in the Dollar Equivalent of such Outstanding Amount by 5.0% or more since the most recent prior Revaluation Date.

"Revolving Availability Period" shall mean the period from and including the DIP Closing Date to but excluding the earlier of the Maturity Date and the date of termination of the Revolving Commitments.

"Revolving Borrowing" shall mean a North American Revolving Borrowing and/or a Swiss Revolving Borrowing.

"Revolving Commitment" shall mean the North American Revolving Commitment and/or the Swiss Revolving Commitment.

"Revolving Credit Facility Matters" shall mean the matters set forth in or relating to: (a) the definitions of the terms "Aggregate Availability", "Aggregate Borrowing Base", "Availability Conditions", "U.S. Borrowing Base", "Australian Borrowing Base", "Line Cap", "Liquidity Event", "Liquidity Notice", "Liquidity Period", "Swiss Borrowing Base" or "Borrowing Base" or any component definition used therein (including, without limitation, the definitions of "Eligible Accounts", "Eligible Equipment", "Eligible Inventory", "Eligible Real Property" and "Eligible Trademarks") other than the proviso set forth in the definition of "Bank Product Reserve", (b) Sections 9.07(b) (solely as it pertains to the conduction of field exam or appraisals in relation to the assets included in the Borrowing Base) and (c) (solely with respect to the first paragraph), (c) Section 9.18, (d) Section 9.20, (e) the DIP ABL Budget Covenant and (f) any Event of Default arising under Section 11.01(o).

"Revolving Credit Facility Matter Event of Default" shall mean any Event of Default resulting from the breach of the matters set forth in clauses (b) – (e) of the definition of Revolving Credit Facility Matters and any Event of Default resulting from the breach of Section 11.01(o).

"Revolving Exposure" shall mean the North American Revolving Exposure and/or the Swiss Revolving Exposure.

"Revolving Lenders" shall mean each Lender that has a North American Revolving Commitment, North American Revolving Loans, a Swiss Revolving Commitment or Swiss Revolving Loans at such time.

"Revolving Loans" shall mean the North American Revolving Loans and/or the Swiss Revolving Loans.

"S&P" shall mean S&P Global Ratings (or an applicable foreign Affiliate thereof) or any successor thereto.

"Sanctioned Person" shall mean, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by an authority, institution or agency identified in the definition of "Sanctions", (b) any Person operating, organized or resident in a Designated Jurisdiction, in each case to the extent such Person is a target of Sanctions or (c) any Person more than 50% owned or controlled by any such Person or Persons described in the foregoing clause (a) or (b) or the government of a Designated Jurisdiction.

"Sanctions" shall mean any international economic sanctions administered or enforced by (a) the U.S. government, including those administered by the U.S. Department of the Treasury's Office of Foreign Assets Control or the U.S. Department of State, (b) the United Nations Security Council, (c) the European Union or any European Union member state, (d) the governmental institutions and agencies of the United Kingdom, including without limitation, Her Majesty's Treasury (UK), (e) the federal government of Canada, including pursuant to Canadian Economic Sanctions and Export Control Laws, or (f) any other relevant sanctions authority with jurisdiction over any Loan Party.

"Secured Bank Product Obligations" shall mean Bank Product Debt owing to a Secured Bank Product Provider or any Person that was a Secured Bank Product Provider on the DIP Closing Date or at the time it entered into a Bank Product with a Borrower or its Subsidiary, up to the maximum amount specified by such provider in writing to the Administrative Agent, the Lead Borrower and the DIP Term Lender Notice Office on and after the DIP Closing Date, which amount may be established or increased (by further written notice by the Lead Borrower or such provider to the Administrative Agent, the Lead Borrower and the DIP Term Lender Notice Office from time to time) as long as no Default or Event of Default then exists. For the avoidance of doubt, Secured Bank Product Obligations (as defined in the Prepetition Credit Agreement) in respect of Swap Contracts entered into by a Foreign Subsidiary as in existence on the DIP Closing Date shall, subject to the notices specified above, also constitute Secured Bank Product Obligations under this Agreement.

"Secured Bank Product Provider" shall mean, at the time of entry into a Bank Product with a Borrower or its Subsidiary (or, if such Bank Product exists on the DIP Closing Date, as of the DIP Closing Date) the Administrative Agent, any Lender or any of their respective Affiliates that is providing a Bank Product; provided that such provider delivers written notice to the Administrative Agent and the DIP Term Lender Notice Office, substantially in the form of Exhibit D hereto (i) describing the Bank Product and setting forth the maximum amount to be secured by the Collateral, and (ii) agreeing to be bound by Section 12.12.

"Secured Parties" shall mean, collectively, the Administrative Agent, the Collateral Agent, the Australian Security Trustee, each Lender, each Issuing Bank, each Secured Bank Product Provider that is owed Secured Bank Product Obligations and each sub-agent appointed pursuant to Section 12.01 by the Administrative Agent with respect to matters relating to the Loan Documents or by the Collateral Agent with respect to matters relating to any Security Document.

"Securities Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Securities Account" shall have the meaning assigned to such term in Article 8 of the UCC or, if applicable, in the Canadian PPSA.

"Security Document" shall mean and include each U.S. Security Document and each Non-U.S. Security Document. For the avoidance of doubt, upon the expiration or termination of any such U.S. Security Document or Non-U.S. Security Document in accordance with its terms (including, without limitation, in connection with the release of a Loan Party in accordance with the Loan Documents), such document shall cease to constitute a "Security Document".

"Settlement Date" shall have the meaning assigned to such term in Section 2.14(b).

"Similar Business" shall mean (i) any business the majority of whose revenues are derived from business or activities conducted by the Lead Borrower and its Subsidiaries on the DIP Closing Date, (ii) any business that is a natural outgrowth or reasonable extension, development or expansion of any such business or any business similar, reasonably related, incidental, complementary or ancillary to any of the foregoing or (iii) any business that in the Lead Borrower's good faith business judgment constitutes a reasonable diversification of businesses conducted by the Lead Borrower and its Subsidiaries.

"Special Flood Hazard Area" shall have the meaning assigned to such term in Section 9.02(c).

"Specified Disclosure Exceptions" shall have the meaning assigned to such term in Section 9.07(d)(ii).

"Specified Foreign Laws" shall mean the laws of any Specified Jurisdiction.

"Specified Jurisdiction" shall mean each of the United States, any State thereof or the District of Columbia, Australia, Canada (including any province or territory thereof), the Netherlands, Switzerland and each jurisdiction of a Foreign Subsidiary that has become a Guarantor pursuant to clause (ii) of Section 9.10(d).

"Spot Rate" shall mean the exchange rate, as reasonably determined by the Administrative Agent, that is applicable to conversion of one currency into another currency, which is (a) the exchange rate reported by Bloomberg (or other commercially available source reasonably designated by the Administrative Agent) as of the end of the preceding Business Day in the financial market for the first currency; or (b) if such report is unavailable for any reason, the spot rate for the purchase of the first currency with the second currency as in effect during the preceding Business Day in the Administrative Agent's principal foreign exchange trading office for the first currency.

"Stalking Horse APA" shall have the meaning assigned to such term in Section 6.01(u).

"Stalking Horse Bidder" shall mean BUCEPHALUS Buyer, LLC.

"subsidiary" shall mean, with respect to any person (referred to in this definition as the "parent"), any corporation, limited liability company, partnership, association or other business entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or more than 50% of the general partnership interests are, at the time any determination is being made, directly or indirectly, owned, Controlled or held, or (b) that is, at the time any determination is made, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent. In addition, any joint venture owned by any person which is consolidated with such person pursuant to GAAP shall be a "subsidiary" of such person.

"Subsidiary" shall mean, unless the context otherwise requires, a subsidiary of the Lead Borrower.

"Subsidiary Borrower" shall mean, subject to Section 13.18(b)(2), each U.S. Subsidiary Borrower and the Swiss Borrower.

"Supermajority Lenders" shall mean Revolving Lenders that are Non-Defaulting Lenders, the sum of whose outstanding principal of Revolving Commitments as of any date of determination represents greater than 66 2/3% of the sum of the outstanding principal of all Revolving Commitments of Revolving Lenders that are Non-Defaulting Lenders at such time.

"Superpriority Claim" shall mean a claim against a Debtor in any of the Chapter 11 Cases that is a superpriority administrative expense claim having priority over any or all administrative expenses and other claims of the kind specified in, or otherwise arising or ordered under, any sections of the Bankruptcy Code (including, without limitation, sections 105, 326, 328, 330, 331, 503(b), 507(a), 507(b), 546(c) and/or 726 thereof), whether or not such claim or expenses may become secured by a judgment Lien or other non-consensual Lien, levy or attachment.

"Supply Chain Financing" shall mean any agreement to provide to the Lead Borrower or any Subsidiary letters of credit, guarantees or other credit support provided in respect of trade payables of the Lead Borrower or any Subsidiary, in each case issued for the benefit of any bank, financial institution or other person that has acquired such trade payables pursuant to "supply chain" or other similar financing for vendors and suppliers, including tooling vendors, of the Lead Borrower or any Subsidiaries, so long as (i) such Indebtedness is unsecured, (ii) the terms of such trade payables shall not have been extended in connection with the Supply Chain Financing and (iii) such Indebtedness represents amounts not in excess of those which the Lead Borrower or any of its Subsidiaries would otherwise have been obligated to pay to its vendor or supplier in respect of the applicable trade payables.

"Supported QFC" shall have the meaning assigned to such term in Section 13.21.

"Swap Contract" shall mean (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swap Obligation" shall mean, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

"Swingline Borrowing" shall mean a borrowing of a Swingline Loan.

"Swingline Commitment" shall mean the commitment of the Swingline Lender to make loans pursuant to Section 2.12, as the same may be reduced from time to time pursuant to Section 2.07 or Section 2.12.

"Swingline Exposure" shall mean at any time the aggregate principal amount at such time of all outstanding Swingline Loans. The Swingline Exposure of any Revolving Lender at any time shall equal its Pro Rata Percentage (with respect to the applicable Facility) of the aggregate Swingline Exposure at such time.

"Swingline Lender" shall mean JPMCB, in its capacity as lender of Swingline Loans, and shall include its branch offices and affiliates in any applicable jurisdiction and any successor to the Swingline Lender appointed pursuant to Section 12.10.

"Swingline Loans" shall have the meaning assigned to such term in Section 2.12(a).

"Swiss Bank Account Claims Assignment Agreement" shall mean the Swiss law governed assignment of bank account claims for security purposes (*Sicherungszession*) of the Swiss Borrower entered into on or about the date of this Agreement by and among Swiss Borrower as assignor and the Collateral Agent.

"Swiss Borrower" shall mean, subject to Section 13.18(b)(2), Briggs & Stratton AG, a Swiss corporation, and, if different, for purposes of Swiss Withholding Tax, a Loan Party that is organized under the laws of Switzerland or which is treated as resident in Switzerland for Swiss Withholding Tax purposes.

"Swiss Borrowing Base" shall mean, at any time of calculation, an amount equal to the sum of, without duplication:

(a) (i) the book value of all Eligible Accounts of the Swiss Borrower owing by an Account Debtor that has an Investment Grade Rating multiplied by the advance rate of 90% (or, for the period commencing on July 15 of each calendar year and ending on the last day of the fiscal month ending on or about the last day of February the following calendar year, 95%) plus (ii) the book value of all other Eligible Accounts of the Swiss Borrower multiplied by the advance rate of 85% (or, for the period commencing on July 15 of each calendar year and ending on the last day of the fiscal month ending on or about the last day of February the following calendar year, 90%); plus

(b) the lesser of (i) the Cost of Eligible Inventory of the Swiss Borrower multiplied by the advance rate of 75% and (ii) the Cost of Eligible Inventory of the Swiss Borrower multiplied by the appraised NOLV Percentage of Eligible Inventory of the Swiss Borrower multiplied by the advance rate of 85% (or, for the period commencing on July 15 of each calendar year and ending on the last day of the fiscal month ending on or about the last day of February the following calendar year, 90%); minus

(c) any Reserves pertaining to the Swiss Borrower established from time to time by the Administrative Agent in accordance herewith (without duplication of any Reserves deducted in the calculation of any other Borrowing Base).

"Swiss Claims Assignment Agreement" shall mean the Swiss law governed assignment of receivables for security purposes (*Sicherungszession*) of the Swiss Borrower entered into on or about the date of this Agreement by and among Swiss Borrower as assignor and the Collateral Agent.

"Swiss Federal Tax Administration" shall mean the tax authorities referred to in article 34 of the Swiss Federal Act on Withholding Tax for purposes of any tax imposed pursuant to the Swiss Federal Act

on Withholding Tax (Bundesgesetz über die Verrechnungssteuer vom 13. Oktober 1965, SR 642.21), as amended from time to time, together with the related ordinances, regulations and guidelines.

"Swiss Francs" shall mean the lawful currency of Switzerland.

"Swiss Guarantor" shall mean any Guarantor organized under the laws of Switzerland or, if different, deemed resident in Switzerland for Swiss Withholding Tax purposes.

"Swiss Guarantor Obligations" shall have the meaning assigned to such term in Article 4.

"Swiss Guaranty Limitations" shall have the meaning assigned to such term in Article 4.

"Swiss Guidelines" shall mean, together, the guidelines S-02.123 in relation to interbank loans of 22 September 1986 as issued by the Swiss Federal Tax Administration (Merkblatt S-02.123 vom 22 September 1986 betreffend Zinsen von Bankguthaben, deren Gläubiger Banken sind Interbankguthaben)), S-02.130.1 in relation to money market instruments and accounts receivable of April 1999 (Merkblatt S-02.130.1 vom April 1999 "Geldmarktpapiere und Buchforderungen inländischer Schuldner"), the circular letter No. 15 (1-015-DVS-2017) of 3 October 2017 in relation to bonds and derivative financial instruments as subject matter of taxation of Swiss federal income tax, Swiss withholding tax and Swiss stamp taxes (Kreisschreiben Nr. 15 "Obligationen und derivative Finanzinstrumente als Gegenstand der direkten Bundessteuer, der Verrechnungssteuer und der Stempelabgaben" vom 3. Oktober 2017) and the circular letter No. 34 of 26 July 2011 (1-034-V-2011) in relation to customer credit balances (Kreisschreiben Nr. 34 "Kundenguthaben" vom 26. Juli 2011) and the practice note 010-DVS-2019 dated 5 February 2019 published by the Swiss Federal Tax Administration regarding Swiss Withholding Tax in the Group (Mitteilung-010-DVS-2019-d vom 5. Februar 2019 - Verrechnungssteuer: Guthaben im Konzern), the circular letter No. 46 of 24 July 2019 (1-046-VS-2019) in relation to syndicated credit facilities, promissory note loans, bills of exchange and subparticipations (Kreisschreiben Nr. 46 vom 24. Juli 2019 betreffend "Steuerliche Behandlung von Konsortialdarlehen, Schuldscheindarlehen, Wechseln und Unterbeteiligungen") and the circular letter No. 47 of 25 July 2019 (1-047-V-2019) in relation to bonds (Kreisschreiben Nr. 47 vom 25. Juli 2019 betreffend "Obligationen") as issued, and as amended or replaced from time to time by the Swiss Federal Tax Administration, or as applied in accordance with a tax ruling (if any) issued by the Swiss Federal Tax Administration, or as substituted or superseded and overruled by any law, statute, ordinance, regulation, court decision or the like as in force from time to time.

"Swiss Issuing Bank" shall mean, as the context may require, (a) JPMCB, with respect to Letters of Credit issued by it, Bank of America, N.A., with respect to Letters of Credit issued by it, Bank of Montreal, with respect to Letters of Credit issued by it and Wells Fargo Bank, National Association, with respect to Letters of Credit issued by it, and (b) any other Revolving Lender that may become a Swiss Issuing Bank pursuant to Sections 2.13(i) and 2.13(k), with respect to Letters of Credit issued by such Revolving Lender; or (c) collectively, all of the foregoing. Each Swiss Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by affiliates or branches of such Swiss Issuing Bank (including without limitation with respect to Letters of Credit with a co-Applicant that is not a Foreign Loan Party), in which case the term "Swiss Issuing Bank" shall include any such affiliate or branch with respect to Letters of Credit issued by such affiliate or branch.

"Swiss Issuing Bank Sublimit" shall mean (i) with respect to JPMCB, $2,000,000, (ii) with respect to Bank of America, N.A., $0, (iii) with respect to Bank of Montreal, $0, (iv) with respect to Wells Fargo Bank, National Association, $0 and (v) with respect to each other Swiss Issuing Bank, such amount as may be agreed among the Lead Borrower and such other Swiss Issuing Bank (and notified to the Administrative Agent) at the time such other Swiss Issuing Bank becomes a Swiss Issuing Bank. The Swiss Issuing Bank Sublimit of any Swiss Issuing Bank may be increased or decreased as agreed by such Swiss Issuing Bank

and the Lead Borrower (each acting in their sole discretion) and notified in a writing executed by such Swiss Issuing Bank and the Lead Borrower.

"Swiss LC Commitment" shall mean the commitment of each Swiss Issuing Bank to issue Letters of Credit under the Swiss Revolving Facility pursuant to Section 2.13.

"Swiss LC Disbursement" shall mean a payment or disbursement made by any Swiss Issuing Bank pursuant to a Swiss Letter of Credit under the Swiss Revolving Facility.

"Swiss LC Exposure" shall mean at any time the sum of (a) the aggregate undrawn amount of all outstanding Swiss Letters of Credit at such time *plus* (b) the aggregate principal amount of all Swiss LC Disbursements that have not yet been reimbursed at such time. The Swiss LC Exposure of any Revolving Lender at any time shall mean its Pro Rata Percentage (with respect to the Swiss Revolving Facility) of the aggregate Swiss LC Exposure at such time.

"Swiss LC Obligations" shall mean the sum (without duplication) of (a) all amounts owing by the Borrowers for any drawings under Swiss Letters of Credit (including any bankers' acceptances or other payment obligations arising therefrom); and (b) the stated amount of all outstanding Swiss Letters of Credit.

"Swiss LC Sublimit" shall have the meaning assigned to such term in Section 2.13(b).

"Swiss Letter of Credit" shall mean any letters of credit issued or to be issued by any Swiss Issuing Bank under the Swiss Revolving Facility for the account of the Swiss Borrower (or any Subsidiary of the Swiss Borrower, with the Swiss Borrower as a co-applicant thereof) pursuant to Section 2.13, including any standby letter of credit, time, or documentary letter of credit or any functional equivalent in the form of an indemnity, or bank guarantee or similar form of credit support issued by the Administrative Agent or a Swiss Issuing Bank for the benefit of the Swiss Borrower.

"Swiss Loan Parties" shall mean, individually and collectively, the Swiss Borrower and each Swiss Subsidiary that is a Swiss Guarantor.

"Swiss Non-Bank Rules" shall mean together the Swiss Twenty Non-Bank Rule and the Swiss Ten Non-Bank Rule.

"Swiss Non-Qualifying Lender" shall mean a person which does not qualify as a Swiss Qualifying Lender.

"Swiss Qualifying Lender" shall mean (i) a bank as defined in the Swiss Federal Code for Banks and Savings Banks dated 8 November 1934 (Bundesgesetz über die Banken und Sparkassen) as amended from time to time or (ii) a person or entity which effectively conducts banking activities with its own infrastructure and staff as its principal business purpose and which has a banking license in full force and effect issued in accordance with the banking laws in force in its jurisdiction of incorporation, or if acting through a branch, issued in accordance with the banking laws in the jurisdiction of such branch, all and in each case in accordance with the Swiss Guidelines.

"Swiss Revolving Borrowing" shall mean a Borrowing comprised of Swiss Revolving Loans.

"Swiss Revolving Commitment" shall mean, with respect to each Revolving Lender, the commitment, if any, of such Revolving Lender to make Swiss Revolving Loans hereunder up to the amount set forth and opposite such Revolving Lender's name on Schedule 2.01 as of the DIP Closing Date and as of the DIP Term Facility Closing Date, subject to adjustments in connection with any assignment after the

DIP Closing Date or the DIP Term Facility Closing Date in accordance with Section 13.04(b), in each case, under the caption "Swiss Revolving Commitment," or in the Assignment and Assumption pursuant to which such Revolving Lender assumed its Swiss Revolving Commitment, as applicable, as the same may be (a) reduced from time to time pursuant to Section 2.07 and (b) reduced or increased from time to time pursuant to assignments by or to such Revolving Lender pursuant to Section 13.04. The aggregate amount of the Revolving Lenders' Swiss Revolving Commitments (x) on the DIP Closing Date is $28,800,000 and (y) subject to reduction as provided in Section 2.07, on the DIP Term Loan Closing Date shall be $28,800,000.

"Swiss Revolving Exposure" shall mean, with respect to any Revolving Lender at any time, the aggregate principal amount at such time of all outstanding Swiss Revolving Loans of such Revolving Lender, plus the aggregate amount of such Revolving Lender's Swingline Exposure under the Swiss Revolving Facility, plus the aggregate amount of such Revolving Lender's Swiss LC Exposure in respect of Letters of Credit issued for the Swiss Borrower.

"Swiss Revolving Facility" shall mean the Swiss Revolving Commitments of the Revolving Lenders and the Loans and Letters of Credit pursuant to those Swiss Revolving Commitments in accordance with the terms hereof.

"Swiss Revolving Lenders" shall mean each Revolving Lender that has a Swiss Revolving Commitment or Swiss Revolving Loans at such time.

"Swiss Revolving Loans" shall mean advances made pursuant to Article 2 hereof under the Swiss Revolving Facility (including, for the avoidance of doubt, any Swiss Swingline Loans).

"Swiss Security Documents" shall mean the Initial Swiss Security Agreements and, after the execution and delivery thereof, each Additional Security Document governed by Swiss law, together with any other applicable security documents governed by Swiss law from time to time in favor of the Collateral Agent for the benefit of the Secured Parties.

"Swiss Share Pledge Agreement" shall mean the Swiss law governed share pledge agreement over the shares of the Swiss Borrower (other than to the extent constituting Excluded Securities) entered into on or about the date of this Agreement by and among the Lead Borrower as pledgor and the Collateral Agent.

"Swiss Subsidiary" shall mean any Subsidiary of the Lead Borrower that is organized under the laws of Switzerland.

"Swiss Swingline Loans" shall have the meaning assigned to such term in Section 2.12(a).

"Swiss Ten Non-Bank Rule" shall mean the rule that the aggregate number of Revolving Lenders other than Swiss Qualifying Lenders of a Swiss Borrower under this Agreement must not at any time exceed ten (10); in each case in accordance with the meaning of the Swiss Guidelines or the applicable legislation or explanatory notes addressing the same issues that are in force at such time.

"Swiss Twenty Non-Bank Rule" shall mean the rule that (without duplication) the aggregate number of creditors other than Swiss Qualifying Lenders of a Swiss Borrower under all its outstanding debts relevant for the classification as debentures (Kassenobligation) (including debt arising under this Agreement, intragroup loans (if and to the extent intragroup loans are not exempt in accordance with art. 14a Swiss Federal Ordinance on withholding tax), facilities and/or private placements), must not at any time exceed twenty (20), in each case in accordance with the meaning of the Swiss Guidelines or the applicable legislation or explanatory notes addressing the same issues that are in force at such time.

"Swiss Withholding Tax" shall mean any Taxes levied pursuant to the Swiss Federal Act on Withholding Tax (Bundesgesetz über die Verrechnungssteuer vom 13. Oktober 1965, SR 642.21), as amended from time to time together with the related ordinances, regulations and guidelines.

"TARGET2" shall mean the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on 19 November 2007.

"Taxes" shall mean all present or future taxes, duties, levies, imposts, assessments, deductions, withholdings (including backup withholdings), value added taxes, or any other goods and services, use or sales taxes, or other similar fees or charges, imposed by any Governmental Authority, whether computed on a separate, consolidated, unitary, combined or other basis and any interest, fines, penalties or additions to tax with respect to the foregoing.

"Termination Date" shall mean the date on which (a) all Aggregate Revolving Commitments and DIP Term Commitments shall have been terminated, (b) all Letters of Credit shall have expired or terminated, been Cash Collateralized (or, if agreed by the applicable Issuing Bank, pursuant to any backstop or other arrangement acceptable to such Issuing Bank) and (c) the principal of and interest on each Loan, all Obligations, fees and all other expenses or amounts shall have been indefeasibly paid in full in cash (other than in respect of contingent indemnification and expense reimbursement claims not then due, Cash Collateralized Letters of Credit and Secured Bank Product Obligations except to the extent then due and payable and then entitled to payment in accordance with Section 11.02).

"Termination Event" shall have the meaning assigned to such term in Section 14.01(c).

"Test Period" shall mean, on any date of determination, the period of four consecutive fiscal quarters of the Lead Borrower then most recently ended (taken as one accounting period) for which financial statements have been (or were required to be) delivered pursuant to Section 9.04(a) or 9.04(b); provided that prior to the first date financial statements have been delivered pursuant to Section 9.04(a) or 9.04(b), the Test Period in effect shall be the most recently ended full four fiscal quarter period prior to the DIP Closing Date for which financial statements would have been required to be delivered hereunder had the DIP Closing Date occurred prior to the end of such period.

"Third Party Funds" shall mean any accounts or funds, or any portion thereof, received by the Lead Borrower or any Subsidiary as agent on behalf of third parties in accordance with a written agreement that imposes a duty upon the Lead Borrower or one or more of Subsidiaries to collect and remit those funds to such third parties.

"Title Insurer" shall have the meaning assigned to such term in the definition of the term "Mortgage Policy".

"Trademark Amortization Factor" shall mean, with respect to any Eligible Trademarks on any date of determination, 1 minus a fraction, the numerator of which is the number of full fiscal quarters of the Lead Borrower elapsed as of such date (including any such fiscal quarter ending on such date) since December 31, 2019 and the denominator of which is 20.

"Trademarks" shall mean all of the following: (a) all trademarks, trade names, corporate names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature (whether registered or unregistered), all registrations and recordings thereof, and all applications in connection therewith, including registrations, recordings and applications in the United States Patent and Trademark

Office or in any similar office or agency of the United States, any state or territory thereof, or any other country or any political subdivision thereof; (b) all reissues, extensions or renewals thereof; and (c) all goodwill associated with or symbolized by any of the foregoing.

"Transaction Expenses" shall have the meaning assigned to such term in the definition of "Transactions."

"Transactions" shall mean, collectively, (i) the entering into of the Loan Documents on or after the Petition Date and, the borrowing under this Agreement and the issuance of the Letters of Credit from time to time, (ii) the transactions to be consummated pursuant to a Qualified Sale, (iii) the payment of all fees and expenses in connection herewith or therewith to be paid on, prior to or subsequent to the Petition Date (the "Transaction Expenses"), (iv) the Prepetition Obligations Refinancing and (v) the other transactions consummated in connection herewith or therewith.

"Type" shall mean the type of Loan determined with regard to the interest option applicable thereto, i.e., whether a Base Rate Loan or a LIBO Rate Loan.

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

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

"Undisclosed Administration" shall mean, in relation to a Lender or its direct or indirect parent company, the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official by a supervisory authority or regulator under or based on the law in the country where such Lender or such parent company is subject to home jurisdiction supervision if applicable law requires that such appointment is not to be publicly disclosed.

"Uniform Commercial Code" or "UCC" shall mean the Uniform Commercial Code as the same may from time to time be in effect in the State of New York or the Uniform Commercial Code (or similar code or statute) of another jurisdiction, to the extent it may be required to apply to any item or items of Collateral.

"United States" and "U.S." shall each mean the United States of America.

"Unused Line Fee" shall have the meaning assigned to such term in Section 2.05(a).

"Unused Line Fee Rate" shall mean, with respect to any Facility (other than the DIP Term Facility), 0.25% per annum on the average daily amount by which the Commitments under such Facility exceed the Revolving Exposure of all Lenders under such Facility, in each case, calculated based upon the actual number of days elapsed over a 360-day year payable monthly in arrears.

"U.S. Borrowers" shall mean (i) the Lead Borrower and (ii) any U.S. Subsidiary Borrower.

"U.S. Borrowing Base" shall mean, at any time of calculation, an amount equal to the sum of, without duplication:

(a) (i) the book value of all Eligible Accounts of the U.S. Loan Parties owing by an Account Debtor that has an Investment Grade Rating multiplied by the advance rate of 90% (or, for the period commencing on July 15 of each calendar year and ending on the last day of the fiscal month ending on or about the last day of February the following calendar year, 95%) plus (ii) the book value of all other Eligible Accounts of the U.S. Loan Parties multiplied by the advance rate of 85% (or, for the period commencing on July 15 of each calendar year and ending on the last day of the fiscal month ending on or about the last day of February the following calendar year, 90%); plus

(b) the lesser of (i) the Cost of Eligible Inventory of the U.S. Loan Parties multiplied by the advance rate of 75% and (ii) the Cost of Eligible Inventory of the U.S. Loan Parties multiplied by the appraised NOLV Percentage of Eligible Inventory of the U.S. Loan Parties multiplied by the advance rate of 85% (or, for the period commencing on July 15 of each calendar year and ending on the last day of the fiscal month ending on or about the last day of February the following calendar year, 90%); plus

(c) solely during the Interim Period, the U.S. Fixed Asset Advance; minus

(d) any Reserves pertaining to the U.S. Loan Parties established from time to time by the Administrative Agent in accordance herewith (without duplication of any Reserves deducted in the calculation of any other Borrowing Base);

provided that in no event shall the U.S. Fixed Asset Advance exceed $150,000,000 at any time.

"U.S. Collateral" shall mean all property (whether real, personal or otherwise) with respect to which any security interests have been granted (or purported to be granted) pursuant to any U.S. Security Document (including any Additional Security Documents but excluding the Non-U.S. Security Documents) or will be granted in accordance with requirements set forth in Section 9.12, including, without limitation, all collateral as described in the U.S. Security Agreement and all Mortgaged Properties. For the avoidance of doubt, in no event shall U.S. Collateral include Excluded Property.

"U.S. Dollars" and the sign "$" shall each mean freely transferable lawful money (expressed in dollars) of the United States.

"U.S. Fixed Asset Advance" shall mean, at any time of calculation, an amount equal to the sum of, without duplication:

(i) the applicable Equipment Amortization Factor for Eligible Equipment of the U.S. Loan Parties multiplied by 85% of the NOLV Percentage of such Eligible Equipment; plus

(ii) the applicable Real Property Amortization Factor for Eligible Real Property of the U.S. Loan Parties multiplied by 75% of the fair market value of such Eligible Real Property, determined based on the most recent real estate appraisal completed by the Administrative Agent in accordance with Section 9.07(b); plus

(iii) the applicable Trademark Amortization Factor for Eligible Trademarks of the U.S. Loan Parties and the Australian Loan Parties multiplied by 50% of the NOLV Percentage of such Eligible Trademarks.

"U.S. Lender" shall mean a Lender that is not a Non-U.S. Lender.

"U.S. Loan Party" shall mean each U.S. Borrower and each Guarantor that is a U.S. Subsidiary.

"U.S. Person" shall mean any person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"U.S. Pledged Collateral" shall have the meaning assigned to such term in the Initial U.S. Security Agreement.

"U.S. Security Documents" shall mean the Initial U.S. Security Agreement, each Deposit Account Control Agreement of a U.S. Loan Party or governed by U.S. law, each Mortgage and, after the execution and delivery thereof, each Additional Security Document of a U.S. Loan Party, together with any other applicable security documents governed by U.S. law from time to time in favor of the Collateral Agent for the benefit of the Secured Parties.

"U.S. Special Resolution Regime" shall have the meaning assigned to such term in Section 13.21.

"U.S. Subsidiary" shall mean, as to any Person, any Subsidiary of such Person that is incorporated, formed or otherwise organized under the laws of the United States, any state thereof or the District of Columbia.

"U.S. Subsidiary Borrower" shall mean, subject to Section 13.18(b)(2), each U.S. Subsidiary of the Lead Borrower that is on the DIP Closing Date, or which becomes, a party to this Agreement in accordance with the requirements of this Agreement, in each case, to the extent approved by the Administrative Agent and each of the Revolving Lenders.

"U.S. Tax Compliance Certificate" shall have the meaning assigned to such term in Section 5.01(e)(ii)(3).

"VAT" shall mean (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in clause (a) above, or imposed elsewhere (including, without limitation, Australian GST) and any tax imposed in compliance with the Swiss Federal Act on Value Added Tax of 12 June 2009 as amended from time to time.

"Weekly Monitoring Period" shall mean (a) the Interim Period, and (b) any other period of time, at the election of the Administrative Agent or at the direction of the Required Revolving Lenders, (i) when an Event of Default has occurred and is continuing, or (ii) commencing with the date on which Aggregate Availability is less than the greater of (x) 10.0% of the Line Cap and (y) $40,000,000 for a period of five (5) consecutive Business Days and continuing until such subsequent date as when Aggregate Availability shall have been at least equal to the greater of (x) 10.0% of the Line Cap and (y) $40,000,000 for thirty (30) consecutive calendar days.

"Weighted Average Life to Maturity" shall mean, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness.

"Wholly Owned Subsidiary" of any person shall mean a subsidiary of such person, all of the Equity Interests of which (other than directors' qualifying shares or nominee or other similar shares required pursuant to applicable law) are owned by such person or another Wholly Owned Subsidiary of such person.

Unless the context otherwise requires, "Wholly Owned Subsidiary" shall mean a Subsidiary of the Lead Borrower that is a Wholly Owned Subsidiary of the Lead Borrower.

"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 Part I of Subtitle E of Title IV of ERISA.

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

Section 1.02 Terms Generally and Certain Interpretive Provisions. The definitions set forth or referred to in Section 1.01 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided herein, any reference in this Agreement to any Loan Document shall mean such document as amended, restated, amended and restated, supplemented or otherwise modified from time to time. Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document in any Loan Document shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented and/or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth in the Loan Documents), (b) any definition of or reference to any statute, rule or regulation in any Loan Document shall be construed as referring thereto as from time to time amended, supplemented and/or otherwise modified (including by succession of comparable successor laws), (c) any reference in any Loan Document to any Person shall be construed to include such Person's successors and assigns (subject to any restrictions on assignment set forth in the Loan Documents) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof and (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof. Except as otherwise expressly provided herein (including, for the avoidance of doubt, the proviso in the definition of "Capitalized Lease Obligations"), all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if, at any time, any change in GAAP or in the application thereof would affect the computation of any requirement in the Loan Documents and the Lead Borrower notifies the Administrative Agent that the Borrowers request an amendment (or if the Administrative Agent notifies the Lead Borrower that the Required Lenders request an amendment), the Administrative Agent, the Lenders and the Borrowers shall, at no cost to the Borrowers, negotiate in good faith to amend such requirement to preserve the original intent thereof in light of such change in GAAP or in the application thereof (subject to the approval of the Required Lenders), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, and such requirement shall be interpreted on the basis of GAAP without giving effect to such change until such provision is amended in accordance herewith. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts

referred to herein shall be made (i) without giving effect to any election under Accounting Standards Codification 825-10-25 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Lead Borrower or any Subsidiary at "fair value," as defined therein, (ii) without giving effect to any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof, (iii) without giving effect to any change to, or modification of, GAAP (including any future phase-in of changes to GAAP that have been approved as of December 1, 2018) which would require the capitalization of leases characterized as "operating leases" as of December 1, 2018 (it being understood and agreed, for the avoidance of doubt, financial statements delivered pursuant hereto shall be prepared without giving effect to this clause) and (iv) without giving effect to the one-time adjustment to implement Accounting Standards Update 2016-13, Measurement of Credit Losses on Financial Instruments. For purposes of any Collateral located in the Province of Quebec or charged by any deed of hypothec (or any other Loan Document) and for all other purposes pursuant to which the interpretation or construction of a Loan Document may be subject to the laws of the Province of Quebec or a court or tribunal exercising jurisdiction in the Province of Quebec, (i) "personal property" shall be deemed to include "movable property", (ii) "real property" shall be deemed to include "immovable property", (iii) "tangible property" shall be deemed to include "corporeal property", (iv) "intangible property" shall be deemed to include "incorporeal property", (v) "security interest", "mortgage" and "lien" shall be deemed to include a "hypothec," "prior claim" and a "resolutory clause", (vi) all references to filing, registering or recording under the UCC or the Canadian PPSA shall be deemed to include publication under the Civil Code of Quebec, (vii) all references to "perfection" of or "perfected" Liens shall be deemed to include a reference to the "opposability" of such Liens to third parties, (viii) any "right of offset", "right of setoff" or similar expression shall be deemed to include a "right of compensation", (ix) "goods" shall be deemed to include "corporeal movable property" other than chattel paper, documents of title, instruments, money and securities, (x) an "agent" shall be deemed to include a "mandatary", (xi) "construction liens" shall be deemed to include "legal hypothecs", (xii) "joint and several" shall be deemed to include "solidary", (xiii) "gross negligence or willful misconduct" shall be deemed to be "intentional or gross fault", (xiv) "beneficial ownership" shall be deemed to include "ownership on behalf of another as mandatary", (xv) "easement" shall be deemed to include "servitude", (xvi) "priority" shall be deemed to include "prior claim", (xvii) "survey" shall be deemed to include "certificate of location and plan", (xviii) "fee simple title" shall be deemed to include "absolute ownership", and (xix) "foreclosure" shall be deemed to include "the exercise of a hypothecary right".

Section 1.03 Exchange Rates; Currency Equivalent. All references in the Loan Documents to Loans, Letters of Credit, Obligations, Borrowing Base components and other amounts shall be denominated in U.S. Dollars, unless expressly provided otherwise. The Dollar Equivalent of any amounts denominated or reported under a Loan Document in a currency other than U.S. Dollars shall be determined by the Administrative Agent on a daily basis, based on the current Spot Rate. The Lead Borrower shall report value and other Borrowing Base components to the Administrative Agent in the currency invoiced by the Lead Borrower or shown in the Lead Borrower's financial records, and unless expressly provided otherwise, shall deliver financial statements and calculate financial covenants in U.S. Dollars. Notwithstanding anything herein to the contrary, if any Obligation is funded and expressly denominated in a currency other than U.S. Dollars, the Borrowers shall repay such Obligation in such other currency.

Section 1.04 Additional Alternative Currencies.

(a) The Borrowers may from time to time request that Revolving Loans be made and/or Letters of Credit be issued in a currency other than those specifically listed in the definition of "Alternative Currency"; provided that such requested currency is a lawful currency (other than U.S. Dollars) that is

readily available and freely transferable and convertible into U.S. Dollars. In the case of any such request with respect to the making of Revolving Loans, such request shall be subject to the approval of the Administrative Agent and the Revolving Lenders with Commitments in respect of the Facility under which such additional Alternative Currency is being requested; and in the case of any such request with respect to the issuance of Letters of Credit, such request shall be subject to the approval of the Administrative Agent and the applicable Issuing Bank.

(b) Any such request shall be made to the Administrative Agent not later than 11:00 a.m., twenty (20) Business Days prior to the date of the desired Credit Extension (or such other time or date as may be agreed by the Administrative Agent and, in the case of any such request pertaining to Letters of Credit, the applicable Issuing Bank, in its or their sole discretion). In the case of any such request pertaining to Revolving Loans, the Administrative Agent shall promptly notify each applicable Lender thereof; and in the case of any such request pertaining to Letters of Credit, the Administrative Agent shall promptly notify the applicable Issuing Bank thereof. Each applicable Lender (in the case of any such request pertaining to Revolving Loans) or the applicable Issuing Bank (in the case of a request pertaining to Letters of Credit) shall notify the Administrative Agent, not later than 11:00 a.m., ten (10) Business Days after receipt of such request whether it consents, in its sole discretion, to the making of Revolving Loans or the issuance of Letters of Credit, as the case may be, in such requested currency.

(c) Any failure by a Revolving Lender or the applicable Issuing Bank, as the case may be, to respond to such request within the time period specified in the preceding sentence shall be deemed to be a refusal by such Revolving Lender or the applicable Issuing Bank, as the case may be, to permit Revolving Loans to be made or Letters of Credit to be issued in such requested currency. If the Administrative Agent and all the Revolving Lenders with Commitments in respect of the Facility under which such additional Alternative Currency is being requested consent to making Revolving Loans in such requested currency, the Administrative Agent shall so notify such Borrower and such currency shall thereupon be deemed for all purposes to be an Alternative Currency hereunder for purposes of any Borrowings of Revolving Loans; and if the Administrative Agent and the applicable Issuing Bank consent to the issuance of Letters of Credit in such requested currency, the Administrative Agent shall so notify such Borrower and such currency shall thereupon be deemed for all purposes to be an Alternative Currency hereunder for purposes of any Letter of Credit issuances. If the Administrative Agent shall fail to obtain consent to any request for an additional currency under this Section 1.04, the Administrative Agent shall promptly so notify such Borrower.

Section 1.05 Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

Section 1.06 Effectuation of Transactions. Each of the representations and warranties of the Borrowers contained in this Agreement (and all corresponding definitions) and applicable on the DIP Closing Date and thereafter, are made after giving effect to the Transactions, unless the context otherwise requires.

Section 1.07 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 a day which is not a Business Day, the date of such payment or performance shall extend to the immediately succeeding Business Day.

Section 1.08 Joint and Several Liability. To the fullest extent permitted by law the liability of each Borrower for the obligations under this Agreement and the other Loan Documents of the other applicable Borrowers with whom it has joint and several liability (as set forth in Section 2.01(b)) shall be absolute, unconditional and irrevocable, without regard to (i) the validity or enforceability of this Agreement or any other Loan Document, any of the obligations hereunder or thereunder or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by any applicable Secured Party, (ii) any defense, set-off or counterclaim (other than a defense of payment or performance hereunder; provided that no Borrower hereby waives any suit for breach of a contractual provision of any of the Loan Documents) which may at any time be available to or be asserted by such other applicable Borrower or any other Person against any Secured Party or (iii) any other circumstance whatsoever (with or without notice to or knowledge of such other applicable Borrower or such Borrower) which constitutes, or might be construed to constitute, an equitable or legal discharge of such other applicable Borrower for the obligations hereunder or under any other Loan Document, or of such Borrower under this Section 1.09, in bankruptcy or in any other instance.

Section 1.09 Exchange Rates; Currency Equivalents; Basket Calculations.

(a) 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 LIBO Rate or with respect to any rate that is an alternative or replacement for or successor to any such rate (including, without limitation, any alternate rate implemented pursuant to Section 3.01(a)) or the effect of any of the foregoing, or of any related changes made to this Agreement pursuant to Section 3.01(a) (other than, for the avoidance of doubt, with respect to its obligation to apply the definition of such rate in accordance with its terms and comply with its express obligations in Article 3 (including Section 3.01)).

(b) Notwithstanding the foregoing, for purposes of determining compliance with any covenant in Article 10 with respect to any amount of cash on deposit, Indebtedness, Investment, Restricted Payment, Lien or Disposition (each, a "Covenant Transaction") in a currency other than U.S. Dollars, no Default or Event of Default shall be deemed to have occurred solely as a result of changes in rates of exchange occurring after the time such Covenant Transaction is incurred or made.

(c) For purposes of determining compliance with any covenant in Article 10, with respect to the amount of any Covenant Transaction in a currency other than U.S. Dollars, such amount (i) if incurred or made in reliance on a fixed Dollar basket, will be converted into U.S. Dollars based on the relevant currency exchange rate in effect on the DIP Closing Date, and (ii) if incurred in reliance on a percentage basket, will be converted into U.S. Dollars based on the relevant currency exchange rate in effect on the date such Covenant Transaction is incurred or made and such percentage basket will be measured at the time such Covenant Transaction is incurred or made.

Section 1.10 Interpretation (Australia) and Banking Code of Practice (Australia).

(a) Without prejudice to the generality of any provision of this Agreement, in this Agreement where it relates to Australian Loan Party, a reference in this Agreement to:

(i) "Account" also includes any "account" as defined in section 10 of the Australian PPSA;

(ii) "Affiliate" has the meaning given to it in section 50AA of the Australian Corporations Act;

(iii) "Controller", "receiver" or "receiver manager" has the meaning given to it in section 9 of the Australian Corporations Act;

(iv) "Account Debtor" also includes any "account debtor" as defined in section 10 of the Australian PPSA;

(v) "Inventory" has the meaning provided in section 10 of the Australian PPSA; and

(vi) "Subsidiary" shall mean a subsidiary within the meaning given in Part 1.2 Division 6 of the Australian Corporations Act.

(b) The parties agree that the Australian Banking Association Banking Code of Practice does not apply to the Loan Documents nor the transactions under them.

ARTICLE 2 AMOUNT AND TERMS OF CREDIT

Section 2.01 The Commitments.

(a) Subject to the terms and conditions and relying upon the representations and warranties herein set forth:

(i) each North American Revolving Lender agrees, severally and not jointly, to make North American Revolving Loans to the U.S. Borrowers in U.S. Dollars or in one or more Alternative Currencies, if any, at any time and from time to time on and after the DIP Closing Date until the earlier of one (1) Business Day prior to the Maturity Date and the termination of the North American Revolving Commitment of such Lender in accordance with the terms hereof, in an aggregate principal amount at any time outstanding that will not result in the Availability Conditions not being met;

(ii) each Swiss Revolving Lender agrees, severally and not jointly, to make Swiss Revolving Loans to the Swiss Borrower in U.S. Dollars or in one or more Alternative Currencies, at any time and from time to time on and after the DIP Closing Date until the earlier of one (1) Business Day prior to the Maturity Date and the termination of the Swiss Revolving Commitment of such Lender in accordance with the terms hereof, in an aggregate principal amount at any time outstanding that will not result in the Availability Conditions not being met;

(iii) each DIP Term Lender agrees, severally and not jointly with any other DIP Term Lender, to make an initial advance of the DIP Term Loans to the Lead Borrower in U.S. Dollars in an aggregate principal amount equal to $20,000,000 (the "Interim DIP Term Amount") in one draw on the DIP Closing Date, subject to the satisfaction of the conditions set forth in Section 6.03 (such funding date, the "Interim DIP Term Funding Date"); and

(iv) each DIP Term Lender agrees, severally and not jointly, to make DIP Term Loans to the Lead Borrower in U.S. Dollars in a principal amount equal to $245,000,000 (the "Closing Date DIP Term Amount") on the DIP Term Loan Closing Date.

Within the limits set forth above and subject to the terms, conditions and limitations set forth herein, the Borrowers may borrow, pay or prepay and reborrow Revolving Loans under each applicable Facility (other than the DIP Term Facility). DIP Term Loans that are repaid or prepaid may not be reborrowed.

(b) All U.S. Loan Parties and, subject to the Swiss Guaranty Limitations, all Foreign Loan Parties shall be jointly and severally liable for all Obligations regardless of which Borrower received the proceeds thereof.

(c) Notwithstanding anything to the contrary contained herein or in any other Loan Document, during the Interim Period, the maximum amounts (such amounts the "Interim DIP ABL Amounts") available to be drawn (excluding the deemed issuance of the Existing Letters of Credit but including extensions of credit by the issuance of any other Letter of Credit) by any Borrower under (x) the North American Revolving Facility shall be limited to $137,000,000 and (y) the Swiss Revolving Facility shall be limited to $21,000,000 in the aggregate, in each case, subject to compliance with the terms, conditions and covenants of this Agreement, the other Loan Documents and the DIP Orders. All Loans made available to the Borrowers during the Interim Period will be immediately due and payable and all Revolving Commitments shall be terminated, in each case, on the date that is 40 days after the Petition Date unless the Final Order shall have been entered by the Bankruptcy Court on or before such date. Upon the Bankruptcy Court's entry of the Final Order and satisfaction of any other conditions precedent, the full remaining amount of the Revolving Commitments shall be available to the Debtors in accordance with the terms of this Agreement and the Final Order.

(d) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the DIP Term Loans (other than the Interim DIP Term Amount which shall be funded on the Interim DIP Term Funding Date) shall only be available on the DIP Term Loan Closing Date.

Section 2.02 Loans.

(a) (i) Each North American Revolving Loan shall be made as part of a Borrowing consisting of North American Revolving Loans made by the Revolving Lenders ratably in accordance with their applicable North American Revolving Commitments, (ii) each Swiss Revolving Loan shall be made as part of a Borrowing consisting of Swiss Revolving Loans made by the Revolving Lenders ratably in accordance with their Swiss Revolving Commitments and (iii) each DIP Term Loan shall be made as part of a Borrowing consisting of DIP Term Loans made by the DIP Term Lenders ratably in accordance with their DIP Term Commitments; provided that the failure of any Lender to make any Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender). Except for Loans deemed made pursuant to Section 2.02(f), Loans (other than Swingline Loans) comprising any Borrowing shall be in an aggregate principal amount that is (i) in the case of Base Rate Loans, equal to the amount requested by the applicable Borrower and (ii) in the case of LIBO Rate Loans, (A) an integral multiple of the Dollar Equivalent of $250,000 and not less than the Dollar Equivalent of $1,000,000 (or, if such Borrowing is denominated in an Alternative Currency, 1,000,000 units of such Alternative Currency), or (B) equal to the remaining available balance of the Revolving Commitments under the applicable Facility.

(b) Subject to Section 3.01, (i) each Borrowing by a U.S. Borrower shall be comprised entirely of LIBO Rate Loans (or, in the case of Borrowings denominated in U.S. Dollars, Base Rate Loans or LIBO Rate Loans) and (ii) each Borrowing by the Swiss Borrower shall be comprised entirely of LIBO Rate Loans, in each case, as the applicable Borrower may request pursuant to Section 2.03. Each North American Swingline Loan made to the U.S. Borrower shall be in U.S. Dollars and shall be a Base Rate Loan unless otherwise agreed by the applicable Borrower and the Swingline Lender in its sole discretion. Each Swiss Swingline Loan made to the Swiss Borrower shall be in Swiss Francs and shall be Overnight LIBO Loans unless otherwise agreed by the applicable Borrower and the Swingline Lender in its sole discretion. Each Lender may at its option make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the

obligation of the Borrowers to repay such Loan in accordance with the terms of this Agreement or cause the Borrowers to pay additional amounts pursuant to Section 3.01. Borrowings of more than one Type may be outstanding at the same time; provided further that the Borrowers shall not be entitled to request any Borrowing that, if made, would result in (x) the Lead Borrower having more than ten (10) LIBO Rate Loans outstanding hereunder at any one time, (y) Briggs & Stratton AG, a Swiss corporation, as the Swiss Borrower, having more than ten (10) LIBO Rate Loans outstanding hereunder at any one time and (z) for any other Person that becomes a Borrower pursuant to the terms hereof after the DIP Closing Date, an amount of LIBO Rate Loans outstanding hereunder at any one time to be mutually agreed by the Lead Borrower and the Administrative Agent. For purposes of the foregoing, Borrowings having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate Borrowings.

(c) Except with respect to Loans made pursuant to Section 2.02(f), each Lender shall make each Loan (other than Swingline Loans) to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds to such account as the Administrative Agent may designate (i) in New York City, in the case of Loans to a U.S. Borrower not later than 3:00 p.m. New York time and (ii) in London not later than the Applicable Time specified by the Administrative Agent in the case of any Loans to the Swiss Borrower, and the Administrative Agent shall promptly credit the amounts so received to an account as directed by the Lead Borrower in the applicable Notice of Borrowing maintained with the Administrative Agent or, if a Borrowing shall not occur on such date because any condition precedent herein specified shall not have been met or waived, return the amounts so received to the respective Lenders.

(d) Unless the Administrative Agent shall have received notice from a Lender prior to the time of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with paragraph (c) above, and the Administrative Agent may, in reliance upon such assumption, make available to the applicable Borrower on such date a corresponding amount. If the Administrative Agent shall have so made funds available then, to the extent that such Lender shall not have made such portion available to the Administrative Agent, such Lender and the Lead Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to such Borrower until the date such amount is repaid to the Administrative Agent at (i) in the case of the applicable Borrowers, the interest rate applicable at the time to the Loans comprising such Borrowing and (ii) in the case of such Lender, a rate reasonably determined by the Administrative Agent to represent its cost of overnight or short-term funds (which determination shall be conclusive absent demonstrable error). If such Lender shall repay to the Administrative Agent such corresponding amount, such amount shall constitute such Lender's Loan as part of such Borrowing for purposes of this Agreement.

(e) Notwithstanding any other provision of this Agreement, no Borrower shall be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

(f) If an Issuing Bank shall not have received from the applicable Borrowers the payment required to be made by Section 2.13(e) within the time specified in such Section, such Issuing Bank will promptly notify the Administrative Agent of the LC Disbursement and the Administrative Agent will promptly notify each applicable Revolving Lender of such LC Disbursement and its Pro Rata Percentage thereof. Each such Revolving Lender shall pay by wire transfer of immediately available funds to the Administrative Agent on such date (or, if such Revolving Lender shall have received such notice later than 12:00 (noon), New York City time, on any day, not later than 11:00 a.m., New York City time on the immediately following Business Day), an amount equal to such Revolving Lender's Pro Rata Percentage

of such LC Disbursement (it being understood that such amount shall be deemed to constitute a Base Rate Loan (for LC Disbursements denominated in U.S. Dollars), or a LIBO Rate Loan with an Interest Period of one month (for LC Disbursements denominated in an Alternative Currency) of such Revolving Lender, and such payment shall be deemed to have reduced the applicable LC Exposure), and the Administrative Agent will promptly pay to such Issuing Bank amounts so received by it from the applicable Revolving Lenders. The Administrative Agent will promptly pay to the applicable Issuing Bank any amounts received by it from the applicable Borrower pursuant to Section 2.13(e) prior to the time that any Revolving Lender makes any payment pursuant to this paragraph (f); any such amounts received by the Administrative Agent thereafter will be promptly remitted by the Administrative Agent to the Revolving Lenders that shall have made such payments and to the applicable Issuing Bank, as their interests may appear. If any Revolving Lender under the applicable Facility shall not have made its Pro Rata Percentage of such LC Disbursement available to the Administrative Agent as provided above, such Revolving Lender and the applicable Borrowers severally agree to pay interest on such amount, for each day from and including the date such amount is required to be paid in accordance with this paragraph (f) to but excluding the date such amount is paid, to the Administrative Agent for the account of the applicable Issuing Bank at (i) in the case of the Lead Borrower, a rate per annum equal to the interest rate applicable to Revolving Loans pursuant to Section 2.06, and (ii) in the case of such Revolving Lender, at the Base Rate (for U.S. Dollars) or the LIBO Rate with an Interest Period of one month for all Alternative Currencies.

Section 2.03 Borrowing Procedure. To request a Borrowing, the Lead Borrower shall notify the Administrative Agent of such request by telecopy or electronic transmission (if arrangements for doing so have been approved by the Administrative Agent, which approval shall not be unreasonably withheld, conditioned or delayed) or (other than in the case of requests for LIBO Rate Loans) telephone (promptly confirmed by telecopy or electronic transmission) (i) in the case of a Borrowing by any U.S. Borrower of LIBO Rate Loans under the North American Revolving Facility, not later than 1:00 p.m., New York City time, three (3) Business Days before the date of the proposed Borrowing to the Administrative Agent's New York office, (ii) in the case of a Borrowing of LIBO Rate Loans under the Swiss Revolving Facility, not later than 11:00 a.m., London time, four (4) Business Days before the date of the proposed Borrowing to the Administrative Agent's New York office, (iii) in the case of a Borrowing by the Lead Borrower of LIBO Rate Loans under the DIP Term Facility, not later than three (3) Business Days (or such shorter period as is approved by the Required DIP Term Lenders) before the date of the proposed Borrowing to the Administrative Agent's New York office and (iv) in the case of a Borrowing of Base Rate Loans, not later than 1:00 p.m., New York City time, on the Business Day of the proposed Borrowing to the Administrative Agent's New York office. Each such telephonic Notice of Borrowing shall be irrevocable, subject to Sections 2.09 and 3.01, and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Notice of Borrowing in a form approved by the Administrative Agent and signed by the Lead Borrower. Each such telephonic and written Notice of Borrowing shall specify the following information in compliance with Section 2.02:

(a) the name of the Borrower (which, in the case of a Borrowing of DIP Term Loans, shall be the Lead Borrower);

(b) the aggregate amount of such Borrowing;

(c) the date of such Borrowing, which shall be a Business Day;

(d) whether such Borrowing is to be a Borrowing of Base Rate Loans or a Borrowing of LIBO Rate Loans;

(e) in the case of a Borrowing of LIBO Rate Loans, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period";

(f) the location and number of the account to which funds are to be disbursed, which shall comply with the requirements of Section 2.02;

(g) the Facility under which the Loans are to be borrowed;

(h) the currency of the Borrowing; and

(i) that the applicable conditions set forth in Article 6 are satisfied or waived as of the date of the notice.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be (x) in the case of a Borrowing in U.S. Dollars by a U.S. Borrower, a Borrowing of Base Rate Loans and (y) in the case of any other Borrowing, a Borrowing of LIBO Rate Loans with an Interest Period of one month. If no Interest Period is specified with respect to any requested Borrowing of LIBO Rate Loans, then the Lead Borrower shall be deemed to have selected an Interest Period of one month's duration. If no currency is specified, then the requested Borrowing shall be made in U.S. Dollars. Promptly following receipt of a Notice of Borrowing in accordance with this Section 2.03, the Administrative Agent shall advise each applicable Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

This Section 2.03 shall not apply to Swingline Loans, the borrowing of which shall be in accordance with Section 2.12.

Section 2.04 Evidence of Debt; Repayment of Loans.

(a) Each U.S. Borrower, jointly and severally, hereby unconditionally promises to pay to the Administrative Agent the then unpaid principal amount of each Revolving Loan made to any Borrower on the Maturity Date. Subject to the Swiss Guaranty Limitations, the Swiss Borrower hereby unconditionally promises to pay to the Administrative Agent the then unpaid principal amount of each Loan made to the Swiss Borrower on the Maturity Date. Each U.S. Borrower, jointly and severally, hereby unconditionally promises to pay to the Administrative Agent the then unpaid principal amount of each DIP Term Loan made to the Lead Borrower on the Maturity Date; provided that no payment shall be made in respect of the DIP Term Loans until the Full Senior Obligation Repayment has occurred.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrowers to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement. The Lead Borrower shall be entitled to review records of such accounts with prior reasonable notice during normal business hours.

(c) The Administrative Agent shall maintain accounts in which it will record (i) the amount of each Loan made hereunder, the Class and Type thereof, the currency thereof and the Interest Period applicable thereto; (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrowers to each Lender hereunder; and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof. Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrowers to such Lender. The Lead Borrower shall be entitled to review records of such accounts with prior reasonable notice during normal business hours.

(d) The entries made in the accounts maintained pursuant to paragraphs (b) and (c) above shall be *prima facie* evidence of the existence and amounts of the obligations therein recorded absent

demonstrable error; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of the Borrowers to repay the Loans in accordance with their terms.

(e) Any Lender may request that Loans made by it thereunder be evidenced by a promissory note. In such event, the applicable Borrower shall promptly prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) substantially in the form of Exhibit B.

Section 2.05 Fees.

(a) Unused Line Fee. With respect to each Facility (other than the DIP Term Facility), the U.S. Borrowers or the Swiss Borrower, as applicable, shall pay to the Administrative Agent, for the *pro rata* benefit of the Revolving Lenders (other than any Defaulting Lender) under such Facility, a fee in U.S. Dollars equal to the Unused Line Fee Rate multiplied by the amount by which the Revolving Commitments (other than Revolving Commitments of a Defaulting Lender) under such Facility exceed the average daily balance of outstanding Revolving Loans under such Facility and stated amount of outstanding Letters of Credit under such Facility during any calendar month (such fee, the "Unused Line Fee") provided that, during the Interim Period, the Unused Line Fee shall only be earned on the portion of the undrawn Interim DIP ABL Amount. Such fee shall accrue commencing on the DIP Closing Date, and will be payable in arrears, on the first Business Day of each calendar month, commencing on August 1, 2020.

(b) Administrative Agent Fees. The Lead Borrower agrees to pay to the Administrative Agent, for its own account, the fees set forth in the Fee Letter or such other fees payable in the amounts and at the times separately agreed upon between the Lead Borrower and the Administrative Agent (the "Administrative Agent Fees").

(c) LC and Fronting Fees. With respect to the North American Revolving Facility, the U.S. Borrowers, jointly and severally, agree to pay (i) to the Administrative Agent for the account of each North American Revolving Lender a participation fee ("North American LC Participation Fee") in U.S. Dollars with respect to its participations in North American Letters of Credit, which shall accrue at a rate equal to the Applicable Margin from time to time used to determine the interest rate on LIBO Rate Loans pursuant to Section 2.06, on the average daily amount of such North American Revolving Lender's North American LC Exposure (excluding any portion thereof attributable to unreimbursed North American LC Disbursements) during the period from and including the DIP Closing Date to but excluding the later of the date on which such North American Revolving Lender's North American Revolving Commitment terminates and the date on which such North American Revolving Lender ceases to have any North American LC Exposure and (ii) to each North American Issuing Bank a fronting fee ("North American Fronting Fee") in U.S. Dollars, which shall accrue at the rate of 0.125% per annum on the average daily amount of the North American LC Exposure (excluding any portion thereof attributable to unreimbursed North American LC Disbursements) during the period from and including the DIP Closing Date to but excluding the later of the date of termination of the North American Revolving Commitments and the date on which there ceases to be any North American LC Exposure, as well as each North American Issuing Bank's standard and reasonable fees with respect to the issuance, amendment, renewal or extension of any North American Letter of Credit or processing of drawings thereunder as agreed among the Lead Borrower and such North American Issuing Bank from time to time. With respect to the Swiss Revolving Facility, the Swiss Borrower agrees to pay (i) to the Administrative Agent for the account of each Swiss Revolving Lender a participation fee (together with the North American LC Participation Fee, the "LC Participation Fees") in the same currency of the denomination of the Swiss Letters of Credit issued with respect to its participations in Swiss Letters of Credit, which shall accrue at a rate equal to the Applicable Margin from time to time used to determine the interest rate on LIBO Rate Loans pursuant to Section 2.06, on the average

daily amount of such Swiss Revolving Lender's Swiss LC Exposure (excluding any portion thereof attributable to unreimbursed Swiss LC Disbursements) during the period from and including the DIP Closing Date to but excluding the later of the date on which such Swiss Revolving Lender's Swiss Revolving Commitment terminates and the date on which such Swiss Revolving Lender ceases to have any Swiss LC Exposure, and (ii) to each Swiss Issuing Bank a fronting fee (together with the North American Fronting Fee, the "Fronting Fees") in Pound Sterling, Euros, Australian Dollars or Swiss Francs, which shall accrue at the rate of 0.125% per annum on the average daily amount of the Swiss LC Exposure (excluding any portion thereof attributable to unreimbursed Swiss LC Disbursements) during the period from and including the DIP Closing Date to but excluding the later of the date of termination of the Swiss Revolving Commitments and the date on which there ceases to be any Swiss LC Exposure, as well as each Swiss Issuing Bank's standard and reasonable fees with respect to the issuance, amendment, renewal or extension of any Swiss Letter of Credit or processing of drawings thereunder as agreed among the Lead Borrower and such Swiss Issuing Bank from time to time. LC Participation Fees and Fronting Fees accrued to but excluding the last day of each calendar month of each year shall be payable on the first Business Day following such last day, commencing on the first such date to occur after the DIP Closing Date; provided that all such fees shall be payable on the date on which the Revolving Commitments terminate and any such fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand (including documentation reasonably supporting such request). Any other fees payable to the Issuing Banks pursuant to this paragraph shall be payable within ten (10) days after written demand (together with backup documentation supporting such reimbursement request). All LC Participation Fees and Fronting Fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(d) On the DIP Term Loan Closing Date, the Lead Borrower agrees to pay to the Administrative Agent for the account of each DIP Term Lender, a closing fee in an amount equal to 2.00% of the aggregate principal amount of the DIP Term Loans funded by such DIP Term Lender (including the Interim DIP Term Loans previously funded by such DIP Term Lender), which amount may be treated as either upfront fee or OID by such DIP Term Lender in its discretion and shall be deducted from the proceeds of the DIP Term Loans funded on the DIP Term Loan Closing Date. If the DIP Term Loan Closing Date fails to occur on or prior to the DIP Term Commitment Termination Date, the Lead Borrower agrees to pay to the Administrative Agent for the account of each DIP Term Lender, a closing fee in an amount equal to 2.00% of the aggregate principal amount of the Interim DIP Term Loans funded by such DIP Term Lender.

(e) The Lead Borrower agrees to pay to the Administrative Agent for the ratable account of each Revolving Lender, an upfront fee in an amount equal to 0.75% of its Revolving Commitment under the DIP ABL Facilities, which fee will be due and payable on the DIP Closing Date.

(f) All fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, if and as appropriate, among the applicable Lenders (other than Defaulting Lenders), except that the Fronting Fees shall be paid directly to each Issuing Bank. Once paid, none of the fees shall be refundable under any circumstances.

Section 2.06 Interest on Loans.

(a) (i) Subject to the provisions of Section 2.06(b), the Loans comprising each Borrowing of Base Rate Loans shall bear interest at a rate per annum equal to the Base Rate *plus* the Applicable Margin in effect from time to time.

(ii) Subject to the provisions of Section 2.06(b), the Loans comprising each Borrowing of LIBO Rate Loans shall bear interest at a rate per annum equal to the LIBO Rate for the Interest Period in effect for such Borrowing *plus* the Applicable Margin in effect from time to time.

(iii) Subject to the provisions of Section 2.06(b), (A) the Loans comprising each Borrowing of North American Swingline Loans in U.S. Dollars shall bear interest at a rate per annum equal to the Base Rate *plus* the Applicable Margin in effect from time to time (or such other rate as may be agreed upon by the applicable Borrower and the Swingline Lender in its sole discretion) and (B) the Loans comprising each Borrowing of Swiss Swingline Loans shall bear interest at a rate per annum equal to, in the case of any other Swiss Swingline Loans, the Overnight LIBO Rate, *plus* the Applicable Margin in effect from time to time (or such other rate as may be agreed upon by the applicable Borrower and the Swingline Lender in its sole discretion).

(b) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee payable by any Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% *plus* the rate otherwise applicable to such Loan or (ii) in the case of any interest or fee, 2% *plus* the rate applicable to Base Rate Loans.

(c) Accrued interest on each Loan shall be payable (i) in the case of Base Rate Loans, on each Adjustment Date, commencing with August 1, 2020, in arrears for such Base Rate Loans, (ii) in the case of Overnight LIBO Rate Loans, on the first Business Day of each month, in arrears for such Overnight LIBO Rate Loans, (iii) in the case of LIBO Rate Loans, at the end of the current Interest Period therefor 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, (iv) in the case of all Revolving Loans, upon termination of the Revolving Commitments and (v) in the case of DIP Term Loans, on the Maturity Date; provided that (x) interest accrued pursuant to paragraph (b) of this Section 2.06 shall be payable on demand and, absent demand, on each Adjustment Date, at the end of the current Interest Period, upon termination of the Revolving Commitments and on the Maturity Date, as applicable, (y) in the event of any repayment or prepayment of any Loan (other than a prepayment of a Base Rate Loan prior to the end of the Revolving Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (z) in the event of any conversion of any LIBO Rate Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(d) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest (i) computed by reference to the Base Rate at times when the Base Rate is based on the Prime Rate and (ii) for Borrowings denominated in Australian Dollars or Pound Sterling shall be computed on the basis of a year of 365 days, and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Base Rate or LIBO Rate shall be determined by the Administrative Agent in accordance with the provisions of this Agreement, and such determination shall be conclusive absent demonstrable error.

(e) Interest Act (Canada). For purposes of disclosure pursuant to the *Interest Act* (Canada), the annual rates of interest or fees to which the rates of interest or fees provided in this Agreement and the other Loan Documents (and stated herein or therein, as applicable, to be computed on the basis of 360 days or any other period of time less than a calendar year) are equivalent are the rates so determined multiplied by the actual number of days in the applicable calendar year and divided by 360 or such other period of time, respectively.

(f) Limitation on Interest. If any provision of this Agreement or of any of the other Loan Documents would obligate any Loan Party to make any payment of interest or other amount payable to the Lenders in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Lenders of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)) then, notwithstanding such provisions, 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 or so result in a receipt by the Lenders of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows: (1) first, by reducing the amount or rate of interest required to be paid to the Lenders under this Section 2.06, and (2) second, by reducing any fees, commissions, premiums and other amounts required to be paid to the Lenders which would constitute "interest" for purposes of Section 347 of the *Criminal Code* (Canada). Notwithstanding the foregoing, and after giving effect to all adjustments contemplated thereby, if the Lenders shall have received an amount in excess of the maximum permitted by that section of the *Criminal Code* (Canada), the Loan Parties shall be entitled, by notice in writing to the Administrative Agent, to obtain reimbursement from the Lenders in an amount equal to such excess and, pending such reimbursement, such amount shall be deemed to be an amount payable by the Lenders to the Borrowers. Any amount or rate of interest referred to in this Section 2.06 shall be determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term that the applicable Loan remains outstanding on the assumption that any charges, fees or expenses that fall within the meaning of "interest" (as defined in the *Criminal Code* (Canada)) shall, if they relate to a specific period of time, be pro-rated over that period of time and otherwise be pro-rated over the period from the DIP Closing Date to the Maturity Date and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Administrative Agent shall be conclusive for the purposes of such determination.

(g) Swiss Minimum Interest. By entering into this Agreement, the parties to this Agreement have assumed in bona fide that the interest payable hereunder is not and will not become subject to any tax deduction on account of Swiss Withholding Tax. Nevertheless, if a tax deduction is required by Swiss law to be made by a Loan Party in respect of any interest payable under a Loan Document and should it be unlawful for the relevant Loan Party to comply with Section 5.01 (Net Payments) for any reason (where this would otherwise be required by the terms of Section 5.01 (Net Payments)) then:

(i) the applicable interest rate in relation to that interest payment shall be:

(1) the interest rate which would have applied to that interest payment (as provided for in this Section 2.06 (Interest on Loans) or otherwise in this Agreement in the absence of this Section 2.06(g) (Swiss Minimum interest)); divided by:

(2) one minus the rate at which the relevant tax deduction for Swiss Withholding Tax is required to be made (where the rate at which such tax deduction is required to be made is for this purpose expressed as a fraction of one rather than as a percentage); and

(ii) the relevant Loan Party shall be obliged:

(1) to pay the relevant interest at the adjusted rate in accordance with paragraph (i) above; and

(2) to make the tax deduction for Swiss Withholding Tax on the interest so recalculated; and

all references to a rate of interest in Section 2.06 (Interest on Loans) or otherwise in this Agreement shall be construed accordingly.

(iii) To the extent that any interest payable by a Loan Party under this Agreement becomes subject to Swiss Withholding Tax, each relevant party to this Agreement and the relevant Loan Party shall promptly co-operate in completing any procedural formalities (including

submitting forms and documents required by the appropriate Tax authority) to allow the parties under this Agreement to prepare claims for the refund of any Swiss Withholding Tax so deducted.

(iv) If a party to this Agreement receives a refund in respect of Swiss Withholding Tax, that party shall pay an amount to the Loan Party in respect of which the Swiss Withholding Tax relates, which that party determines will leave it, after that payment, in the same after-Tax position as it would have been in had that Swiss Withholding Tax not been required to be paid.

(v) A Loan Party is not required to make an increased payment to a particular Lender (but, for the avoidance of doubt, shall remain required to make an increased payment to all other Lenders) under paragraph (g) above by reason of a tax deduction arising as a result of that Lender (i) making an incorrect declaration of its status as to whether or not it is a Swiss Qualifying Lender or a single Swiss Non-Qualifying Lender, (ii) breaching the restrictions regarding transfers, assignments, participations, sub-participation and exposure transfers set forth in Section 13.04 or (iii) ceasing to be a Swiss Qualifying Lender other than as a result of any change after the date it became a Lender or Participant under this Agreement in (or in the interpretation, administration or application of) any law or double taxation treaty, or any published practice or published concession of any relevant taxing authority.

Section 2.07 Termination and Reduction of Commitments.

(a) The Revolving Commitments, the Swingline Commitment, the North American LC Commitment and the Swiss LC Commitment shall automatically terminate on the Maturity Date. The DIP Term Commitments shall permanently terminate immediately upon funding in full of the Interim DIP Term Loans on the Interim DIP Term Funding Date, in an amount equal to the Interim DIP Term Amount. The remaining DIP Term Commitments shall permanently terminate on the earlier of (x) immediately upon funding in full of the DIP Term Loans (other than the Interim DIP Term Loans) on the DIP Term Loan Closing Date, in an amount equal to the Closing Date DIP Term Amount and (y) the DIP Term Commitment Termination Date.

(b) The Lead Borrower may at any time terminate, or from time to time reduce, the Revolving Commitments of any Class; provided that (i) any such reduction shall be in an amount that is (x) an integral multiple of $1,000,000 or (y) the entire remaining Revolving Commitments of such Class and (ii) the Revolving Commitments under any Facility shall not be terminated or reduced if, after giving effect to any concurrent prepayment of the Revolving Loans under such Facility in accordance with Section 2.09, the Revolving Exposures under such Facility would exceed the Commitments under such Facility.

(c) The Lead Borrower shall notify the Administrative Agent of any election to terminate or reduce the Revolving Commitments of any Facility under paragraph (b) of this Section 2.07 at least three (3) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the relevant Revolving Lenders of the contents thereof. Each notice delivered by the Lead Borrower pursuant to this Section 2.07 shall be irrevocable except that, to the extent delivered in connection with a refinancing of the applicable Obligations or other transaction, such notice shall not be irrevocable until such refinancing is closed and funded or other transaction is closed. Any effectuated termination or reduction of the Revolving Commitments of any Facility shall be permanent. Each reduction of the Revolving Commitments of any Facility shall be made ratably among the relevant Revolving Lenders in accordance with their respective Revolving Commitments.

(d) Concurrently with the prepayment of the Obligations pursuant to Section 2.09(b)(v) below, the Revolving Commitments shall automatically terminate on a dollar for dollar basis in an amount equal to equal to 100% of the Net Proceeds received from the applicable DIP Prepayment Event.

Section 2.08 Interest Elections.

(a) Each Borrowing initially shall be of the Type specified in the applicable Notice of Borrowing and, in the case of a Borrowing of LIBO Rate Loans, shall have an initial Interest Period as specified in such Notice of Borrowing. Thereafter, the Lead Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Borrowing of LIBO Rate Loans, may elect Interest Periods therefor, all as provided in this Section 2.08. The Lead Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section 2.08, the Lead Borrower shall notify the Administrative Agent of such election by telephone (other than in relation to a Swiss Revolving Loan) or electronic transmission (if arrangements for doing so have been approved by the Administrative Agent, which approval shall not be unreasonably withheld, delayed or conditioned) by the time that a Notice of Borrowing would be required under Section 2.03 if the Lead Borrower was requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Notice of Conversion/Continuation shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Notice of Conversion/Continuation substantially in the form of Exhibit A-3, unless otherwise agreed to by the Administrative Agent and the Lead Borrower.

(c) Each telephonic and written Notice of Conversion/Continuation shall specify the following information in compliance with Section 2.02:

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

(ii) the effective date of the election made pursuant to such Notice of Conversion/Continuation, which shall be a Business Day;

(iii) in respect of any Revolving Borrowings, whether the resulting Borrowing is to be a Borrowing of Base Rate Loans or LIBO Rate Loans;

(iv) in respect of any Borrowing of DIP Term Loans, whether the resulting Borrowing is to be a Borrowing of Base Rate Loan or LIBO Rate Loan;

(v) the currency of the resulting Borrowing which, in respect of a Borrowing of DIP Term Loans, shall be U.S. Dollars; and

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

If any such Notice of Conversion/Continuation requests a Borrowing of LIBO Rate Loans but does not specify an Interest Period, then the Lead Borrower shall be deemed to have selected an Interest Period

of one month's duration. No Borrowing may be converted into or continued as a Borrowing denominated in a different currency, but instead must be prepaid in the original currency of such Borrowing and reborrowed in the other currency.

(d) Promptly following receipt of a Notice of Conversion/Continuation, the Administrative Agent shall advise each applicable Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If a Notice of Conversion/Continuation with respect to a Borrowing of LIBO Rate Loans denominated in U.S. Dollars under the North American Revolving Facility is not timely delivered prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to a Borrowing of Base Rate Loans; provided, however, that, if (i) approved by the Administrative Agent (such approval not to be unreasonably withheld, conditioned or delayed) and (ii) the applicable Borrower shall have delivered to the Administrative Agent its customary standard (if applicable) documentation pre-authorizing automatic continuations, such Borrowing shall automatically continue with an Interest Period of one month. If a Notice of Conversion/Continuation with respect to a Borrowing under the Swiss Revolving Facility is not timely delivered prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to a LIBO Rate Borrowing with an Interest Period of one month. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing, then, after the occurrence and during the continuance of such Event of Default (i) no outstanding Borrowing in U.S. Dollars may be converted to or continued as a Borrowing of LIBO Rate Loans and (ii) unless repaid, each Borrowing of LIBO Rate Loans in any Alternative Currency shall be converted to or continued as a Borrowing of LIBO Rate Loans in such Alternative Currency with an Interest Period of one month at the end of the Interest Period applicable thereto.

Section 2.09 Optional and Mandatory Prepayments of Loans.

(a) Optional Prepayments. Subject to the last sentence of this Section 2.09(a), the Borrowers shall have the right at any time and from time to time to prepay, without premium or penalty (except as provided in Section 2.09(e) with respect to the DIP Term Loans), any Borrowing, in whole or in part, subject to the requirements of this Section 2.09; provided that each partial prepayment shall be in an amount that is an integral multiple of $100,000. Notwithstanding anything in this Agreement to the contrary, in no event shall any Loan Party repay or prepay the DIP Term Loans until the Full Senior Obligation Repayment.

(b) Mandatory Prepayments.

(i) In the event of the termination of all the Revolving Commitments of any Facility in accordance with the terms of this Agreement, the applicable Borrowers shall, on the date of such termination, (x) repay or prepay all the outstanding Revolving Borrowings and all outstanding Swingline Loans under such Facility and (y) Cash Collateralize the LC Exposure in respect of such Facility in accordance with Section 2.13(j).

(ii) In the event of any partial reduction of the Revolving Commitments under any Facility in accordance with the terms of this Agreement, then (A) at or prior to the effective date of such reduction, the Administrative Agent shall notify the Lead Borrower and the Lenders of the Aggregate Exposures after giving effect thereto and (B) if the Availability Conditions would not be satisfied upon giving effect to such reduction, then the Borrowers shall, on the date of such reduction (or, if such failure to satisfy the Availability Conditions is due to the imposition of new Reserves, a change in the methodology of calculating existing Reserves, a change in eligibility

standards or the occurrence of a Revaluation Date, in each case in accordance with the terms of this Agreement, within (5) five Business Days following receipt of written notice that complies with the terms of this Agreement), *first*, repay or prepay all Swingline Loans, *second*, repay or prepay Revolving Borrowings and *third*, replace or Cash Collateralize outstanding Letters of Credit in accordance with the procedures set forth in Section 2.13(j), in an amount sufficient to comply with the Availability Conditions.

(iii) In the event that the Availability Conditions are not satisfied at any time, the Borrowers shall, immediately after demand (or, if such failure to satisfy the Availability Conditions is due to the imposition of new Reserves, a change in the methodology of calculating existing Reserves, a change in eligibility standards or the occurrence of a Revaluation Date, in each case in accordance with the terms of this Agreement, within five (5) Business Days following receipt of written notice that complies with the terms of this Agreement), *first*, repay or prepay all Swingline Loans, *second*, repay or prepay Revolving Borrowings, and *third*, replace or Cash Collateralize outstanding Letters of Credit in accordance with the procedures set forth in Section 2.13(j), in an amount sufficient to comply with the Availability Conditions. Notwithstanding the foregoing, if the Availability Conditions are not satisfied solely as a result of the fluctuation of currency exchange rates, then the foregoing requirements shall only apply if the Aggregate Exposures exceed 103% of the amount that would comply with the Availability Conditions.

(iv) In the event that (1) the aggregate LC Exposure exceeds the LC Sublimit then in effect, the Lead Borrower shall, without notice or demand, immediately replace or Cash Collateralize outstanding Letters of Credit in accordance with the procedures set forth in Section 2.13(j), in an amount sufficient to eliminate such excess, (2) the aggregate North American LC Exposure exceeds the North American LC Sublimit then in effect, the Lead Borrower shall, without notice or demand, immediately replace or Cash Collateralize outstanding North American Letters of Credit in accordance with the procedures set forth in Section 2.13(j), in an amount sufficient to eliminate such excess or (3) the aggregate Swiss LC Exposure exceeds the Swiss LC Sublimit then in effect, the Swiss Borrower shall, without notice or demand, immediately replace or Cash Collateralize outstanding Swiss Letters of Credit in accordance with the procedures set forth in Section 2.13(j), in an amount sufficient to eliminate such excess.

(v) In the event and on each occasion that, at any time on or after the DIP Closing Date, any Net Proceeds are received by or on behalf of any Loan Party or any Subsidiary in respect of any DIP Prepayment Event, the Borrowers shall, immediately after such Net Proceeds are received by any Loan Party or any Subsidiary, prepay the Obligations in an aggregate amount equal to 100% of such Net Proceeds subject to Section 2.09(e).

(vi) If, as of any Business Day, (A) Loans are outstanding and (B) the Consolidated Cash Balance exceeds $7,500,000 as of the end of such applicable Business Day, then the Borrowers shall, on the next Business Day thereafter, prepay the Revolving Loans in an aggregate principal amount equal to such excess.

Notwithstanding the foregoing, if any of the foregoing conditions described in subclauses (ii), (iii) or (iv) of this Section 2.09(b) arises solely as a result of the fluctuation of currency exchange rates, then the foregoing requirements set forth in subclauses (ii), (iii) or (iv) of this Section 2.09(b) shall only apply if the LC Exposure, North American LC Exposure or Swiss LC Exposure, as the case may be, exceeds 105% of the maximum amount that would not give rise to any of the foregoing conditions.

(c) Application of Prepayments.

(i) Prior to any optional or mandatory prepayment of Borrowings hereunder, the Lead Borrower shall select the Borrowing or Borrowings to be prepaid and shall specify such selection in the notice of such prepayment pursuant to this paragraph (i) of Section 2.09(c); provided that, no optional and mandatory prepayments of Borrowings hereunder may be applied to DIP Term Obligations until such time as the Full Senior Obligation Repayment has occurred. With respect to mandatory prepayments of Loans, unless during a Liquidity Period (other than an Interim Period), except as provided in Section 2.09(b)(iii) hereof with respect to mandatory prepayments of Revolving Loans, all such mandatory prepayments shall be applied as follows: *first*, to fees and reimbursable expenses of the Administrative Agent then due and payable pursuant to the Loan Documents; *second*, to interest then due and payable on the Borrowers' Swingline Loans; *third*, to the principal balance of the Swingline Loans outstanding until the same has been prepaid in full; *fourth*, to interest then due and payable on the Revolving Loans and other amounts due pursuant to Sections 3.02 and 5.01 in respect of the applicable Facility (other than the DIP Term Facility) subject to such mandatory prepayment; *fifth*, to the principal balance of the Revolving Loans in respect of the applicable Facility subject to such mandatory prepayment until the same have been prepaid in full; *sixth*, to Cash Collateralize all LC Exposure in respect of the applicable Facility (other than the DIP Term Facility) subject to such mandatory prepayment *plus* any accrued and unpaid interest thereon (to be held and applied in accordance with Section 2.13(j) hereof); *seventh*, to all other Obligations (other than DIP Term Obligations) *pro rata* in accordance with the amounts that such Lender certifies is outstanding; *eighth*, subject to the occurrence of Full Senior Obligation Repayment, to fees and reimbursable expenses of the DIP Term Lenders then due and payable pursuant to the Loan Documents; *ninth*, subject to the occurrence of Full Senior Obligation Repayment, to interest then due and payable on the DIP Term Loans and other amounts due pursuant to Sections 3.02 and 5.01 in respect of the DIP Term Facility subject to such mandatory prepayment; *tenth*, subject to the occurrence of Full Senior Obligation Repayment, to the principal balance of the DIP Term Loans until the same have been prepaid in full; *eleventh*, subject to the occurrence of Full Senior Obligation Repayment, to all other DIP Term Obligations *pro rata* in accordance with the amounts that such Lender certifies is outstanding; and *twelfth*, returned to the Lead Borrower or to such party as otherwise required by law; provided that, prior to the occurrence of the DIP Term Loan Closing Date, in respect of any mandatory prepayment from a Foreign Loan Party or funded with the net cash proceeds of a DIP Prepayment Event in respect of any Foreign Collateral, such proceeds will be applied *first*, to the Prepetition Obligations in accordance with Section 11.02(c) of the Prepetition Credit Agreement as amended by the Foreign Priority Waterfall until all Foreign Obligations (as defined in the Prepetition Credit Agreement) and any fees and all other expenses or amounts relating to such Foreign Obligations (as defined in the Prepetition Credit Agreement) shall have been paid in full in cash and (y) *second*, in accordance with clauses first to twelfth above.

(ii) Amounts to be applied pursuant to this Section 2.09 to the prepayment of Loans shall be applied first to reduce outstanding Base Rate Loans. Any amounts remaining after each such application shall be applied to prepay LIBO Rate Loans. Notwithstanding the foregoing, if the amount of any prepayment of Loans required under this Section 2.09 shall be in excess of the amount of the Base Rate Loans at the time outstanding, only the portion of the amount of such prepayment that is equal to the amount of such outstanding Base Rate Loans shall be immediately prepaid and, at the election of the applicable Borrower, the balance of such required prepayment shall be either (A) deposited in the LC Collateral Account and applied to the prepayment of LIBO Rate Loans on the last day of the then next-expiring Interest Period for such LIBO Rate Loans (with all interest accruing thereon for the account of the applicable Borrowers) or (B) prepaid immediately, together with any amounts owing to the Lenders under Section 2.10. Notwithstanding any such deposit in the LC Collateral Account, interest shall continue to accrue on such Loans until prepayment.

(d) Notice of Prepayment. The Lead Borrower shall notify the Administrative Agent (and, in the case of prepayment of a Swingline Loan, the Swingline Lender) by telephone (other than in the case of the requests in relation to Swiss Revolving Loans and Swingline Loans) (confirmed by telecopy) of any prepayment hereunder (i) in the case of prepayment of a Borrowing of LIBO Rate Loan, not later than 1:00 p.m., Local Time, three (3) Business Days before the date of prepayment, (ii) in the case of prepayment of a Borrowing of Base Rate Loans, not later than 1:00 p.m., Local Time, on the date of prepayment and (iii) in the case of prepayment of a Swingline Loan, not later than 1:00 p.m., Local Time, on the date of prepayment. Each such notice shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid and, in the case of a mandatory prepayment, a reasonably detailed calculation of the amount of such prepayment. Each notice of prepayment pursuant to this Section shall be irrevocable, except that the Lead Borrower may, by subsequent notice to the Administrative Agent, revoke any such notice of prepayment if such notice of revocation is received not later than 10:00 a.m. (New York City time) on the day on which such prepayment is scheduled to occur and, provided that (i) the Lead Borrower reimburses each applicable Lender pursuant to Section 3.02 for any funding losses within five (5) Business Days after receiving written demand therefor and (ii) the amount of Loans as to which such revocation applies shall be deemed converted to (or continued as, as applicable) Base Rate Loans (denominated in U.S. Dollars) or LIBO Rate Loans (not denominated in U.S. Dollars or Euros) with an Interest Period of one month, in accordance with the provisions of Section 2.08 as of the date of notice of revocation (subject to subsequent conversion in accordance with the provisions of this Agreement). Promptly following receipt of any such notice (other than a notice relating solely to Swingline Loans), the Administrative Agent shall advise the applicable Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02, except as necessary to apply fully the required amount of a mandatory prepayment. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.06.

(e) In the event that all or a portion of the DIP Term Loan are prepaid, either optionally or pursuant to any mandatory prepayment obligations, (unless such prepayment is made with the proceeds of a Qualified Sale in which the Stalking Horse Bidder is the winning bidder) the Lead Borrower shall pay a prepayment premium in an amount equal to 1.0% of the DIP Term Loans so prepaid. For the avoidance of doubt, any Lender that is replaced pursuant to Section 3.04(b) or Section 13.04 shall be entitled to receive the foregoing prepayment premium, which shall be payable by the Lead Borrower.

(f) If at any time the Aggregate First Out Obligations exceed the Aggregate First Out Obligation Cap, the Lead Borrower shall promptly repay the Revolving Loans in an amount equal to such excess.

Section 2.10 Payments Generally; Pro Rata Treatment; Sharing of Set-offs.

(a) Each Borrower shall make each payment required to be made by it hereunder or under any other Loan Document (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Sections 3.01, 3.02, and 5.01 or otherwise) at or before the time expressly required hereunder or under such other Loan Document for such payment (or, if no such time is expressly required, prior to (x) 3:00 p.m., New York City time or (y) other Applicable Time specified by the Administrative Agent), on the date when due, in immediately available funds, without set-off or counterclaim. Except as otherwise expressly provided herein, all payments by the Borrowers hereunder with respect to principal and interest on Loans denominated in an Alternative Currency shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's applicable office in such Alternative Currency and in same day funds not later than the Applicable Time specified by the Administrative Agent on the dates specified herein. Without limiting the generality of the

foregoing, the Administrative Agent may require that any payments due under this Agreement be made in the United States. If, for any reason, any Borrower is prohibited by any law from making any required payment hereunder in an Alternative Currency, such Borrower shall make such payment in U.S. Dollars in the Dollar Equivalent of the Alternative Currency payment amount. Any amounts received after such time on any date may, in the reasonable discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at the Payment Office, except payments to be made directly to an Issuing Bank or Swingline Lender as expressly provided herein and except that payments pursuant to Sections 3.01, 3.02, 5.01 and 13.01 shall be made to the Administrative Agent for the benefit of to the Persons entitled thereto and payments pursuant to other Loan Documents shall be made to the Administrative Agent for the benefit of the Persons specified therein. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment under any Loan Document shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied in the manner as provided in Section 2.09(c) or 11.02 hereof, as applicable, ratably among the parties entitled thereto.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in LC Disbursements or Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements and Swingline Loans and accrued interest thereon than the proportion received by any other Lender under such Facility, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements and Swingline Loans of other Lenders under such Facility to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in LC Disbursements and Swingline Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Lead Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to the Lead Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Loan Parties rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of a Loan Party in the amount of such participation.

(d) Unless the Administrative Agent shall have received, prior to any date on which any payment is due to the Administrative Agent for the account of the Lenders or, if applicable, an Issuing Bank pursuant to the terms hereof or any other Loan Document (including the date that is fixed for prepayment by notice from the Lead Borrower to the Administrative Agent pursuant to Section 2.09(d)), notice from any Borrower that such Borrower will not make such payment or prepayment, the Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or, if applicable, the Issuing Banks, as the case may be, the amount due. In such event, if such Borrower has not in fact made such payment, then each of

the Lenders or, if applicable, the Issuing Banks under the applicable Facility, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or, if applicable, Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.02(c), 2.02(f), 2.10(d), 2.12(d) or 2.13(d), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

Section 2.11 Defaulting Lenders.

(a) Reallocation of Pro Rata Share; Amendments. For purposes of determining the Lenders' obligations to fund or acquire participations in Loans or Letters of Credit, the Administrative Agent may exclude the Commitments and Loans of any Defaulting Lender(s) from the calculation of Pro Rata Shares. A Defaulting Lender shall have no right to vote on any amendment, waiver or other modification of a Loan Document, except as provided in Section 13.12; provided that when a Defaulting Lender shall exist, any such Defaulting Lender's Revolving Commitment shall be disregarded in any of such calculations to the extent that disregarding the applicable Revolving Commitments would not cause the Revolving Exposure of any Lender under any Facility to exceed the amount of such Lender's Revolving Commitment under such Facility.

(b) Payments; Fees. The Administrative Agent may, in its discretion, receive and retain any amounts payable to a Defaulting Lender under the Loan Documents, and a Defaulting Lender shall be deemed to have assigned to the Administrative Agent such amounts until all Obligations owing to the Administrative Agent, Non-Defaulting Lenders and other Secured Parties have been paid in full. The Administrative Agent may apply such amounts to the Defaulting Lender's defaulted obligations, use the funds to Cash Collateralize such Lender's Fronting Exposure, or readvance the amounts to the Borrowers hereunder. A Lender shall not be entitled to receive any fees accruing hereunder during the period in which it is a Defaulting Lender, and the unfunded portion of its Commitment shall be disregarded for purposes of calculating the Unused Line Fee under Section 2.05(a). To the extent any LC Exposure attributable to a Defaulting Lender is reallocated to other Lenders, LC Participation Fees attributable to such LC Exposure under Section 2.05(c) shall be paid to such other Lenders. If all or any portion of the LC Exposure attributable to a Defaulting Lender is neither reallocated to other Lenders nor Cash Collateralized, then LC Participation Fees attributable to such LC Exposure shall be payable to the respective Issuing Banks until, and to the extent that, such LC Exposure is reallocated and/or Cash Collateralized.

(c) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of a Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article 11 or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 13.02 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to any Issuing Bank or Swingline Lender hereunder; *third*, to Cash Collateralize the Issuing Banks' Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.11; *fourth*, as the Lead Borrower may request (so long as no Default or Event of 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; *fifth*, if so determined

by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the Issuing Banks' future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.11; *sixth*, to the payment of any amounts owing to the Lenders, the Issuing Banks or the Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the Issuing Banks or the Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Lead Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Lead Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or LC Disbursements in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 6.03 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and LC Disbursements owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or LC Disbursements owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in LC Obligations and Swingline Loans are held by the Lenders pro rata in accordance with the Commitments; provided further that any payment to a Defaulting Lender that is a DIP Term Lender shall only be made after Full Senior Obligation Repayment has occurred. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(d) Cure. The Lead Borrower, Administrative Agent and applicable Issuing Bank may reasonably agree in writing that a Lender is no longer a Defaulting Lender. At such time, Pro Rata Shares shall be reallocated without exclusion of such Lender's Commitments and Loans, and all outstanding Loans, LC Obligations and other exposures under the Commitments shall be reallocated among Lenders and settled by the Administrative Agent (with appropriate payments by the reinstated Lender) in accordance with the readjusted Pro Rata Shares. Unless expressly agreed by the Lead Borrower, Administrative Agent and applicable Issuing Bank, no reinstatement of a Defaulting Lender shall constitute a waiver or release of claims against such Lender. The failure of any Lender to fund a Loan, to make a payment in respect of LC Obligations or otherwise to perform its obligations hereunder shall not relieve any other Lender of its obligations, and no Lender shall be responsible for default by another Lender.

Section 2.12 Swingline Loans.

(a) Swingline Commitment. Subject to the terms and conditions set forth herein, the Swingline Lender may, but shall not be obligated to, (i) make Swingline Loans ("North American Swingline Loans") in U.S. Dollars to the U.S. Borrowers on behalf of the North American Revolving Lenders in an aggregate amount not to exceed $40,000,000 and (ii) make Swingline Loans ("Swiss Swingline Loans"; the North American Swingline Loans and the Swiss Swingline Loans are collectively referred to herein as the "Swingline Loans") in Swiss Francs or any Alternative Currency to any Borrower on behalf of the Swiss Revolving Lenders in an aggregate amount not to exceed $5,000,000, in each case, from time to time during the Revolving Availability Period so long as the making of any such Swingline Loans will not result in (x) the Dollar Equivalent of the aggregate principal amount of outstanding Swingline Loans exceeding 10% of the Aggregate Revolving Commitment or (y) the failure to satisfy the Availability Conditions; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Lead Borrower may borrow, repay and reborrow Swingline Loans.

(b) Swingline Loans. To request a Swingline Loan, the applicable Borrower shall notify the Administrative Agent of such request by telephone (confirmed by telecopy), not later than 12:00 Noon, Local Time, on the day of (or, in the case of a proposed Swingline Loan in Australian Dollars or Swiss Francs, one Business Day prior to) a proposed Swingline Loan. Each such notice shall be irrevocable and specify (i) the requested date (which shall be a Business Day), (ii) the Borrower requesting such Swingline Loan, (iii) the requested currency of such Swingline Loans and (iv) amount of the requested Swingline Loan. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from any Borrower. Each North American Swingline Loan made in U.S. Dollars shall be a Base Rate Loan. Each Swiss Swingline Loan shall be an Overnight LIBO Rate Loan (or, in the case of any Swiss Swingline Loan denominated in Australian Dollars, a Loan which bears interest at the AUD Rate). The Swingline Lender shall make each Swingline Loan available to the applicable Borrower by means of a credit to the general deposit account of such Borrower with the Swingline Lender (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.13(e), by remittance to the applicable Issuing Bank) by 5:00 p.m., Local Time, on the requested date of such Swingline Loan. No Borrower may request a Swingline Loan if at the time of and immediately after giving effect to such request a Default has occurred and is continuing. Swingline Loans shall be made in minimum amounts of $100,000 or the Dollar Equivalent amount thereof.

(c) Prepayment. The applicable Borrowers shall have the right at any time and from time to time to repay, without premium or penalty, any Swingline Loan, in whole or in part, upon giving written or telecopy notice (or telephone notice promptly confirmed by written, or telecopy notice) to the Swingline Lender and to the Administrative Agent before 4:00 p.m., London time on (or, in the case of any Swingline Loan denominated in Australian Dollars or Swiss Francs, one Business Day prior to) the date of repayment at the Swingline Lender's address for notices specified in the Swingline Lender's Administrative Questionnaire. All principal payments of Swingline Loans shall be accompanied by accrued interest on the principal amount being repaid to the date of payment.

(d) Participations. The Swingline Lender may by written notice given to the Administrative Agent not later than 12:00 p.m., Local Time, on (or, in the case of any Swingline Loan denominated in Australian Dollars or Swiss Francs, one Business Day prior to) any Business Day require the Revolving Lenders under the applicable Facility to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding under such Facility. Such notice shall specify the aggregate amount of Swingline Loans in which Revolving Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to such Revolving Lender, specifying in such notice such Revolving Lender's Pro Rata Percentage (with respect to the applicable Facility) of such Swingline Loan or Loans. Each Revolving Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Administrative Agent, for the account of the Swingline Lender, such Revolving Lender's Pro Rata Percentage (with respect to the applicable Facility) of such Swingline Loan or Loans. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Aggregate Revolving Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever (provided that such payment shall not cause such Revolving Lender's Revolving Exposure to exceed such Revolving Lender's Revolving Commitment). Each Revolving Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.14 with respect to Loans made by such Revolving Lender (and Section 2.02 shall apply, *mutatis mutandis*, to the payment obligations of the Revolving Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Revolving Lenders. The Administrative Agent shall notify the Lead Borrower of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the

Swingline Lender. Any amounts received by the Swingline Lender from the Lead Borrower (or other party on behalf of the Lead Borrower) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the applicable Revolving Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve any Borrower of any default in the payment thereof.

Section 2.13 Letters of Credit.

(a) General. Subject to the terms and conditions set forth herein, (x) the Lead Borrower may request the issuance of North American Letters of Credit in U.S. Dollars or in one or more applicable Alternative Currencies (if any) for any U.S. Borrower's account or the account of a Subsidiary of the Lead Borrower in a form reasonably acceptable to the Administrative Agent and the applicable North American Issuing Bank, at any time and from time to time during the Revolving Availability Period; provided that the Lead Borrower shall be a co-applicant with respect to each North American Letter of Credit issued for the account of or in favor of any Subsidiary that is not a U.S. Borrower and (y) the Swiss Borrower may request the issuance of Swiss Letters of Credit in Swiss Francs or in one or more applicable Alternative Currencies (if any) for the Swiss Borrower's account or the account of a Subsidiary of the Swiss Borrower in a form reasonably acceptable to the Administrative Agent and the applicable Swiss Issuing Bank, at any time and from time to time during the Revolving Availability Period; provided that, with respect to each Letter of Credit issued for the account of or in favor of any Subsidiary that is not the Swiss Borrower but is a Subsidiary of the Swiss Borrower, the Swiss Borrower shall be a co-applicant. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by a Borrower to, or entered into by any Borrower with, the applicable Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control. Notwithstanding anything to the contrary in this Agreement, all Existing Letters of Credit shall be deemed issued under this Agreement from and after the DIP Closing Date and shall be a North American Letter of Credit or Swiss Letter of Credit, as applicable, for purposes of this Agreement. If the Borrowers request any Issuing Bank to issue a Letter of Credit for an affiliated or unaffiliated third party (including a Subsidiary) (an "Account Party"), (i) such Account Party shall have no rights against such Issuing Bank; (ii) the Borrowers shall be responsible for the application and obligations under this Agreement; and (iii) communications (including notices) related to the respective Letter of Credit shall be among such Issuing Bank, the Administrative Agent and the Borrowers.

(b) Request for Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit or the amendment, renewal or extension of an outstanding Letter of Credit, a Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable Issuing Bank) an LC Request to the applicable Issuing Bank and the Administrative Agent not later than the Applicable Time specified by the Administrative Agent on the third Business Day preceding the requested date of issuance, amendment, renewal or extension (or such later date and time as is reasonably acceptable to the applicable Issuing Bank). A request for an initial issuance of a Letter of Credit shall specify in form and detail reasonably satisfactory to the applicable Issuing Bank: (i) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (ii) whether such Letter of Credit shall be a North American Letter of Credit or a Swiss Letter of Credit; (iii) the amount and currency thereof; (iv) the expiry date thereof; (v) the name and address of the beneficiary thereof; (vi) the documents to be presented by such beneficiary in case of any drawing thereunder; (vii) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; and (viii) such other matters as the applicable Issuing Bank may reasonably require and shall attach the agreed form of the Letter of Credit. A request for an amendment, renewal or extension of any outstanding Letter of Credit shall specify in form and detail reasonably satisfactory to the applicable Issuing

Bank, (w) the Letter of Credit to be amended, renewed or extended; (x) the proposed date of amendment, renewal or extension thereof (which shall be a Business Day), (y) the nature of the proposed amendment, renewal or extension; and (z) such other matters as the applicable Issuing Bank may reasonably require. If requested by the applicable Issuing Bank, the applicable Borrower also shall submit a letter of credit application substantially on such Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit, the applicable Borrower shall be deemed to represent and warrant (solely in the case of (w) and (x)) that, after giving effect to such issuance, amendment, renewal or extension) (A) other than in the case of Existing Letters of Credit and any renewals or extensions thereof, the LC Exposure shall not exceed $6,000,000 (the "LC Sublimit"), (B) other than in the case of Existing Letters of Credit and any renewals or extensions thereof, the North American LC Exposure shall not exceed $4,000,000 (the "North American LC Sublimit"), (C) the Swiss LC Exposure shall not exceed $2,000,000 (the "Swiss LC Sublimit"), (D) the Availability Conditions are satisfied, (E) other than in the case of Existing Letters of Credit and any renewals or extensions thereof, the North American LC Exposure attributable to North American Letters of Credit issued by any North American Issuing Bank shall not exceed the Dollar Equivalent of such North American Issuing Bank's North American Issuing Bank Sublimit, (F) the Swiss LC Exposure attributable to Swiss Letters of Credit issued by any Swiss Issuing Bank shall not exceed the Dollar Equivalent of such Swiss Issuing Bank's Swiss Issuing Bank Sublimit and (G) if a Defaulting Lender that is a Revolving Lender exists, either such Revolving Lender or the Lead Borrower has entered into arrangements satisfactory to the Administrative Agent and the applicable Issuing Bank to eliminate any Fronting Exposure associated with such Revolving Lender.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (x) the date which is one year after the date of the issuance of such Letter of Credit (or such other longer period of time as the Administrative Agent and the applicable Issuing Bank may agree and, in the case of any renewal or extension thereof, one (1) year after such renewal or extension) and, (y) unless Cash Collateralized or otherwise credit supported or agreed to the reasonable satisfaction of the Administrative Agent and the applicable Issuing Bank (in which case the expiry may extend no longer than twelve (12) months after the Letter of Credit Expiration Date) the Letter of Credit Expiration Date. Each Letter of Credit may, upon the request of the Lead Borrower, include a provision whereby such Letter of Credit shall be renewed automatically for additional consecutive periods of twelve (12) months or less (but, subject to the foregoing, not beyond the date that is after the Letter of Credit Expiration Date) unless the applicable Issuing Bank notifies the beneficiary thereof at least thirty (30) days prior to the then-applicable expiration date that such Letter of Credit will not be renewed.

(d) Participations.

(i) By the issuance of a North American Letter of Credit (or an amendment to a North American Letter of Credit increasing the amount thereof) and without any further action on the part of the applicable North American Issuing Bank or the North American Revolving Lenders, the applicable North American Issuing Bank hereby grants to each North American Revolving Lender, and each such North American Revolving Lender hereby acquires from such North American Issuing Bank, a participation in such North American Letter of Credit equal to such North American Revolving Lender's Pro Rata Percentage of the aggregate amount available to be drawn under such North American Letter of Credit. In consideration and in furtherance of the foregoing, each North American Revolving Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the applicable North American Issuing Bank, such North American Revolving Lender's Pro Rata Percentage of each North American LC Disbursement made by the applicable North American Issuing Bank and not reimbursed by the U.S. Borrowers on the date due as provided in paragraph (e) of this Section 2.13, or of any reimbursement payment

required to be refunded to the U.S. Borrowers for any reason. Each applicable Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of North American Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any North American Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Aggregate Revolving Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(ii) By the issuance of a Swiss Letter of Credit (or an amendment to a Swiss Letter of Credit increasing the amount thereof) and without any further action on the part of the applicable Swiss Issuing Bank or the Swiss Revolving Lenders, the applicable Swiss Issuing Bank hereby grants to each Swiss Revolving Lender, and each such Swiss Revolving Lender hereby acquires from such Swiss Issuing Bank, a participation in such Swiss Letter of Credit equal to such Swiss Revolving Lender's Pro Rata Percentage of the aggregate amount available to be drawn under such Swiss Letter of Credit. In consideration and in furtherance of the foregoing, each Swiss Revolving Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the applicable Swiss Issuing Bank, such Swiss Revolving Lender's Pro Rata Percentage of each Swiss LC Disbursement made by the applicable Swiss Issuing Bank and not reimbursed by the Swiss Borrower on the date due as provided in paragraph (e) of this Section 2.13, or of any reimbursement payment required to be refunded to the Swiss Borrower for any reason. Each applicable Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Swiss Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Swiss Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Aggregate Revolving Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement.

(i) If any North American Issuing Bank shall make any North American LC Disbursement in respect of a North American Letter of Credit, the U.S. Borrowers shall reimburse such North American LC Disbursement by paying to the applicable North American Issuing Bank an amount equal to such North American LC Disbursement not later than (x) in the case of reimbursement in U.S. Dollars, 2:00 p.m., New York City time, on the Business Day after receiving notice from such North American Issuing Bank of such North American LC Disbursement or (y) in the case of reimbursement in an Alternative Currency, the Applicable Time specified by the Administrative Agent on the Business Day after receiving notice from such North American Issuing Bank of such North American LC Disbursement; provided that, whether or not the Lead Borrower submits a Notice of Borrowing, the applicable U.S. Borrower shall be deemed to have requested (except to the extent such U.S. Borrower makes payment to reimburse such North American LC Disbursement when due) a Borrowing of Base Rate Loans (with respect to North American Letters of Credit in U.S. Dollars) or LIBO Rate Loans under the North American Revolving Facility with an Interest Period of one month (with respect to North American Letters of Credit in a currency other than U.S. Dollars) in an amount necessary to reimburse such North American LC Disbursement. If such U.S. Borrower fails to make such payment when due, the applicable North American Issuing Bank shall notify the Administrative Agent and the Administrative Agent shall notify each North American Revolving Lender of the applicable North American LC Disbursement, the payment then due from such U.S. Borrower in respect thereof and such North American Revolving Lender's Pro Rata Percentage thereof. Promptly following receipt of such notice, each such North American Revolving Lender shall pay to the Administrative Agent its Pro Rata Percentage of the unreimbursed North American LC Disbursement (in U.S. Dollars, if the

applicable North American Letter of Credit was denominated in U.S. Dollars, or in the applicable Alternative Currency, if the applicable North American Letter of Credit was denominated in an Alternative Currency) in the same manner as provided in Section 2.02(f) with respect to Loans made by such North American Revolving Lender, and the Administrative Agent shall promptly pay to the applicable North American Issuing Bank the amounts so received by it from such North American Revolving Lenders. In the case of a North American Letter of Credit denominated in an Alternative Currency, the applicable U.S. Borrower shall reimburse the applicable North American Issuing Bank in such Alternative Currency, unless (A) such North American Issuing Bank (at its option) shall have specified in such notice that it will require reimbursement in U.S. Dollars, or (B) in the absence of any such requirement for reimbursement in U.S. Dollars, the applicable U.S. Borrower shall have notified such North American Issuing Bank promptly following receipt of the notice of drawing that such U.S. Borrower will reimburse such North American Issuing Bank in U.S. Dollars. In the case of any such reimbursement in U.S. Dollars of a drawing under a North American Letter of Credit denominated in an Alternative Currency, the applicable North American Issuing Bank shall notify the applicable U.S. Borrower of the Dollar Equivalent of the amount of the drawing promptly following the determination thereof. Promptly following receipt by the Administrative Agent, of any payment from the U.S. Borrowers pursuant to this paragraph, the Administrative Agent shall distribute such payment to the applicable North American Issuing Bank. Any payment made by a North American Revolving Lender pursuant to this paragraph to reimburse a North American Issuing Bank for any North American LC Disbursement (other than the funding of Base Rate Loans or LIBO Rate Loans as contemplated above) shall not constitute a North American Revolving Loan and shall not relieve any U.S. Borrower of its obligation to reimburse such North American LC Disbursement. In the event that (A) a drawing denominated in an Alternative Currency is to be reimbursed in U.S. Dollars pursuant to the third sentence in this Section 2.13(e)(i) and (B) the U.S. Dollar amount paid by the U.S. Borrowers shall not be adequate on the date of that payment to purchase in accordance with normal banking procedures a sum denominated in the Alternative Currency equal to the drawing, the U.S. Borrowers agree, as a separate and independent obligation, to indemnify the applicable North American Issuing Bank for the loss resulting from its inability on that date to purchase the Alternative Currency in the full amount of the drawing.

(ii) If any Swiss Issuing Bank shall make any Swiss LC Disbursement in respect of a Swiss Letter of Credit, the Swiss Borrower shall reimburse such Swiss LC Disbursement by paying to the applicable Swiss Issuing Bank an amount equal to such Swiss LC Disbursement not later than the Applicable Time specified by the Administrative Agent on the Business Day after receiving notice from such Swiss Issuing Bank of such Swiss LC Disbursement; provided that, whether or not the Swiss Borrower submits a Notice of Borrowing, the Swiss Borrower shall be deemed to have requested (except to the extent the Swiss Borrower makes payment to reimburse such Swiss LC Disbursement when due) a Borrowing of LIBO Rate Loans under the Swiss Revolving Facility of the Swiss Borrower with an Interest Period of one month in an amount necessary to reimburse such Swiss LC Disbursement. If the Swiss Borrower fails to make such payment when due, the applicable Swiss Issuing Bank shall notify the Administrative Agent and the Administrative Agent shall notify each Swiss Revolving Lender of the applicable Swiss LC Disbursement, the payment then due from the Swiss Borrower in respect thereof and such Swiss Revolving Lender's Pro Rata Percentage thereof. Promptly following receipt of such notice, each such Swiss Revolving Lender shall pay to the Administrative Agent its Pro Rata Percentage of the unreimbursed Swiss LC Disbursement in the applicable Alternative Currency in the same manner as provided in Section 2.02(f) with respect to Loans made by such Swiss Revolving Lender, and the Administrative Agent shall promptly pay to the applicable Swiss Issuing Bank the amounts so received by it from such Swiss Revolving Lenders. The Swiss Borrower shall reimburse the applicable Swiss Issuing Bank in such Alternative Currency, unless (A) such Swiss Issuing Bank

(at its option) shall have specified in such notice that it will require reimbursement in U.S. Dollars or a different Alternative Currency, or (B) in the absence of any such requirement for reimbursement in U.S. Dollars or a different Alternative Currency, the Swiss Borrower shall have notified such Swiss Issuing Bank promptly following receipt of the notice of drawing that the Swiss Borrower will reimburse such Swiss Issuing Bank in Alternative Currency. In the case of any such reimbursement in an Alternative Currency of a drawing under a Swiss Letter of Credit denominated in Swiss Francs, the applicable Swiss Issuing Bank shall notify the Swiss Borrower of the Dollar Equivalent of the amount of the drawing promptly following the determination thereof. Promptly following receipt by the Administrative Agent, of any payment from the Swiss Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the applicable Swiss Issuing Bank. Any payment made by a Swiss Revolving Lender pursuant to this paragraph to reimburse a Swiss Issuing Bank for any Swiss LC Disbursement (other than the funding of LIBO Rate Loans as contemplated above) shall not constitute a Swiss Revolving Loan and shall not relieve the Swiss Borrower of its obligation to reimburse such Swiss LC Disbursement. In the event that (A) a drawing denominated in an Alternative Currency is to be reimbursed in U.S. Dollars or a different Alternative Currency pursuant to the third sentence in this Section 2.13(e)(ii) and (B) the amount paid by the Swiss Borrower shall not be adequate on the date of that payment to purchase in accordance with normal banking procedures a sum denominated in Swiss Francs equal to the drawing, the Swiss Borrower agrees, as a separate and independent obligation, to indemnify the applicable Swiss Issuing Bank for the loss resulting from its inability on that date to purchase Swiss Francs in the full amount of the drawing.

(f) Obligations Absolute.

(i) Subject to the limitations set forth below, the obligation of the Borrowers to reimburse LC Disbursements as provided in paragraph (e) of this Section 2.13 shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by any Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not strictly comply with the terms of such Letter of Credit, (iv) the existence of any claim, setoff, defense or other right which any Borrower may have at any time against a beneficiary of any Letter of Credit, (v) any adverse change in the relevant exchange rates or in the availability of the relevant Alternative Currency to any Borrower or any Subsidiary or in the relevant currency markets generally or (vi) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 2.13(f), constitute a legal or equitable discharge of, or provide a right of setoff against, the obligations of the Borrowers hereunder. None of the Administrative Agent, the Revolving Lenders or any Issuing Bank, or any of their respective Affiliates, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of any Issuing Bank; provided that the foregoing shall not be construed to excuse any Issuing Bank from liability to the Borrowers to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by each Borrower to the extent permitted by applicable law) suffered by the Borrowers that are caused by such Issuing Bank's failure to exercise

care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence, willful misconduct, or bad faith on the part of any Issuing Bank (as finally determined by a court of competent jurisdiction in a final non-appealable judgment), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, each Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(ii) No Issuing Bank assumes any responsibility for any failure or delay in performance or any breach by any Borrower or other Person of any obligations under any LC Document. No Issuing Bank makes to the Revolving Lenders any express or implied warranty, representation or guaranty with respect to the Collateral, such documents or any Loan Party. No Issuing Bank shall be responsible to any Revolving Lender for any recitals, statements, information, representations or warranties contained in, or for the execution, validity, genuineness, effectiveness or enforceability of any LC Document; the validity, genuineness, enforceability, collectability, value or sufficiency of any Collateral or the perfection of any Lien therein; or the assets, liabilities, financial condition, results of operations, business, creditworthiness or legal status of any Loan Party.

(iii) No Issuing Bank or any of its Affiliates, and their respective officers, directors, employees, agents and investment advisors shall be liable to any Revolving Lender or other Person for any action taken or omitted to be taken in connection with any LC Documents except as a result of its actual gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final non-appealable judgment. No Issuing Bank shall have any liability to any Revolving Lender if such Issuing Bank refrains from any action under any Letter of Credit or such LC Documents until it receives written instructions from the Required Revolving Lenders.

(g) Disbursement Procedures. Each Issuing Bank shall, within the period stipulated by the terms and conditions of a Letter of Credit, following its receipt thereof, examine all documents purporting to represent a demand for payment under such Letter of Credit. Promptly after such examination, such Issuing Bank shall notify the Administrative Agent and the Lead Borrower or the Swiss Borrower by telephone (confirmed by telecopy and/or electronically) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve any Borrower of its obligation to reimburse such Issuing Bank and the Revolving Lenders with respect to any such LC Disbursement (other than with respect to the timing of such reimbursement obligation set forth in Section 2.13(e)).

(h) Interim Interest. If any Issuing Bank shall make any LC Disbursement, then, unless the applicable Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that such Borrower reimburses such LC Disbursement, at the rate per annum then applicable to Base Rate Loans; provided that, if such Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section 2.13, then Section 2.06(b) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the applicable Issuing Bank, except that interest accrued on and after the date of payment by any Revolving Lender pursuant to paragraph (e) of this Section 2.13 to reimburse such Issuing Bank shall be for the account of such Revolving Lender to the extent of such payment.

(i) Resignation or Removal of any Issuing Bank. Any Issuing Bank may resign as Issuing Bank hereunder at any time upon at least thirty (30) days' prior written notice to the Revolving Lenders, the Administrative Agent and the Lead Borrower. Any Issuing Bank may be replaced at any time by agreement between the Lead Borrower and the Administrative Agent; provided that so long as no Event of Default has occurred and is continuing under Section 11.01(b), 11.01(c), 11.01(h), 11.01(i) or 11.01(j), such successor Issuing Bank shall be reasonably acceptable to the Lead Borrower. One or more Revolving Lenders may be appointed as additional Issuing Banks in accordance with paragraph (k) below. The Administrative Agent shall notify the Revolving Lenders of any such replacement of such Issuing Bank or any such additional Issuing Bank. At the time any such resignation or replacement shall become effective, the Lead Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.05(c). From and after the effective date of any such resignation or replacement or addition, as applicable, (i) the successor or additional Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or such addition or to any previous Issuing Bank, or to such successor or such additional Issuing Bank and all previous Issuing Banks, as the context shall require. After the resignation or replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such resignation or replacement, but shall not be required to issue additional Letters of Credit. If at any time there is more than one Issuing Bank hereunder, the Lead Borrower may, in its discretion, select which Issuing Bank is to issue any particular Letter of Credit.

(j) Cash Collateralization.

(i) If any Event of Default shall occur and be continuing, on the Business Day that the Lead Borrower receives notice from the Administrative Agent (acting at the request of the Required Revolving Lenders) demanding the deposit of Cash Collateral pursuant to this paragraph, the Lead Borrower shall deposit in the LC Collateral Account, in the name of the Administrative Agent and for the benefit of the Secured Parties, an amount in cash equal to 103% (or, in the case of Letters of Credit issued in any currency other than U.S. Dollars, 105%) of the LC Exposure as of such date. Each such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of the Lead Borrower under this Agreement, but shall be immediately released and returned to the Lead Borrower (in no event later than two (2) Business Days) once all Events of Default are cured or waived. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made only in Cash Equivalents and at the direction of the Lead Borrower and at the Lead Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Banks for LC Disbursements for which they have not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Lead Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Revolving Lenders with LC Exposure representing greater than 50% of the total LC Exposure), be applied to satisfy other Obligations of the Lead Borrower.

(ii) The Lead Borrower shall, on demand by an Issuing Bank or the Administrative Agent from time to time, Cash Collateralize the Fronting Exposure associated with any Defaulting Lender that is a Revolving Lender.

(k) Additional Issuing Banks. The Lead Borrower may, at any time and from time to time with the consent of the Administrative Agent (which consent shall not be unreasonably withheld, delayed or conditioned) and such Revolving Lender, designate one or more additional North American Revolving Lenders or Swiss Revolving Lenders to act as a North American Issuing Bank or a Swiss Issuing Bank, respectively, under the terms of this Agreement. Any Revolving Lender designated as an issuing bank pursuant to this paragraph (k) shall be deemed (in addition to being a Lender) to be an Issuing Bank with respect to Letters of Credit issued or to be issued by such Revolving Lender, and all references herein and in the other Loan Documents to the term "Issuing Bank", "North American Issuing Bank" and/or "Swiss Issuing Bank", as applicable, shall, with respect to such Letters of Credit, be deemed to refer to such Revolving Lender in its capacity as Issuing Bank, North American Issuing Bank and/or Swiss Issuing Bank, as the context shall require.

(l) No Issuing Bank shall be under an obligation to issue any Letter of Credit if:

(i) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such Issuing Bank from issuing such Letter of Credit, or any law applicable to such Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such Issuing Bank shall prohibit, or request that such Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon such Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which such Issuing Bank is not otherwise compensated hereunder) not in effect on the DIP Closing Date (or, if later, the date it became an Issuing Bank), or shall impose upon such Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the DIP Closing Date (or, if later, the date it became an Issuing Bank) and which such Issuing Bank in good faith deems material to it; or

(ii) the issuance of such Letter of Credit would violate one or more generally applicable policies or procedures of such Issuing Bank.

(m) No Issuing Bank shall be under an obligation to amend any Letter of Credit if (i) such Issuing Bank would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (ii) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(n) LC Collateral Account.

(i) The Administrative Agent is hereby authorized to establish and maintain at the Notice Office, in the name of the Administrative Agent and pursuant to a dominion and control agreement, a restricted deposit account designated "The Lead Borrower LC Collateral Account" (or such sub-accounts as the Administrative Agent may require for purposes of administration or collateral separation or otherwise). Each Loan Party shall deposit into the LC Collateral Account from time to time the Cash Collateral required to be deposited under Section 2.13(j) hereof.

(ii) The balance from time to time in such LC Collateral Account shall constitute part of the Collateral and shall not constitute payment of the Obligations until applied as hereinafter provided. Notwithstanding any other provision hereof to the contrary, all amounts held in the LC Collateral Account shall constitute collateral security *first*, for the liabilities in respect of Letters of Credit outstanding from time to time and *second*, for the other Obligations hereunder until such time as all Letters of Credit shall have been terminated and all of the liabilities in respect of Letters of Credit have been paid in full. All funds in "The Lead Borrower LC Collateral Account" may be invested in accordance with the provisions of Section 2.13(j).

Section 2.14 Settlement Amongst Lenders.

(a) The Swingline Lender may, at any time (but in any event shall weekly), on behalf of the Lead Borrower (which hereby authorizes the Swingline Lender to act on its behalf in that regard), request the Administrative Agent to cause the Revolving Lenders under the North American Revolving Facility and/or the Swiss Revolving Facility to make a Revolving Loan (which shall be a Base Rate Loan or an Overnight LIBO Rate Loan, as applicable) in an amount equal to such Revolving Lender's Pro Rata Percentage with respect to the North American Revolving Facility and/or the Swiss Revolving Facility, as applicable, of the Outstanding Amount of Swingline Loans, which request may be made regardless of whether the conditions set forth in Section 6.03 have been satisfied. Upon such request, each such Revolving Lender shall make available to the Administrative Agent the proceeds of such Revolving Loan for the account of the Swingline Lender. If the Swingline Lender requires such a Revolving Loan to be made by such Revolving Lenders and the request therefor is received prior to 12:00 Noon Local Time on a Business Day, such transfers shall be made in immediately available funds no later than 3:00 p.m. Local Time that day; and, if the request therefor is received after 12:00 Noon Local Time, then no later than 3:00 p.m. Local Time on the next Business Day. The obligation of each such Revolving Lender to transfer such funds is irrevocable, unconditional and without recourse to or warranty by the Administrative Agent or the Swingline Lender. If and to the extent any such Revolving Lender shall not have so made its transfer to the Administrative Agent, such Revolving Lender agrees to pay to the Administrative Agent, forthwith on demand, such amount, together with interest thereon, for each day from such date until the date such amount is paid to the Administrative Agent, at the Federal Funds Rate.

(b) The amount of each Revolving Lender's Pro Rata Percentage of outstanding Revolving Loans (including outstanding Swingline Loans) shall be computed weekly (or more frequently in the Administrative Agent's discretion) and shall be adjusted upward or downward based on all Revolving Loans (including Swingline Loans) and repayments of Revolving Loans (including Swingline Loans) received by the Administrative Agent as of 3:00 p.m. on the first Business Day (such date, the "Settlement Date") following the end of the period specified by the Administrative Agent.

(c) The Administrative Agent shall deliver to each of the Revolving Lenders promptly after a Settlement Date a summary statement of the amount of outstanding Revolving Loans (including Swingline Loans) for the period and the amount of repayments received for the period. As reflected on the summary statement, (i) the Administrative Agent shall transfer to each Revolving Lender its applicable Pro Rata Percentage of applicable repayments, and (ii) each Revolving Lender shall transfer to the Administrative Agent (as provided below) or the Administrative Agent shall transfer to each Revolving Lender, such amounts as are necessary to insure that, after giving effect to all such transfers, the amount of Revolving Loans made by each Revolving Lender under any applicable Facility with respect to Revolving Loans under such Facility to the Borrowers (including Swingline Loans) shall be equal to such Revolving Lender's applicable Pro Rata Percentage under such Facility of Revolving Loans (including Swingline Loans) outstanding as of such Settlement Date. If the summary statement requires transfers to be made to the Administrative Agent by the Revolving Lenders and is received prior to 12:00 Noon on a Business Day, such transfers shall be made in immediately available funds no later than 3:00 p.m. that day; and, if received after 12:00 Noon, then no later than 3:00 p.m. on the next Business Day. The obligation of each Revolving Lender to transfer such funds is irrevocable, unconditional and without recourse to or warranty by the Administrative Agent. If and to the extent any Revolving Lender shall not have so made its transfer to the Administrative Agent, such Revolving Lender agrees to pay to the Administrative Agent, forthwith on demand such amount, together with interest thereon, for each day from such date until the date such amount is paid to the Administrative Agent, at the Federal Funds Rate.

Section 2.15 [reserved].

Section 2.16 Lead Borrower. Each Borrower (to the fullest extent permitted by law) hereby designates the Lead Borrower as its representative and agent for all purposes under the Loan Documents, including requests for Loans and Letters of Credit, designation of interest rates, delivery or receipt of communications, preparation and delivery of Borrowing Base Certificates and financial reports, receipt and payment of Obligations, requests for waivers, amendments or other accommodations, actions under the Loan Documents (including in respect of compliance with covenants), and all other dealings with the Administrative Agent, any Issuing Bank or any Lender, and each Borrower of any Facility (to the fullest extent permitted by law) hereby designates the Lead Borrower as its representative and agent for purposes of requests for Loans and Letters of Credit and designation of interest rates. The Lead Borrower hereby accepts such appointment. The Administrative Agent and the Lenders shall be entitled to rely upon, and shall be fully protected in relying upon, any notice or communication (including any Notice of Borrowing) delivered by the Lead Borrower on behalf of any Borrower, and any Notice of Borrowing, request for a Letter of Credit or designation of interest rate by the Lead Borrower on behalf of the Borrowers of its Facility. The Administrative Agent and the Lenders may give any notice or communication with a Borrower hereunder to the Lead Borrower on behalf of such Borrower. Each of the Administrative Agent, the Issuing Banks and the Lenders shall have the right, in its discretion, to deal exclusively with the Lead Borrower for any or all purposes under the Loan Documents. Each Borrower agrees that any Notice of Borrowing, request for a Letter of Credit, designation of interest rate, notice, election, communication, representation, agreement or undertaking made on its behalf by the Lead Borrower shall be binding upon and enforceable against it.

Section 2.17 [reserved].

Section 2.18 [reserved].

Section 2.19 MIRE Events. Each of the parties hereto acknowledges and agrees that, if there are any Mortgaged Properties, any increase, extension or renewal of any of the Commitments or the Loans or any other incremental or additional credit facilities hereunder, but excluding (i) any continuation or conversion of borrowings, (ii) any Credit Event, or (iii) the issuance, renewal or extension of Letters of Credit shall be subject to and conditioned upon: (1) the prior delivery of all flood hazard determination certifications, acknowledgements and evidence of flood insurance and other flood-related documentation with respect to such Mortgaged Properties as required by the Flood Insurance Laws and as otherwise reasonably required by the Collateral Agent and (2) the Collateral Agent shall have received written confirmation from the Lenders that flood insurance due diligence and flood insurance compliance have been completed by the Lenders (such written confirmation not to be unreasonably conditioned, withheld or delayed).

ARTICLE 3 YIELD PROTECTION, ILLEGALITY AND REPLACEMENT OF LENDERS

Section 3.01 Increased Costs, Illegality, Etc.

(a) (x) If prior to the commencement of any Interest Period for a LIBO Rate Borrowing or a borrowing of Overnight LIBO Loans:

(i) the Administrative Agent determines (which determination shall be conclusive absent demonstrable error) that adequate and reasonable means do not exist for ascertaining the LIBO Rate (including, without limitation, because the LIBO Screen Rate or AUD Screen Rate is not available or published on a current basis), for the applicable currency and such Interest Period;

(ii) the Administrative Agent is advised by the Required Lenders that the LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period; or

(iii) at any time, if the making or continuance of any LIBO Rate Loan or Overnight LIBO Rate Loan has been made (x) unlawful by any law or governmental rule, regulation or order, (y) impossible by compliance by any Lender in good faith with any governmental request (whether or not having force of law) or (z) impracticable as a result of a contingency occurring after the DIP Closing Date which materially and adversely affects the applicable interbank market,

then the Administrative Agent shall give notice (in reasonable detail) thereof to the Lead Borrower and the Lenders prior to the commencement of such Interest Period by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Lead Borrower and the Lenders that the circumstances giving rise to such notice no longer exist (which notice the Administrative Agent hereby agrees to provide promptly after its determination of such circumstances ceasing to exist), (A) any Notice of Conversion/Continuation that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a LIBO Rate Borrowing or a borrowing of Overnight LIBO Loans shall be ineffective, (B) if any Notice of Borrowing requests a LIBO Rate Borrowing or a borrowing of Overnight LIBO Loans, such Borrowing shall be made as a Base Rate Borrowing denominated in U.S. Dollars; provided that if the circumstances giving rise to such notice affect only one Type of Borrowings, then the other Type of Borrowings shall be permitted.

(y) Notwithstanding the foregoing, if at any time the Administrative Agent determines (which determination shall be conclusive absent demonstrable error), or the Lead Borrower notifies the Administrative Agent that the Lead Borrower has determined, that (i) the circumstances set forth in clause (a)(x)(i) above have arisen and such circumstances are unlikely to be temporary or (ii) the circumstances set forth in clause (a)(x)(i) above have not arisen but the supervisor for the administrator of the LIBO Screen Rate or the AUD Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which the LIBO Screen Rate or AUD Screen Rate shall no longer be used for determining interest rates for loans, then the Administrative Agent and the Lead Borrower shall endeavor to establish an alternate rate of interest to the LIBO Rate or AUD Screen Rate that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable; provided that, if such alternate rate of interest shall be less than 1.00%, such rate shall be deemed to be 1.00% for the purposes of this Agreement. Notwithstanding anything to the contrary in Section 9.07, such amendment shall become effective with respect to each Facility without any further action or consent of any other party to this Agreement so long as the Administrative Agent shall not have received, within five (5) Business Days of the date notice of such alternate rate of interest is provided to the Lenders under such Facility, a written notice from the Required Facility Lenders stating that such Required Facility Lenders object to such amendment and the basis for such objection. Until an alternate rate of interest shall be determined in accordance with this clause (a) (but, in the case of the circumstances described in clause (a)(x)(ii), only to the extent the LIBO Screen Rate or the AUD Screen Rate for the applicable currency and such Interest Period is not available or published at such time on a current basis), (x) any Notice of Conversion/Continuation that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a LIBO Rate Borrowing or a borrowing of Overnight LIBO Loans shall be ineffective, (y) if any Notice of Borrowing requests a LIBO Rate Borrowing or a borrowing of Overnight LIBO Loans, such Borrowing shall be made as a Base Rate Borrowing denominated in U.S. Dollars and (z) and each outstanding LIBO Rate Borrowing and each outstanding borrowing of Overnight LIBO Loans shall convert to a Base Rate Borrowing denominated in U.S. Dollars at the end of the Interest Period in which the circumstances described in the first sentence of this clause (a)(y) have occurred.

(b) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, any Lender or any Issuing Bank;

(ii) impose on any Lender or any Issuing Bank or the London or Canadian interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or such Issuing Bank; or

(iii) subject any Lender, any Issuing Bank or the Administrative Agent to any Taxes (other than (A) Indemnified Taxes and Other Taxes indemnifiable under Section 5.01 or (B) Excluded Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations of the type that such Lender has hereunder, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender, such Issuing Bank or the Administrative Agent of making, continuing, converting or maintaining any Loan (or of maintaining its obligation to make any such Loan) or issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit) or to reduce the amount of any sum received or receivable by such Lender, such Issuing Bank or the Administrative Agent hereunder (whether of principal, interest or otherwise), then the Lead Borrower will pay to such Lender, such Issuing Bank or the Administrative Agent, as the case may be, such additional amount or amounts as will compensate such Lender, such Issuing Bank or the Administrative Agent, as the case may be, for such additional costs incurred or reduction suffered as reasonably determined by such Lender, such Issuing Bank or the Administrative Agent (which determination shall be made in good faith (and not on an arbitrary or capricious basis) and consistent with similarly situated customers of the applicable Lender, the applicable Issuing Bank or the Administrative Agent under agreements having provisions similar to this Section 3.01 after consideration of such factors as such Lender, such Issuing Bank or the Administrative Agent then reasonably determines to be relevant).

(c) If any Lender or any Issuing Bank reasonably determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's or such Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by such Lender or such Issuing Bank, to a level below that which such Lender or such Lender's or such Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's or such Issuing Bank's holding company with respect to capital adequacy and liquidity), then from time to time the Lead Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's or such Issuing Bank's holding company for any such reduction suffered as reasonably determined by such Lender, such Issuing Bank or the Administrative Agent (which determination shall be made in good faith (and not on an arbitrary or capricious basis) and consistent with similarly situated customers of the applicable Lender, the applicable Issuing Bank or the Administrative Agent under agreements having provisions similar to this Section 3.01 after consideration of such factors as such Lender, such Issuing Bank or the Administrative Agent then reasonably determines to be relevant).

(d) A certificate of a Lender, an Issuing Bank or the Administrative Agent setting forth in reasonable detail the computation of the amount or amounts necessary to compensate such Lender, such Issuing Bank or the Administrative Agent or its holding company, as the case may be, as specified in clause (b) or (c) of this Section 3.01, and certifying that it is the general practice and policy of such Lender or such

Issuing Bank to demand such compensation from similarly situated borrowers in similar circumstances at such time to the extent it is legally permitted to do so, shall be delivered to the Lead Borrower contemporaneously with any demand for payment and shall be conclusive absent clearly demonstrable error; provided that any such certificate claiming amounts described in clause (x) or (y) of the definition of "Change in Law" shall, in addition, state the basis upon which such amount has been calculated but shall not require any Lender, any Issuing Bank or the Administrative Agent to disclose confidential or price sensitive information. The Lead Borrower shall pay, or cause the applicable Borrower to pay, such Lender, such Issuing Bank or the Administrative Agent, as the case may be, the amount shown as due on any such certificate within 30 days after receipt thereof.

(e) Promptly after any Lender, any Issuing Bank or the Administrative Agent has determined that it will make a request for increased compensation pursuant to this Section 3.01, such Lender shall notify the Lead Borrower thereof. Failure or delay on the part of any Lender, any Issuing Bank or the Administrative Agent to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's, such Issuing Bank's or the Administrative Agent's right to demand such compensation; provided that the Lead Borrower shall not be required to compensate a Lender, an Issuing Bank or the Administrative Agent pursuant to this Section for any increased costs or reductions incurred more than 90 days prior to the date that such Lender, such Issuing Bank or the Administrative Agent, as the case may be, notifies the Lead Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's, such Issuing Bank's or the Administrative Agent's claim for compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 90-day period referred to above shall be extended to include the period of retroactive effect thereof.

Section 3.02 Compensation. Each Borrower, jointly and severally, agrees to compensate each Lender, within 30 days of receipt of its written request (which request shall set forth in reasonable detail the basis for requesting such compensation and the calculation of the amount of such compensation), for all losses, expenses and liabilities (including, without limitation, any loss, expense or liability incurred by reason of the liquidation or reemployment of deposits or other funds required by such Lender to fund its LIBO Rate Loans but excluding loss of anticipated profits (and without giving effect to the minimum "LIBO Rate" or similar minimum)) which such Lender may sustain attributable to any of the following events: (i) if for any reason (other than a default by such Lender or the Administrative Agent) a Borrowing of, or conversion from or into, LIBO Rate Loans does not occur on a date specified therefor in a Notice of Borrowing or Notice of Conversion/Continuation; (ii) if any prepayment or repayment (including any termination or reduction of Commitments made pursuant to Section 2.07 or as a result of an acceleration of the Loans pursuant to Section 11.01) or conversion of any of its LIBO Rate Loans occurs on a date which is not the last day of an Interest Period with respect thereto; (iii) if any prepayment of any LIBO Rate Loans is not made on any date specified in a notice of termination or reduction given by the Lead Borrower; or (iv) as a consequence of any other default by any Borrower to repay its LIBO Rate Loans when required by the terms of this Agreement or any Note held by such Lender.

Section 3.03 Change of Lending Office. Each Lender and Issuing Bank agrees that on the occurrence of any event giving rise to the operation of Section 3.01 or Section 5.01(a) with respect to such Lender or Issuing Bank, it will use reasonable efforts to designate a different lending office for any Loans affected by such event or to assign its rights and obligations hereunder to another of its offices, branches or affiliates; provided that such designation (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or Section 5.01(a), as applicable, in the future and (ii) would not subject such Lender or Issuing Bank to any material unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or Issuing Bank. Each Borrower hereby agrees to pay all reasonable and documented costs and expenses incurred by any Lender or Issuing Bank in connection with such designation or assignment. Nothing in this Section 3.03 shall affect or postpone any of the obligations of the Borrowers or the right of any Lender or Issuing Bank provided in Sections 3.01 and 5.01.

Section 3.04 Replacement of Lenders. If (a) any event giving rise to the operation of Section 3.01 or giving rise to the payment by a Loan Party of any Indemnified Taxes, Other Taxes or additional amounts pursuant to Section 5.01 shall occur with respect to any Lender (or any of its Participants), (b) any Lender shall refuse to consent to certain proposed changes, waivers, discharges or terminations with respect to this Agreement which have been approved by the Required Lenders as (and to the extent) provided in Section 13.12(b), (c) any Lender (1) or any direct or indirect parent company thereof has become the subject of a Bail-In Action (or any case or other proceeding in which a Bail-In Action may occur), (2) is an EEA Financial Institution that is rated lower than BBB- by S&P (or an applicable Affiliate thereof) and lower than Baa3 by Moody's (or an applicable Affiliate thereof), (3) is or becomes a Defaulting Lender or a Swiss Non-Qualifying Lender (but only if such status as a Swiss Non-Qualifying Lender causes a breach of any Swiss Non-Bank Rules), (4) rejects the request to designate a currency as an Alternative Currency if such currency has otherwise been approved as an Alternative Currency by the Required Facility Lenders or (5) fails to promptly provide its written confirmation regarding the completion of flood insurance due diligence and flood insurance compliance as contemplated by Section 2.19 if the Required Revolving Lenders have done so, (d) any Lender shall determine that any law, regulation or treaty or directive, or any change therein or in the interpretation or application thereof, shall make it unlawful for such Lender to make or maintain any LIBO Rate Loans as contemplated by this Agreement, (e) [reserved] or (f) any Lender that is the Swingline Lender or an Issuing Bank shall (1) resign in its capacity as such or (2) fail to promptly approve the assignment of a Commitment to a Replacement Lender that the Administrative Agent has approved as contemplated by this Section 3.04, the Lead Borrower shall have the right to replace such Lender (the "Replaced Lender") with one or more other Eligible Transferees, none of whom shall constitute a Defaulting Lender at the time of such replacement (collectively, the "Replacement Lender") and each of whom shall be required to be reasonably acceptable to the Administrative Agent (to the extent the Administrative Agent's consent would be required for an assignment to such Replacement Lender pursuant to Section 13.04) and to the Issuing Banks (to the extent such Issuing Banks' consent would be required for an assignment to such Replacement Letter pursuant to Section 13.04); provided that (i) at the time of any replacement pursuant to this Section 3.04, the Replacement Lender shall enter into one or more Assignment and Assumptions pursuant to Section 13.04(b) (and with all fees payable pursuant to said Section 13.04(b) to be paid by the Replacement Lender and/or the Replaced Lender (as may be agreed to at such time by and among the Lead Borrower, the Replacement Lender and the Replaced Lender)) pursuant to which the Replacement Lender shall acquire all of the Commitments and outstanding Loans of, the Replaced Lender and, in connection therewith, shall pay to (x) the Replaced Lender in respect thereof an amount equal to the sum of (I) an amount equal to the principal of, and all accrued interest on, all outstanding Loans of the respective Replaced Lender and (II) an amount equal to all accrued, but theretofore unpaid, Fees owing to the Replaced Lender pursuant to Section 2.05 and (ii) all obligations of each Borrower due and owing to the Replaced Lender at such time (other than those specifically described in clause (i) above in respect of which the assignment purchase price has been, or is concurrently being, paid) shall be paid in full to such Replaced Lender concurrently with such replacement. Upon receipt by the Replaced Lender of all amounts required to be paid to it pursuant to this Section 3.04, the Administrative Agent shall be entitled (but not obligated) and authorized to execute an Assignment and Assumption on behalf of such Replaced Lender, and any such Assignment and Assumption so executed by the Administrative Agent and the Replacement Lender shall be effective for purposes of this Section 3.04 and Section 13.04. Upon the execution of the respective Assignment and Assumption, the payment of amounts referred to in clauses (i) and (ii) above, recordation of the assignment on the Register pursuant to Section 13.04 and, if so requested by the Replacement Lender, delivery to the Replacement Lender of the appropriate Note or Notes executed by the applicable Borrower, the Replacement Lender shall become a Lender hereunder and the Replaced Lender shall cease to constitute a Lender hereunder, except with respect to indemnification provisions under this Agreement (including, without limitation, Sections 3.01, 3.02, 5.01, 12.07 and 13.01), which shall survive as to such Replaced Lender with respect to actions or occurrences prior to it ceasing to be a Lender hereunder.

If any Lender or Issuing Bank requests compensation under Section 3.01, or if any Loan Party is required to pay any additional amount to any Lender or Issuing Bank or any Governmental Authority for the account of any Lender or Issuing Bank pursuant to Section 5.01(a), then such Lender or Issuing Bank shall use reasonable efforts to designate a different lending office for funding or booking its Loans or Letters of Credit hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender or Issuing Bank, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 5.01(a), as the case may be, in the future and (ii) would not subject such Lender or Issuing Bank to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or Issuing Bank. The Borrowers hereby agree to pay all reasonable and documented costs and expenses incurred by any Lender in connection with any such designation or assignment.

Notwithstanding any other provision of this Agreement to the contrary, if a Lender (or any direct or indirect parent company thereof) has become the subject of a Bail-In Action (or any case or other proceeding in which a Bail-In Action may occur) (each, a "Bail-In Lender"), then the Lead Borrower may terminate such Bail-In Lender's Commitment hereunder; provided that (A) no Default or Event of Default shall have occurred and be continuing at the time of such Commitment termination, (B) in the case of a Bail-In Lender, the Lead Borrower shall concurrently terminate the Commitment of each other Lender that is a Bail-In Lender at such time, (C) the Administrative Agent and the Required Facility Lenders shall have consented to each such Commitment termination (such consents not to be unreasonably withheld or delayed, but may include consideration of the adequacy of the liquidity of the Lead Borrower and its Subsidiaries) and (D) such Bail-In Lender shall have been paid all amounts then due to it under this Agreement and each other Loan Document (which, for the avoidance of doubt, the respective Borrowers may pay in connection with any such termination without making ratable payments to any other Lender (other than another Lender that has a Commitment that concurrently is being terminated under this Section 3.04)).

Each party hereto agrees that (1) an assignment required pursuant to this Section may be effected pursuant to an Assignment and Assumption executed by the Lead Borrower, the Administrative Agent and the assignee (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to a Platform as to which the Administrative Agent and such parties are participants), and (2) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to and be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender, provided that any such documents shall be without recourse to or warranty by the parties thereto.

ARTICLE 4 SWISS GUARANTY LIMITATIONS

(a) Any obligation of any Swiss Loan Party under any Loan Document (the "Swiss Guarantor Obligations") shall be subject to the following limitations:

(i) If and to the extent that a Swiss Loan Party becomes liable under this Agreement or any other Loan Documents for obligations other than obligations of one of the relevant Swiss Loan Parties' direct and indirect Subsidiaries (i.e. obligations of its respective direct or indirect parent companies (up-stream liabilities) or sister companies (cross-stream liabilities)) (the "Restricted Obligations") and that performing the relevant Swiss Guarantor Obligation with respect to Restricted Obligations would not be permitted under Swiss corporate law then applicable, then such obligations and payment amount shall from time to time be limited to the amount permitted to be paid under applicable Swiss law; provided that such limited amount shall at no time be less

than the relevant Swiss Loan Party's distributable capital (presently being the balance sheet profits and any reserves available for distribution) at the time or times performance of the relevant Swiss Guarantor Obligation is due or requested from such Swiss Loan Party, and further provided that such limitation (as may apply from time to time or not) shall not (generally or definitively) release the relevant Swiss Loan Party from its Swiss Guarantor Obligations in excess thereof, but merely postpone the payment date therefore until such times as payment is again permitted notwithstanding such limitation.

(ii) In case a Swiss Loan Party who must make a payment in respect of Restricted Obligations under this Agreement is obliged to withhold Swiss Withholding Tax in respect of such payment, such Swiss Loan Party shall:

(1) procure that such payments can be made without deduction of Swiss Withholding Tax, or with deduction of Swiss Withholding Tax at a reduced rate, by discharging the liability to such tax by notification pursuant to applicable law (including double tax treaties) rather than payment of the tax;

(2) if the notification procedure pursuant to sub-paragraph (1) above does not apply, deduct Swiss Withholding Tax at the rate of 35 per cent. (or such other rate as in force from time to time), or if the notification procedure pursuant to sub-paragraph (1) above applies for a part of the Swiss Withholding Tax only, deduct Swiss Withholding Tax at the reduced rate resulting after the discharge of part of such tax by notification under applicable law, from any payment made by it in respect of Restricted Obligations and promptly pay any such taxes to the Swiss Federal Tax Administration (*Eidgenössische Steuerverwaltung*);

(3) notify the Administrative Agent that such notification, or as the case may be, deduction has been made and provide the Administrative Agent with evidence that such a notification of the Swiss Federal Tax Administration has been made or, as the case may be, such taxes deducted have been paid to the Swiss Federal Tax Administration;

(4) in the case of a deduction of Swiss Withholding Tax in respect of which a Secured Party is entitled to a full or partial refund of the Swiss Withholding Tax so deducted,

A. as soon as possible after such deduction (y) request a refund of the Swiss Withholding Tax under applicable law (including tax treaties) and (z) pay to the Administrative Agent upon receipt any amounts so refunded; and

B. if requested by the Administrative Agent, provide the Administrative Agent (on its behalf or on behalf of any Secured Party) those documents that are required by law and applicable tax treaties to be provided by the payer of such tax, for each relevant Secured Party, to prepare a claim for refund of Swiss Withholding Tax.

(iii) If a Swiss Loan Party is obliged to withhold Swiss Withholding Tax in accordance with Article 4 (a)(ii) above, the Administrative Agent shall be entitled to further enforce the Swiss Guarantor Obligation assumed by such Swiss Loan Party and apply proceeds therefrom against the Restricted Obligations up to an amount which is equal to that amount which would have been obtained if no withholding of Swiss Withholding Tax were required, whereby such further enforcements shall always be limited to the maximum amount of the freely distributable reserves

of such Swiss Guarantor as set out in Article 4(a)(i) above. In case the proceeds irrevocably received by the Administrative Agent and the other Secured Parties pursuant to Article 4(a)(ii)(4) (refund) above and this paragraph (additional enforcements) have the effect that the proceeds received by the Administrative Agent and the other Secured Parties exceed the Swiss Guarantor Obligations, then the Agent or the relevant other Secured Party shall return such overcompensation to the relevant Swiss Loan Party.

(b) If and to the extent requested by the Administrative Agent and if and to the extent this is from time to time required under Swiss law (restricting profit distributions), in order to allow the Administrative Agent and the other Secured Parties to obtain a maximum benefit under this Agreement and any other Loan Document, as applicable, the relevant Swiss Loan Party shall, and any parent company of such Swiss Loan Party being a party to this Agreement shall procure that such Swiss Loan Party will, to the extent reasonably practicable and possible, promptly implement all such measures and/or to promptly procure the fulfilment of all prerequisites allowing the prompt fulfilment of the Swiss Guarantor Obligations and allowing the relevant Swiss Loan Party to promptly perform its obligations and make the (requested) payment(s) hereunder from time to time, including the following:

(i) preparation of an up-to-date audited balance sheet of the relevant Swiss Loan Party;

(ii) confirmation of the auditors of the relevant Swiss Loan Party that the relevant amount represents (the maximum of) freely distributable capital of the relevant Swiss Loan Party;

(iii) approval by a shareholders meeting of the relevant Swiss Loan Party of the capital distribution; and

(iv) if the enforcement of Restricted Obligations would be limited due to the effects referred to in this clause, then the relevant Swiss Loan Party shall to the extent permitted by applicable law write up or realize any of its assets that are shown in its balance sheet with a book value that is significantly lower than the market value of the assets, in case of realization, however, only if such assets are not necessary for the relevant Swiss Loan Party's business (*nicht betriebsnotwendig*).

ARTICLE 5 TAXES

Section 5.01 Net Payments.

(a) All payments made by or on behalf of a Loan Party under this Agreement or any other Loan Document shall be made free and clear of, and without deduction or withholding for or on account of, any Taxes; provided that, if a Loan Party, the Administrative Agent or any other applicable withholding agent shall be required by any applicable Requirement of Law to deduct or withhold any Taxes from such payments, then (i) the applicable withholding agent shall be entitled to make such deductions or withholdings as are reasonably determined by the applicable withholding agent to be required by such applicable Requirement of Law, (ii) the applicable withholding agent shall timely pay the full amount deducted or withheld to the relevant Governmental Authority within the time allowed and in accordance with applicable Requirements of Law, and (iii) to the extent withholding or deduction is required to be made on account of Indemnified Taxes or Other Taxes, then an additional amount is payable by the Loan Party as necessary so that after all required deductions and withholdings have been made (including deductions or withholdings applicable to additional sums payable under this Section 5.01) the applicable Recipient receives an amount equal to the sum it would have received had no such deductions or withholdings been made. As soon as reasonably practicable after any payment of Taxes by any Loan Party

or the Administrative Agent to a Governmental Authority as provided in this Section 5.01, the Lead Borrower shall deliver to the Administrative Agent or the Administrative Agent shall deliver to the Lead Borrower, as the case may be, 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 Lead Borrower or the Administrative Agent, as the case may be.

(b) The Loan Parties shall timely pay in accordance with applicable Requirements of Law, or at the option of the Administrative Agent, timely reimburse it for the payment of, any Other Taxes.

(c) The Loan Parties shall indemnify and hold harmless each Recipient within fifteen (15) Business Days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes imposed on such Recipient (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 5.01), and any reasonable 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 setting forth in reasonable detail the basis and calculation of the amount of such payment or liability delivered to the Lead Borrower by a Lender or by the Administrative Agent (as applicable) contemporaneously with the demand for payment on its own behalf or on behalf of a Lender shall be conclusive absent demonstrable error.

(d) The Lead Borrower shall promptly upon becoming aware that a Loan Party must make any deduction or withholding in respect of Taxes (or that there is any change in the rate or the basis of any deduction or withholding in respect of Taxes) notify the Administrative Agent accordingly.

(e) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments under this Agreement or any other Loan Document shall deliver to the Lead Borrower and the Administrative Agent, at the time(s) and in the manner(s) reasonably requested by the Lead Borrower and/or the Administrative Agent and within a reasonable time period, such information and/or properly completed and executed documentation reasonably requested by the Lead Borrower and/or Administrative Agent as may permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Lead Borrower and/or the Administrative Agent, shall deliver such other documentation prescribed by Requirements of Law or reasonably requested by the Lead Borrower and/or the Administrative Agent as will enable the Lead Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in this Section 5.01(e), the completion, execution and submission of such documentation (other than such documentation set forth in Section 5.01(e)(i), (ii) or (iv) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

Without limiting the foregoing, with respect to any Loan or Commitment to a U.S. Borrower:

(i) Each Lender under the North American Revolving Facility or DIP Term Facility that is a U.S. Lender shall deliver to the Lead Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under the North American Revolving Facility or DIP Term Facility (and from time to time upon the reasonable request of the Lead Borrower or the Administrative Agent) two properly completed and duly executed copies of IRS Form W-9 (or any successor form) certifying that such Lender is exempt from United States backup withholding Tax.

(ii) Each Non-U.S. Lender under the North American Revolving Facility or DIP Term Facility shall, to the extent it is legally eligible to do so, deliver to the Lead Borrower and the Administrative Agent on or prior to the date on which such Non-U.S. Lender becomes a party to this Agreement (and from time to time thereafter upon the reasonable request of the Lead Borrower or the Administrative Agent), two properly completed and duly executed copies of whichever of the following is applicable:

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

(2) in the case of a Non-U.S. Lender claiming that its extension of credit will generate U.S. effectively connected income, an executed IRS Form W-8ECI;

(3) in the case of a Non-U.S. Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit C-1 to the effect that such Non-U.S. Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10-percent shareholder" of the Lead Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code and that no payment made in connection with any Loan Document is effectively connected with the conduct of a U.S. trade or business by such Non-U.S. Lender (a "U.S. Tax Compliance Certificate") and (y) IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable;

(4) to the extent a Non-U.S. Lender is not the beneficial owner of such payments, IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN-E, whichever is applicable, a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-3 or Exhibit C-4, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that, if the Non-U.S. Lender is a partnership and one or more direct or indirect partners of such Non-U.S. Lender are claiming the portfolio interest exemption, such Non-U.S. Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-2 on behalf of each such direct and indirect partner(s); or

(5) for purposes of furnishing the U.S. Tax Compliance Certificate as described in the foregoing clauses (3) and (4), if a Non-U.S. Lender (or a foreign Participant) is a Disregarded Entity, the Non-U.S. Lender shall submit such certificate based on the status of the Person that is treated for U.S. federal income tax purposes as being the sole owner of such Lender or Participant.

(iii) Any Non-U.S. Lender under the North American Revolving Facility or DIP Term Facility shall, to the extent it is legally eligible to do so, deliver to the Lead Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Non-U.S. Lender becomes a Lender under the North American Revolving Facility or DIP Term Facility (and from time to time thereafter upon the reasonable request of the Lead Borrower and/or the Administrative Agent), executed copies of any other form prescribed by

Requirements of Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Requirements of Law to permit the Lead Borrower or the Administrative Agent to determine the withholding or deduction required to be made, if any.

(iv) If a payment made to any Lender under this Agreement or any other Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Lead Borrower and the Administrative Agent at the time or times prescribed by Requirements of Law and at such time or times reasonably requested by the Lead Borrower and/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 Lead Borrower and/or the Administrative Agent as may be necessary for the Lead 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 Section 5.01(e)(iv), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(v) Each Lender (A) shall promptly notify the Lead Borrower and the Administrative Agent of any change in circumstance which would modify or render invalid any claimed exemption or reduction, and (B) if any documentation it previously delivered pursuant to this Section 5.01(e) expires or becomes inaccurate in any respect, shall promptly (x) update such documentation or (y) notify the Lead Borrower and the Administrative Agent in writing of its legal ineligibility to do so.

(vi) Each Lender hereby authorizes the Administrative Agent to deliver to the Loan Parties and to any successor Administrative Agent any documentation provided by such Lender to the Administrative Agent pursuant to this Section 5.01(e).

(f) If any Lender or the Administrative Agent, as applicable, determines reasonably and in good faith that it has received a refund or repayment (including by way of reduction or offset of Taxes due) of an Indemnified Tax or Other Tax (each, a "Refund") for which it has been indemnified by a Loan Party or with respect to which a Loan Party has paid additional amounts pursuant to this Section 5.01, then the Lender or the Administrative Agent, as the case may be, shall reimburse the Loan Party for such amount (net of all reasonable out-of-pocket expenses (including Taxes) of such Lender or the Administrative Agent, as the case may be, and without interest other than any interest received thereon from the relevant Governmental Authority with respect to such Refund) as the Lender or the Administrative Agent, as the case may be, determines in good faith to be the portion of the Refund as will leave it, after such reimbursement, in no better or worse position (taking into account expenses (including Taxes) imposed on the Refund) than it would have been in if the Indemnified Tax or Other Tax giving rise to such Refund had not been imposed in the first instance and no amounts had been paid in respect thereof pursuant to this Section 5.01; provided that the Loan Party, upon the request of the Lender or the Administrative Agent, agrees to repay the amount paid over to the Loan Party (*plus* any penalties, interest (solely with respect to the time period after such funds were paid over to any Loan Party pursuant to this Section 5.01(f), except to the extent that the refund was initially claimed at the written request of such Loan Party) or other charges imposed by the relevant Governmental Authority) to the Lender or the Administrative Agent in the event the Lender or the Administrative Agent is required to repay such Refund to such Governmental Authority. In such event, such Lender or the Administrative Agent, as the case may be, shall, at the Lead Borrower's request, provide the Lead 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 such

Lender or the Administrative Agent may delete any information therein that it deems confidential). No Lender nor the Administrative Agent shall be obliged to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to any Loan Party in connection with this clause (f) or any other provision of this Section 5.01.

(g) VAT.

(i) All amounts expressed to be payable under a Loan Document by any party to the Administrative Agent or any Lender (for the purposes of this Section 5.01, each, a "Finance Party") which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to paragraph (ii) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any party under a Loan Document and such Finance Party is required to account to the relevant tax authority for the VAT, that party must pay to such Finance Party (in addition to and at the same time as paying the consideration for such supply) an amount equal to the amount of that VAT (and such Finance Party must promptly provide an appropriate VAT invoice to that party).

(ii) If VAT is or becomes chargeable on any supply made by any Finance Party (the "Supplier") to any other Finance Party (the "Recipient") under a Loan Document, and any party other than the Recipient (the "Relevant Party") is required by the terms of any Loan Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):

(1) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this Section 5.01(g)(ii)(1) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT payable on that supply; and

(2) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.

(iii) Where a Loan Document requires any party to reimburse or indemnify a Finance Party for any cost or expense, that party shall reimburse and indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

(iv) Any reference in this Section 5.01(g) to any party shall, at any time when such party is treated as a member of a group or fiscal unity for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the person who is treated at that time as making the supply, or (as appropriate) receiving the supply, under the grouping or fiscal unity rules, respectively, provided for in article 11 of the Council Directive 2006/112/EC as amended (or as implemented by the relevant member state of the European Union), or any other similar provision in any jurisdiction so that a reference to a party shall be construed as a reference to that party of the relevant group or fiscal unity of which that party is a member for VAT purposes at the relevant

time or the relevant representative member (or representative or head) of that group or fiscal unity at that time (as the case may be).

(v) In relation to any supply made by a Finance Party to any party under a Loan Document, if reasonably requested by such Finance Party, that party must promptly provide such Finance Party with details of that party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

(h) The agreements in this Section 5.01 shall survive the resignation or replacement of the Administrative Agent, the termination of this Agreement and the repayment, satisfaction or discharge of the Loans and all other obligations and amounts payable under any Loan Document.

(i) For purposes of this Section 5.01, the term "Lender" shall include any Issuing Bank and the Swingline Lender and the term "Loan Document" shall include any Letter of Credit.

(j) Notwithstanding any provision of this Agreement to the contrary (including Section 2.06(g) and this Section 5.01), a Swiss Loan Party shall not be required to make a tax gross up, a tax indemnity payment or an increased interest payment under any Loan Document to a specific Lender or Participant (but, for the avoidance of doubt, shall remain required to make a tax gross up, a tax indemnity payment, or an increased interest payment to all other Lenders) in respect of Swiss Withholding Tax due on interest payments by a Swiss Loan Party under this Agreement as a direct result of such Lender or Participant (i) making an incorrect declaration of its status as to whether or not it is a Swiss Qualifying Lender or a single Swiss Non-Qualifying Lender, (ii) breaching the restrictions regarding transfers, assignments, participations, sub-participation and exposure transfers set forth in Section 13.04 or (iii) ceasing to be a Swiss Qualifying Lender other than as a result of any change after the date it became a Lender or Participant under this Agreement in (or in the interpretation, administration or application of) any law or double taxation treaty, or any published practice or published concession of any relevant taxing authority (and it being understood that a Swiss Loan Party shall not be required to make a tax indemnity payment or increased interest payment under any Loan Document to a specific Lender or Participant to the extent a loss, liability or cost is compensated for by an increased payment under Section 2.06(g) or would have been compensated for by an increased payment under Section 2.06(g) but was not so compensated solely because one of the exclusions in Section 2.06(g) or in this clause (j) applied).

ARTICLE 6 CONDITIONS PRECEDENT

Section 6.01 Conditions Precedent to Credit Events on the DIP Closing Date. The Administrative Agent, the Swingline Lender, the Issuing Banks and the Lenders shall not be required to fund any Revolving Loans or Swingline Loans, or arrange for the issuance of any Letters of Credit on the DIP Closing Date, until the following conditions are satisfied or waived.

(a) Loan Documents. The Administrative Agent shall have received this Agreement and each other Loan Document to be delivered on the DIP Closing Date, in each case duly executed and delivered by each party thereto (which, subject to Section 13.09(b), may include any Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page).

(b) Notes. The Administrative Agent shall have received a Note duly executed by a Responsible Officer of each of the Borrowers in favor of each Lender requesting a Note at least three (3) Business Days prior to the DIP Closing Date.

(c) Representations and Warranties. The representations and warranties set forth in (i) Article 8 of this Agreement or (ii) any other Loan Document in effect on the DIP Closing Date shall be true and correct in all material respects on and as of the DIP Closing Date (after giving effect to the Transactions); provided that any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on such respective dates.

(d) No Default or Event of Default. No Default or Event of Default shall have occurred or be continuing, or would result from the consummation of the Transactions, on the DIP Closing Date.

(e) Organizational Documents. The Administrative Agent shall have received a certificate (or certificates) of the Secretary or Assistant Secretary, statutory director, management board members or similar officer of each Loan Party dated the DIP Closing Date and certifying, to the extent applicable:

(i) (A) in the case of any Loan Party (other than a Swiss Loan Party), that attached thereto is a true and complete copy of the certificate or articles of incorporation, any certificates of incorporation on change of name, certificates of incorporation on re-registration as a public limited company, certificate of limited partnership, certificate of formation or other equivalent constituent or constitutional and governing documents, including all amendments thereto, of such Loan Party certified as of a recent date by the applicable Secretary of State (or other similar official or Governmental Authority) of the jurisdiction of its organization or incorporation or by the Secretary or Assistant Secretary, statutory director, management board members or similar officer of such Loan Party or other person duly authorized by the constituent or constitutional documents of such Loan Party and (B) in the case of a Swiss Loan Party, that attached thereto is a true and complete copy of a an excerpt from the commercial register certified as of a recent date by the competent commercial register officer;

(ii) that in the case of each U.S. Loan Party, attached thereto is a true and complete copy of a certificate as to the good standing (or similar certification) of such U.S. Loan Party (to the extent that such concept exists in such jurisdiction), as of a recent date from the applicable Secretary of State (or other similar official or Governmental Authority);

(iii) that attached thereto is a true and complete copy of the by-laws (or articles of association, articles of incorporation, partnership agreement, limited liability company agreement or other equivalent constituent or constitutional and governing documents, if any) of such Loan Party as in effect on the DIP Closing Date and at all times since a date prior to the date of the resolutions described in the following clause (iv);

(iv) that attached thereto is a true and complete copy of resolutions or meeting minutes (or certificates thereof) duly adopted by the Board of Directors (or equivalent governing body) of such Loan Party (or its managing general partner or managing member) authorizing the execution, delivery and performance of each of the Loan Documents to which such person is a party on the DIP Closing Date and that such resolutions or meeting minutes have not been modified, rescinded or amended and are in full force and effect on the DIP Closing Date;

(v) to the extent not covered in clauses (i)-(iv) above, that attached thereto is a true and complete copy of any powers-of-attorney granted by such Loan Party to the individuals executing each of the Loan Documents to which such person is a party on the DIP Closing Date and that such powers-of-attorney have not been limited, revoked or amended and are in full force and effect on the DIP Closing Date;

(vi) that attached thereto is a true and complete copy of resolutions or meeting minutes (or certificates thereof) duly adopted by all the holders of the issued shares in each Loan Party or, as applicable, its general partner or its general partner's shareholders (if such resolutions are necessary under the relevant local laws), approving the terms of, and the transactions contemplated by, the Loan Documents to which the Loan Party is a party (including the commencement of the Chapter 11 Cases);

(vii) that (if applicable and not already included in the resolutions referred to in clause (iv) above) attached thereto is a true and complete copy of, a copy of any power of attorney authorizing the person(s) specified therein to sign the Loan Documents to which the Loan Party is a party on behalf of each of the Loan Party;

(viii) as to the incumbency and specimen signature of each officer or authorized signatory executing this Agreement or any other Loan Document delivered in connection herewith on the DIP Closing Date on behalf of such Loan Party; and

(ix) confirming that (a) borrowing or guaranteeing or securing, as appropriate, the entry into the Loan Documents and the performance of its obligations thereunder would not cause any borrowing, guarantee, security or similar limit binding on any Loan Party to be exceeded and (b) each copy document relating to it specified in this Section 6.01 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

(f) Australian Deliverables. The Administrative Agent shall have received (i) the Initial Australian Security Documents (with respect to clause (d) thereof, to the extent not previously delivered to JPMCB in its capacity as Prepetition Agent) and the Australian Security Trust Deed duly authorized, executed and delivered by each Australian Loan Party and any other Loan Party party to those documents, (ii) a verification certificate for each Australian Loan Party signed by two directors or a director and company secretary attaching the following documents for that Australian Loan Party (A) its constitution (or confirmation that there have no changes to its constitution since it was last provided to JPMCB in its capacity as the Prepetition Agent), (B) extracts of board resolutions approving its entry into the Loan Documents to which it is a party and (C) any powers of attorney under which it signs any Loan Documents, (iii) satisfactory ASIC company searches, insolvency searches and searches of the Australian PPS register, (iv) the original share certificates and an executed blank share transfer form with respect to all the shares of the Australian Loan Parties (to the extent that they have not already been provided to JPMCB in its capacity as the Prepetition Agent) and (v) all information and documentation required by the Australian Security Trustee to register the Australian Security Trustee's Lien over the Victa trademarks held by Victa Limited with IP Australia.

(g) Legal Opinion. The Administrative Agent shall have received, on behalf of itself and the Lenders, the favorable written opinions of (i) Foley & Lardner LLP, as special New York counsel for the Loan Parties, (ii) Norton Rose Fulbright Australia, as Australian legal counsel for the Administrative Agent, (iii) Norton Rose Fulbright LLP, as special Dutch counsel to the Administrative Agent, (iv) Norton Rose Fulbright LLP, as special English counsel to the Administrative Agent and (v) Walder Wyss Ltd., as special Swiss counsel to the Administrative Agent (or, in each case, such other counsel as may be reasonably acceptable to the Administrative Agent) (A) dated the DIP Closing Date, (B) addressed to the Administrative Agent and the Lenders on the DIP Closing Date and (C) in form and substance reasonably satisfactory to the Administrative Agent covering customary matters relating to the Loan Documents.

(h) [reserved].

(i) Collateral and Guarantee Requirement. To the extent required to be satisfied on the DIP Closing Date, the Collateral and Guarantee Requirement shall be satisfied (or waived in accordance with Section 13.12) on and as of the DIP Closing Date.

(j) [reserved].

(k) Officer's Certificate. The Administrative Agent shall have received a certificate of a Responsible Officer of the Lead Borrower certifying compliance with the conditions in Section 6.01(c) and (d) above and Section 6.01(t) below.

(l) [reserved].

(m) Lien Searches. The Administrative Agent shall have received lien search results as to Foreign Loan Parties as reasonably required by the Administrative Agent.

(n) Fees and Expenses. The Agents shall have received all fees due and payable thereto or to any Lender on or prior to the DIP Closing Date and, to the extent invoiced at least one (1) Business Day prior to the DIP Closing Date, reimbursement or payment of all reasonable and documented out-of-pocket expenses (including reasonable and documented fees, charges and disbursements of counsels to the Administrative Agent and the Prepetition Agent) required to be reimbursed or paid by the Loan Parties hereunder, under this Agreement or the Prepetition Credit Agreement, as applicable, on or prior to the DIP Closing Date.

(o) Appraisal/Borrowing Base Certificate. The Lead Borrower shall have delivered to the Administrative Agent a Borrowing Base Certificate in form and substance reasonably satisfactory to the Administrative Agent; provided that the Borrowing Base Certificate shall evidence Aggregate Availability of at least $22,500,000 after giving effect to the Borrowings to be made on the DIP Closing Date.

(p) Lender Loss Sharing Agreement. The Administrative Agent shall have received a counterpart to the Lender Loss Sharing Agreement from each Revolving Lender and each Issuing Bank.

(q) Chapter 11 Cases. The Chapter 11 Cases shall have been commenced by the Debtors, and the Administrative Agent shall be reasonably satisfied with (x) the form and substance of the First Day Orders sought by the Debtors and entered on or promptly following the DIP Closing Date (including a cash management order) and (y) the motions to approve the Facilities and First Day Orders.

(r) Interim Orders. The Administrative Agent shall have received a signed copy of an order entered by the Bankruptcy Court no later than five (5) days after the Petition Date in substantially the form of Exhibit L, which shall be satisfactory in form and substance to the Administrative Agent (the "Interim Order") and confirmation that the Interim Order has been entered on the docket, which Interim Order shall, among other things, (i) approve the Loan Documents and grant the Obligations of the Debtors hereunder Superpriority Claim status and the Liens described in Section 9.25, (ii) authorize extensions of credit (including the deemed issuance of the Existing Letters of Credit) under the North American Revolving Facility, (iii) be in full force and effect; and (iv) not have been vacated, reversed, modified, amended or stayed; and the Debtors are in compliance with the terms and conditions of the Interim Order.

(s) Projections. The Administrative Agent shall have received and be reasonably satisfied with the Initial Approved DIP Budget (as defined in the Interim Order).

(t) Absence of Litigation. There shall not exist any action, suit, investigation, litigation or proceeding pending or (to the knowledge of the Loan Parties) threatened in writing in any court or before

any arbitrator or governmental instrumentality (other than the Chapter 11 Cases and any action, suit, investigation or proceeding arising from the commencement and continuation of the Chapter 11 Cases or the consequences that would normally result from the commencement and continuation of the Chapter 11 Cases) that is not stayed or could reasonably be expected to result in a Material Adverse Effect.

(u) Stalking Horse Bid. The Administrative Agent shall have received a purchase agreement (a "Stalking Horse APA"), duly executed by the applicable Loan Parties and the Stalking Horse Bidder, providing for the sale and purchase of substantially all of the Debtors' assets (including, without limitation, the Equity Interests of one or more of the Debtors' direct or indirect subsidiaries and/or certain joint venture equity interests held by the Debtors), which purchase agreement shall be in form and substance reasonably acceptable to the Administrative Agent and the Required Lenders (provided that, upon the execution and delivery by each Lender of its signature page to this Agreement, such Lender shall be deemed to have determined that such purchase agreement is in form and substance reasonably acceptable to it).

Section 6.02 Conditions Precedent to Credit Events on the DIP Term Loan Closing Date. The obligation of each DIP Term Lender to make any Credit Extension (other than the Interim DIP Term Loans) shall be subject to the satisfaction (or waiver) of each of the conditions precedent set forth below:

(a) Prepetition Obligations Refinancing. On the DIP Term Loan Closing Date, prior to or substantially simultaneously with the Borrowing of the DIP Term Loans on the DIP Term Loan Closing Date, the Loan Parties shall have repaid in full in cash all then outstanding Prepetition Obligations and all Commitments (as defined in the Prepetition Credit Agreement) shall have been terminated, in each case, using the proceeds of the DIP Term Loans on the DIP Term Loan Closing Date (the "Prepetition Obligations Refinancing").

(b) Prepetition Obligation Payoff Letters. On or prior to the DIP Term Loan Closing Date, the Loan Parties shall have received the Prepetition Obligation Payoff Letter.

(c) Final Order. The Administrative Agent shall have received a signed copy of the Final Order entered by the Bankruptcy Court no later than the Final Order Deadline and confirmation that the Final Order has been entered on the docket, which Final Order shall be in full force and effect and shall not have been vacated, reversed, modified, amended or stayed.

(d) DIP Term Commitment Termination Date. The DIP Term Commitment Termination Date shall not have occurred.

(e) Closing Fee. The DIP Term Lenders shall be deemed to have received for the account of the DIP Term Lenders, the closing fee set forth in Section 2.05(d) of this Agreement, which amount shall be net funded from the proceeds of the DIP Term Loans.

Section 6.03 Conditions Precedent to All Credit Events. The obligation of each Lender and each Issuing Bank to make any Credit Extension (excluding Section 6.03(b) and (e) with respect to the funding of any DIP Term Loans) shall be subject to the satisfaction (or waiver) of each of the conditions precedent set forth below:

(a) Notice of Borrowing. The Administrative Agent shall have received a Notice of Borrowing as required by Section 2.03 (or such notice shall have been deemed given in accordance with Section 2.03) if Loans are being requested or, in the case of the issuance, amendment, extension or renewal of a Letter of Credit, the applicable Issuing Bank and the Administrative Agent shall have received a notice requesting the issuance, amendment, extension or renewal of such Letter of Credit as required by Section 2.13(b) or, in the case of the Borrowing of a Swingline Loan, the Swingline Lender and the

Administrative Agent shall have received a notice requesting such Swingline Loan as required by Section 2.12(b).

(b) Availability. At the time of and immediately upon giving effect to such Credit Extension, the Availability Conditions shall be satisfied.

(c) No Default. No Default or Event of Default shall exist at the time of, or result from, such Credit Extension and such Credit Extension shall not violate any requirement of law and shall not have been, temporarily, preliminarily or permanently enjoined.

(d) Representations and Warranties. Each of the representations and warranties made by any Loan Party set forth in Article 8 hereof shall be true and correct in all material respects (without duplication of any materiality standard set forth in any such representation or warranty) on and as of the date of such Credit Extension with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such date (without duplication of any materiality standard set forth in any such representation or warranty).

(e) Consolidated Cash Balance. The Consolidated Cash Balance on and as of the date of such Credit Extension does not exceed $7,500,000, before and immediately after giving effect to such Credit Extension and to the application of the proceeds therefrom (as such use of proceeds is certified to by the applicable Borrower in the applicable Notice of Borrowing) on or around such date, but in any event, not to exceed two Business Days after such date.

(f) DIP Orders. (i) The Interim Order or the Final Order, as applicable, shall be in full force and effect, and the Interim Order or Final Order, as applicable, shall not have been vacated or reversed, shall not be subject to a stay, and shall not have been modified or amended without the written consent of the Administrative Agent and the Required Lenders at the time of such Borrowing or issuance of Letter of Credit; and (ii) all First Day Orders (including as entered on a final basis) shall be in form reasonably satisfactory to the Administrative Agent.

(g) No Outstanding Prepetition Obligations. In respect of any Credit Extensions to be made on and after the DIP Term Loan Closing Date, there will no outstanding Prepetition Obligations under the Prepetition Credit Agreement other than Reinstated Prepetition Obligations, if any.

The acceptance of the benefits of each Credit Event after the DIP Closing Date shall constitute a representation and warranty by each Borrower to the Administrative Agent and each of the Lenders that all the conditions specified in this Section 6.03 and applicable to such Credit Event are satisfied as of that time (other than such conditions which are subject to the discretion of the Administrative Agent or the Lenders).

All of the Notes, certificates, legal opinions and other documents and papers referred to in Article 6, unless otherwise specified, shall be delivered to the Administrative Agent at the Notice Office for the account of each of the Lenders.

ARTICLE 7 [RESERVED]

ARTICLE 8 REPRESENTATIONS, WARRANTIES AND AGREEMENTS

On the DIP Closing Date and the date of each Credit Extension, to the extent provided in Section 6.03, the Borrowers represent and warrant to the Lenders, the Swingline Lender and the Issuing Banks that:

Section 8.01 Organization; Powers . The Lead Borrower and each of the Subsidiaries which is a Loan Party or a Material Subsidiary (a) is a partnership, limited liability company, unlimited liability company, public limited company, private company limited by shares, corporation or other entity duly organized/incorporated, validly existing and in good standing under the laws of the jurisdiction of its organization/incorporation (to the extent that each such concept exists in such jurisdiction), (b) has all requisite power and authority to own its property and assets and to carry on its business as now conducted, (c) is qualified to do business in each jurisdiction where such qualification is required, except in the case of clause (a) (other than with respect to the Lead Borrower and the other Borrowers), clause (b) (other than with respect to the Lead Borrower and the other Borrowers), and clause (c), where the failure so to be or have, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, and (d) subject (with respect to the Debtors only) to the entry by the Bankruptcy Court of the Interim Order and, after entry thereof, the Final Order and to the terms thereof, has the power and authority to execute, deliver and perform its obligations under each of the Loan Documents and each other agreement or instrument contemplated thereby to which it is or will be a party and, in the case of the Borrowers, to borrow and otherwise obtain credit hereunder.

Section 8.02 Authorization. The execution, delivery and performance by each of the Loan Parties of each of the Loan Documents to which it is a party and the borrowings and other extensions of credit hereunder (a) subject (with respect to the Debtors only) to the entry by the Bankruptcy Court of the Interim Order and, after entry thereof, the Final Order and to the terms thereof, have been duly authorized by all corporate, stockholder, shareholder, partnership, limited liability company or other organizational action required to be obtained by such Loan Parties and (b) will not (i) violate (A) any provision of law, statute, rule or regulation applicable to any Loan Party, (B) the certificate or articles of incorporation or other constitutional documents (including any partnership, limited liability company or operating agreements) or by-laws or articles of association of any Loan Party, (C) any applicable order of any court or any law, rule, regulation or order of any Governmental Authority applicable to any Loan Party or (D) any provision of any indenture, certificate of designation for preferred stock, agreement or other instrument to which the any Loan Party is a party or by which any of them or any of their property is or may be bound (except, in the case of the Debtors only, those entered into prior to the DIP Closing Date), (ii) result in a breach of or constitute (alone or with due notice or lapse of time or both) a default under, give rise to a right of or result in any cancellation or acceleration of any right or obligation (including any payment) under any such indenture, certificate of designation for preferred stock, agreement or other instrument, where any such conflict, violation, breach or default referred to in clause (i) or (ii) of this Section 8.02(b), would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, or (iii) result in the creation or imposition of any Lien upon or with respect to any property or assets now owned or hereafter acquired by any Loan Party, other than the Liens created by the Loan Documents and Permitted Liens.

Section 8.03 Enforceability. This Agreement has been duly executed and delivered by the Borrowers and constitutes, and each other Loan Document when executed and delivered by each Loan Party that is party thereto will constitute, a legal, valid and binding obligation of such Loan Party enforceable against each such Loan Party in accordance with its terms, subject to (a) the effects of bankruptcy, insolvency, moratorium, reorganization, administration, examinership, fraudulent conveyance or other similar laws affecting creditors' rights generally, including in the case of the Debtors only the entry by the Bankruptcy Court of the Interim Order and the Final Order and to the terms thereof, (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), (c) implied covenants of good faith and fair dealing, and (d) the need for filings and registrations necessary to perfect the Liens on the Collateral granted by the Loan Parties in favor of the Collateral Agent.

Section 8.04 Governmental Approvals. No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required for the execution, delivery

or performance of each Loan Document to which the Borrowers or any Guarantor is a party, except for (a) the filing of Uniform Commercial Code, Australian PPSA and Canadian PPSA financing statements, (b) filings with the United States Patent and Trademark Office and the United States Copyright Office and comparable offices in foreign jurisdictions and equivalent filings in foreign jurisdictions, (c) such as have been made or obtained and are in full force and effect, (d) such actions, consents and approvals the failure of which to be obtained or made would not reasonably be expected to have a Material Adverse Effect, (e) in the case of the Debtors only, applicable approvals by the Bankruptcy Court, and (f) filings or other actions listed on Schedule 8.04, recordation of the Mortgages and any other filings or registrations required to perfect Liens created by the Security Documents.

Section 8.05 Financial Statements. The Lead Borrower has heretofore furnished to the Lenders the audited consolidated balance sheets as of June 30, 2019, July 1, 2018 and July 2, 2017 and the related statements of income, stockholders' or shareholders' equity, and cash flow for the Lead Borrower and its consolidated subsidiaries for the fiscal years ended on June 30, 2019, July 1, 2018 and July 2, 2017, in each case, including the notes thereto (collectively, the "Historical Financial Statements"). The Historical Financial Statements present fairly in all material respects the consolidated financial position of the Lead Borrower and its consolidated subsidiaries as of the dates and for the periods referred to therein and the results of operations and cash flows for the periods then ended, and, except as set forth on Schedule 8.05, were prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby, except as otherwise noted therein.

Section 8.06 No Material Adverse Effect. Except as disclosed in filings with the SEC prior to the DIP Closing Date, since June 30, 2019, there has been no event or circumstance that, individually or in the aggregate with other events or circumstances, has had or would reasonably be expected to have a Material Adverse Effect.

Section 8.07 Title to Properties; Possession Under Leases; Flood Documentation.

(a) Each of the Lead Borrower and the Subsidiaries has valid title in fee simple or equivalent to, or valid leasehold interests in, or easements or other limited property interests in, all its Real Properties and has valid title to its personal property and assets, in each case, subject to Permitted Liens and except for defects in title that do not materially interfere with its ability to conduct its business as currently conducted or to utilize such properties and assets for their intended purposes and except where the failures to have such title or interest would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. All such properties and assets are free and clear of Liens, other than Permitted Liens or Liens arising by operation of law, subject to the provisions of the immediately preceding sentence.

(b) To the extent not previously delivered to JPMCB in its capacity as Prepetition Agent, as to all improved Material Real Property located in the United States which is subject to a Mortgage, (i) the Collateral Agent has received the Flood Documentation with respect to such Material Real Property on or prior to the granting of such Mortgage thereon, (ii) all flood hazard insurance policies required pursuant to Section 9.02(c) with respect to any such Material Real Property have been obtained and remain in full force and effect to the extent required by such Section, and (iii) except to the extent that the Lead Borrower has previously given written notice thereof to the Collateral Agent, there has been, to the Lead Borrower's knowledge, no redesignation of any Material Real Property subject to a Mortgage into Special Flood Hazard Area.

(c) Schedule 1.01(B) hereto sets forth a complete list of Material Real Properties as of the DIP Closing Date.

Section 8.08 Subsidiaries.

(a) Schedule 8.08(a) (as may be updated pursuant to Section 13.12 of this Agreement) sets forth as of the DIP Closing Date the name and jurisdiction of incorporation, formation or organization of each Subsidiary of the Lead Borrower and, as to each such Subsidiary, the percentage of each class of Equity Interests owned by the Lead Borrower or by any such Subsidiary.

(b) As of the DIP Closing Date, after giving effect to the Transactions, there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options granted to employees or directors (or entities controlled by directors) and shares held by directors (or entities controlled by directors)) issued or agreed upon by the Lead Borrower or any Subsidiary or, to the actual knowledge of the Lead Borrower (without any duty to investigate), any Affiliate thereof relating to any Equity Interests of the Lead Borrower or any of the Subsidiaries, except as set forth on Schedule 8.08(b) (as may be updated pursuant to Section 13.12 of this Agreement).

Section 8.09 Litigation; Compliance with Law.

(a) There are no actions, suits, proceedings or investigations at law or in equity or by or on behalf of any Governmental Authority or in arbitration now pending, or, to the knowledge of the Lead Borrower or any other Borrower, threatened in writing against the Lead Borrower, any other Borrower or any of the Subsidiaries or any business, property or rights of any such person (i) that involve any Loan Document, to the extent that the applicable action, suit, proceeding or investigation is brought by the Lead Borrower, any other Borrower or any of their Subsidiaries or (ii) that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect except for any action, suit or proceeding at law or in equity or by or on behalf of any Governmental Authority or in arbitration which has been disclosed on Form 10-K or Form 10-Q.

(b) None of the Lead Borrower, any other Borrower, the Subsidiaries and their respective properties or assets is in violation of (nor will the continued operation of their material properties and assets as currently conducted violate) any law, rule or regulation (including any zoning, building, ordinance, code or approval or any building permit, but excluding any Environmental Laws, which are the subject of Section 8.16) or any restriction of record or indenture, agreement or instrument affecting any Real Property, or is in default with respect to any judgment, writ, injunction or decree of any Governmental Authority, where such violation or default would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 8.10 Federal Reserve Regulations. No part of the proceeds of any Credit Event will be used by the Lead Borrower, the other Borrowers and their Subsidiaries in any manner that would result in a violation of Regulation T, Regulation U or Regulation X.

Section 8.11 Investment Company Act. None of the Borrowers or the other Loan Parties is required to be registered as an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

Section 8.12 Use of Proceeds.

(a) The Lead Borrower will use the proceeds of the Interim DIP Term Loans to fund operating expenses and administrative expenses of the Chapter 11 Cases, in each case in accordance with the Applicable DIP Order.

(b) The Lead Borrower will use the proceeds of the DIP Term Loans funded on the DIP Term Loan Closing Date (i) *first* to consummate the Prepetition Obligations Refinancing and (ii) *second* to fund

operating expenses and administrative expenses of the Chapter 11 Cases with any excess amount, in each case in accordance with the Applicable DIP Order.

(c) The Borrowers will use the proceeds of North American Revolving Loans to fund operating expenses and administrative expenses of the Chapter 11 Cases, in each case in accordance with the Applicable DIP Order.

(d) The Borrowers will use the proceeds of Swiss Revolving Loans for working capital needs and general corporate purposes; provided that (other than in the ordinary course of business consistent with past practices prior to the DIP Closing Date) no proceeds of any Swiss Revolving Loan shall be used directly or indirectly to fund the Debtors without the prior written consent of the DIP Agent and the Required Revolving Lenders.

Notwithstanding anything to the contrary in this Agreement, no portion of the Loans or the Letters of Credit shall be used in a manner contrary to the Applicable DIP Order.

Section 8.13 Tax. Except as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect,

(a) the Lead Borrower and each of the Subsidiaries has filed or caused to be filed all U.S. federal, state, provincial, local and non-U.S. Tax returns required to have been filed by it (including in its capacity as withholding agent) and each such Tax return is true and correct;

(b) the Lead Borrower and each of the Subsidiaries has timely paid or caused to be timely paid all Taxes shown to be due and payable by it on the returns referred to in clause (a) and all other Taxes or assessments (or made adequate provision (in accordance with GAAP) for the payment of all Taxes due), except Taxes or assessments for which the Lead Borrower or any of the Subsidiaries (as the case may be) has set aside on its books adequate reserves in accordance with GAAP and the amount thereof is being contested in good faith by appropriate action; and

(c) as of the DIP Closing Date, with respect to the Lead Borrower and each of the Subsidiaries, there are no claims being asserted in writing with respect to any Taxes.

Section 8.14 No Material Misstatements.

(a) All written information (other than the Projections, forward looking information and information of a general economic or industry specific nature) (the "Information") concerning the Lead Borrower, the other Borrowers, the Subsidiaries and the Transactions prepared by or on behalf of the foregoing or their representatives and made available to any Lenders or the Administrative Agent in connection with this Agreement or the Transactions, when taken as a whole, was true and correct in all material respects, as of the date such Information was furnished to the Lenders or the Administrative Agent, as applicable (and as of the DIP Closing Date, with respect to Information provided prior thereto) and did not, taken as a whole, contain any untrue statement of a material fact as of any such date or omit to state a material fact necessary in order to make the statements contained therein, taken as a whole, not materially misleading in light of the circumstances under which such statements were made (giving effect to all supplements and updates provided thereto).

(b) The Projections and other forward looking information prepared by or on behalf of the Lead Borrower, the other Borrowers or any of their representatives and that have been made available to any Lenders or the Administrative Agent in connection with this Agreement or the Transactions have been prepared in good faith based upon assumptions believed by the Lead Borrower and the other Borrowers to

be reasonable as of the date thereof (it being understood that such Projections and other forward looking information are as to future events and are not to be viewed as facts, such Projections and other forward looking information are subject to significant uncertainties and contingencies and that actual results during the period or periods covered by any such Projections or other forward looking information may differ significantly from the projected results, and that no assurance can be given that the projected results will be realized) and as of the date such Projections and information were furnished to the Lenders or the Administrative Agent.

Section 8.15 Employee Benefit Plans. Except by filing of the Chapter 11 Cases or otherwise as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect: (i) no Reportable Event has occurred during the past five years as to which the Lead Borrower, any of its Subsidiaries or any ERISA Affiliate was required to file a report with the PBGC; (ii) no ERISA Event has occurred or is reasonably expected to occur; and (iii) none of the Lead Borrower, the other Borrowers, the Subsidiaries or any of their ERISA Affiliates has received any written notification that any Multiemployer Plan is in reorganization or has been terminated within the meaning of Title IV of ERISA.

Section 8.16 Environmental Matters. Except as to matters that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (a) no written notice, request for information, order, complaint or penalty has been received by the Lead Borrower or any of its Subsidiaries, and there are no judicial, administrative or other actions, suits or proceedings pending or, to the Lead Borrower's or any other Borrower's knowledge, threatened in writing which allege a violation of or liability under any Environmental Laws, in each case relating to the Lead Borrower or any of its Subsidiaries, (b) each of the Lead Borrower and its Subsidiaries has all environmental permits, licenses, concessions, authorizations and other approvals necessary for its operations to comply with all Environmental Laws ("Environmental Permits") and is, and in the prior eighteen (18) month period, has been, in compliance with the terms of such Environmental Permits and with all other Environmental Laws, (c) except as set forth on Schedule 8.16, no Hazardous Material is located at, on or under any property currently or, to the Lead Borrower's or any other Borrower's knowledge, formerly owned, operated or leased by the Lead Borrower or any of its Subsidiaries that would reasonably be expected to give rise to any cost, liability or obligation of the Lead Borrower or any of its Subsidiaries under any Environmental Laws or Environmental Permits, and no Hazardous Material has been generated, used, treated, stored, handled, disposed of or controlled, transported or released at any location in a manner that would reasonably be expected to give rise to any cost, liability or obligation of the Lead Borrower or any of its Subsidiaries under any Environmental Laws or Environmental Permits, (d) there are no agreements in which the Lead Borrower or any of its Subsidiaries has expressly assumed or undertaken responsibility for any known or reasonably likely liability or obligation of any other person arising under or relating to Environmental Laws, and (e) there has been no written environmental assessment or audit conducted (other than customary assessments or audits not revealing anything that would reasonably be expected to result in a Material Adverse Effect), by or on behalf of the Lead Borrower or any of the Subsidiaries of any property currently or, to the Lead Borrower's or any other Borrower's knowledge, formerly owned, operated or leased by the Lead Borrower or any of the Subsidiaries that has not been made available to the Administrative Agent prior to the DIP Closing Date.

Section 8.17 Security Documents.

(a) Each Security Document is effective to create in favor of the Collateral Agent (for the benefit of the Secured Parties) a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof, subject to (a) the effects of bankruptcy, insolvency, moratorium, reorganization, administration, examinership, fraudulent conveyance or other similar laws affecting creditors' rights generally, (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (c) the entry of the Interim Order and, as applicable, the

Final Order. As of the DIP Closing Date, in the case of the Pledged Collateral and U.S. Pledged Collateral described in the Initial U.S. Security Agreement, when certificates or promissory notes, as applicable, representing such Pledged Collateral and U.S. Pledged Collateral and required to be delivered under the Initial U.S. Security Agreement are delivered to the Collateral Agent, and in the case of the other Collateral described in the Initial U.S. Security Agreement (other than the Intellectual Property), when financing statements and other filings specified in the Perfection Certificate are filed in the offices specified in the Perfection Certificate, the Collateral Agent (for the benefit of the Secured Parties) shall have a fully perfected Lien (subject to all Permitted Liens) on, and security interest in, all right, title and interest of the Loan Parties in such Collateral and, subject to Section 9-315 of the New York Uniform Commercial Code, the Australian PPSA and the Canadian PPSA, the proceeds thereof, as security for the Obligations to the extent perfection can be obtained by filing Uniform Commercial Code, Australian PPSA or Canadian PPSA financing statements or possession.

(b) When the Initial U.S. Security Agreement or an ancillary document thereunder is properly filed and recorded in the United States Patent and Trademark Office and the United States Copyright Office, and, with respect to Collateral in which a security interest cannot be perfected by such filings, upon the proper filing of the financing statements referred to in clause (a) above, the Collateral Agent (for the benefit of the Secured Parties) shall have a fully perfected Lien on, and security interest in, all right, title and interest of the U.S. Loan Parties thereunder in the material United States Intellectual Property included in the Collateral listed in such ancillary document (it being understood that subsequent recordings in the United States Patent and Trademark Office and the United States Copyright Office may be necessary to perfect a Lien on material registered Trademarks and patents, Trademark and patent applications, and registered copyrights acquired by the Loan Parties after the DIP Closing Date).

(c) The Mortgages, if any, on the DIP Closing Date Mortgaged Properties, and the Mortgages executed and delivered after the DIP Closing Date pursuant to Section 9.10, shall be effective to create in favor of the Collateral Agent (for the benefit of the Secured Parties) or, if so contemplated by the respective Mortgage, the Collateral Agent and the other Secured Parties, legal, valid and enforceable Liens on all of the Loan Parties' rights, titles and interests in and to the Mortgaged Property thereunder and the proceeds thereof (subject to (i) the effects of bankruptcy, insolvency, moratorium, reorganization, administration, examinership, fraudulent conveyance or other similar laws affecting creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law)), and when such Mortgages are validly filed, registered or recorded in the proper real estate filing, registration or recording offices and any other required registrations have been validly completed by or on behalf of the Collateral Agent, and all relevant mortgage Taxes and recording and registration charges are duly paid, the Collateral Agent (for the benefit of the Secured Parties) shall have valid Liens with record or registered notice to third parties on, and security interests in, all rights, titles and interests of the Loan Parties in such Mortgaged Property and, to the extent applicable, subject to Section 9-315 of the Uniform Commercial Code, the proceeds thereof.

(d) Notwithstanding anything herein (including this Section 8.17) or in any other Loan Document to the contrary, no Borrower or any other Loan Party makes any representation or warranty as to the effects of perfection or non-perfection, the priority or the enforceability of any pledge of or security interest in any Equity Interests of any Foreign Subsidiary (other than Foreign Subsidiaries organized in a Specified Jurisdiction), or as to the rights and remedies of the Agents or any Lender with respect thereto, under foreign law (other than any applicable Specified Foreign Law).

Section 8.18 [reserved].

Section 8.19 Labor Matters. Except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect: (a) there are no strikes or other labor disputes pending or,

to the knowledge of the Lead Borrower and its Subsidiaries, threatened in writing against the Lead Borrower or any of the Subsidiaries; (b) the hours worked and payments made to employees of the Lead Borrower and the Subsidiaries have not been in violation of the Fair Labor Standards Act, the Fair Work Act 2009 (Cth) of Australia or any other applicable law dealing with such matters; and (c) all payments due from the Lead Borrower or any of the Subsidiaries or for which any claim may be made against the Lead Borrower or any of the Subsidiaries, on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of the Lead Borrower or such Subsidiary to the extent required by GAAP. Except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, the consummation of the Transactions will not give rise to a right of termination or right of renegotiation on the part of any union under any material collective bargaining agreement to which the Lead Borrower or any of the Subsidiaries (or any predecessor) is a party or by which the Lead Borrower or any of the Subsidiaries (or any predecessor) is bound.

Section 8.20 Insurance. Schedule 8.20 (as may be updated pursuant to Section 13.12 of this Agreement) sets forth a true, complete and correct description, in all material respects, of all material insurance (excluding any title insurance) maintained by or on behalf of the Lead Borrower or the Subsidiaries as of the DIP Closing Date. As of such date, such insurance is in full force and effect.

Section 8.21 Intellectual Property; Licenses, Etc. Except as would not reasonably be expected to have a Material Adverse Effect or as set forth in Schedule 8.21 (as may be updated pursuant to Section 13.12 of this Agreement), (a) the Lead Borrower and each of its Subsidiaries owns, or possesses the right to use, all Intellectual Property that is used or held for use or is otherwise reasonably necessary in the operation of their respective businesses (provided that this representation and warranty shall not be construed as a representation and warranty that the operation of the Lead Borrower's, and each of its Subsidiaries', businesses do not infringe, misappropriate or violate the Intellectual Property of any person, the sole representation and warranty in respect of which is set out in the following clause (b)), (b) to the knowledge of the Lead Borrower or any other Borrower, the operation of the Lead Borrower's, and each of its Subsidiaries', businesses is not interfering with, infringing upon, misappropriating or otherwise violating Intellectual Property of any other person, and (c) (i) no claim or litigation regarding any of the Intellectual Property owned by the Lead Borrower and its Subsidiaries is pending or, to the knowledge of the Lead Borrower or any other Borrower, threatened in writing and (ii) to the knowledge of the Lead Borrower or any other Borrower, no claim or litigation regarding any other Intellectual Property described in the foregoing clauses (a) and (b) is pending or threatened in writing.

Section 8.22 USA PATRIOT Act. Except as would not reasonably be expected to have a Material Adverse Effect, the Lead Borrower and each of its Subsidiaries is in compliance with the Patriot Act and the AML Legislation.

Section 8.23 Anti-Corruption Laws and Sanctions. The Lead Borrower has implemented and maintains in effect policies and procedures designed to promote and achieve compliance by the Lead Borrower, its Subsidiaries and their respective directors, officers and employees with Anti-Corruption Laws and applicable Sanctions in all material respects. Neither the Lead Borrower nor any Subsidiary of the Lead Borrower, nor, to the knowledge of the Lead Borrower, any director, officer, agent, employee or affiliate of the Lead Borrower or any of its Subsidiaries that, in each such case, is acting in any capacity under or pursuant to the Loan Documents or directly benefitting from the Credit Extensions, (i) is currently the subject of any Sanctions or (ii) is operating, organized/incorporated or residing in any Designated Jurisdiction except to the extent permissible for a Person required to comply with Sanctions. Neither the Lead Borrower nor any Subsidiary of the Lead Borrower will, directly or, to its knowledge, indirectly, use or lend, contribute, provide or otherwise make available the proceeds of any Credit Extension made pursuant to the terms of this Agreement to any Subsidiary, joint venture partner, or other person, (a) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or

anything else of value, to any person in violation of any Anti-Corruption Laws, (b) to fund any activity or business in, of or with, any Designated Jurisdiction or any Sanctioned Person, in each case except to the extent permissible for a Person required to comply with Sanctions or (c) in any other manner that will result in any violation by the Lead Borrower or any Subsidiary of the Lead Borrower or such Subsidiary of Sanctions.

Section 8.24 [reserved].

Section 8.25 EEA Financial Institutions. No Loan Party is an Affected Financial Institution.

Section 8.26 Beneficial Ownership Certificate. As of the DIP Closing Date, the information included in the Beneficial Ownership Certification, if applicable, is true and correct in all material respects.

Section 8.27 Centre of Main Interests. For the purposes of Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) (the "Regulation"), the centre of main interest of each Loan Party (as that term is used in Article 3(1) of the Regulation) that is incorporated in a jurisdiction to which the Regulation applies is situated in its jurisdiction of incorporation and it has no "establishment" (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction.

Section 8.28 [reserved].

Section 8.29 [reserved].

Section 8.30 Borrowing Base Certificate. At the time of delivery of each Borrowing Base Certificate, (a) assuming that any eligibility criterion that requires the approval or satisfaction of the Administrative Agent has been approved by or is satisfactory to the Administrative Agent and assuming that such criterion has not been changed by the Administrative Agent, (i) each material Account reflected therein as eligible for inclusion in any Borrowing Base as an "Eligible Account" is an Eligible Account, (ii) the material Equipment reflected therein as eligible for inclusion in any Borrowing Base as "Eligible Equipment" is Eligible Equipment, (iii) the material Inventory reflected therein as eligible for inclusion in any Borrowing Base as "Eligible Inventory" is Eligible Inventory, (iv) the Trademarks reflected therein as eligible for inclusion in any Borrowing Base as "Eligible Trademarks" are Eligible Trademarks and (v) the Real Property reflected therein as eligible for inclusion in any Borrowing Base as "Eligible Real Property" is Eligible Real Property; and (b) the information contained in such Borrowing Base Certificate is accurate and complete in all material respects.

Section 8.31 Compliance with the Swiss Non-Bank Rules.

(a) Each Swiss Loan Party is in compliance with the Swiss Non-Bank Rules; provided, however, that no Default or Event of Default with respect to this Section 8.31 shall be deemed to exist due to any inaccuracy of the representation and warranty contained herein that arises from:

(i) a failure by one or more Lenders or Participants to comply with their obligations under Section 13.04(a);

(ii) a confirmation made by one or more Lenders or Participants to be one single Swiss Non-Qualifying Lender is incorrect;

(iii) one or more Lenders or Participants ceasing to be a Swiss Qualifying Lender (to the extent such Lender or Participant confirmed to be a Swiss Qualifying Lender) as a result of any reason attributable to such Lender or Participant;

(iv) an assignment or participation of any Loan under this Agreement to a Swiss Non-Qualifying Lender after the occurrence and during the continuance of an Event of Default; or

(v) an inaccurate representation or warranty by a Lender pursuant to Section 13.27.

(b) For the purposes of this Section 8.31, each Swiss Loan Party shall assume that, for the purpose of determining compliance with the Swiss Twenty Non-Bank Rule, the aggregate number of Lenders or Participants under this Agreement which are Swiss Non-Qualifying Lenders is ten (10).

Section 8.32 DIP Orders. Each DIP Order is, following the entry thereof, effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid, binding and enforceable perfected first priority priming security interest in the Collateral of the Debtors without the necessity of the execution of mortgages, security agreements, pledge agreements, financing statements or other agreements or documents.

ARTICLE 9 AFFIRMATIVE COVENANTS

The Borrowers covenant and agree with each Lender, each Issuing Bank and the Swingline Lender that from and after the DIP Closing Date until the Termination Date, unless the Required Lenders shall otherwise consent in writing, the Lead Borrower and the other Borrowers will, and will cause each of the Subsidiaries to:

Section 9.01 Existence; Business and Properties.

(a) Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence, except (i) in the case of a Subsidiary of the Lead Borrower (other than a Borrower), where the failure to do so would not reasonably be expected to have a Material Adverse Effect, (ii) as otherwise permitted under Section 10.05, and (iii) for the liquidation or dissolution of Subsidiaries (other than a Borrower) if the assets of such Subsidiaries to the extent they exceed estimated liabilities are acquired by the Lead Borrower or a Wholly Owned Subsidiary of the Lead Borrower in such liquidation or dissolution; provided that (x) Guarantors may not be liquidated into Subsidiaries that are not Loan Parties, and (y) U.S. Subsidiaries may not be liquidated into Foreign Subsidiaries (except in each case as permitted under Section 10.05).

(b) Except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, do or cause to be done all things necessary to (i) except with respect to Intellectual Property, which is addressed in clause (c) below, lawfully obtain, preserve, renew, extend and keep in full force and effect the permits, franchises, authorizations, licenses and rights with respect thereto used in the conduct of its business, and (ii) at all times maintain, protect and preserve all property necessary to the normal conduct of its business and keep such property in good repair, working order and condition (ordinary wear and tear excepted), from time to time make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith, if any, may be properly conducted at all times (in each case except as permitted by this Agreement).

(c) Except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, take all steps necessary to preserve, prosecute, maintain, renew, extend, protect, enforce and keep in full force and effect the Intellectual Property which is owned by the Lead Borrower or its Subsidiaries, to the extent used or held for use in the conduct of its business.

Section 9.02 Insurance.

(a) Maintain, with financially sound and reputable insurance companies (except to the extent that any insurer ceases to be financially sound and reputable after the DIP Closing Date, in which case such Loan Party shall promptly replace such insurer with a financially sound and reputable insurer), insurance (subject to customary deductibles and retentions) in such amounts and against such risks as are customarily maintained by similarly situated companies engaged in the same or Similar Businesses operating in the same or similar locations, and within ninety (90) days after the DIP Closing Date (or such later date as the Collateral Agent may agree in writing in its reasonable discretion), cause the Collateral Agent to be listed as a co-insured or co-loss payee, on property and casualty policies with respect to tangible personal property and assets constituting Collateral located in any Specified Jurisdiction and as an additional or co-insured on all general liability policies. Notwithstanding the foregoing, the Lead Borrower and the Subsidiaries may (i) maintain all such insurance with any combination of primary and excess insurance, (ii) maintain any or all such insurance pursuant to master or so-called "blanket policies" insuring any or all Collateral and/or other Real Property which does not constitute Collateral (and in such event the co-payee endorsement shall be limited or otherwise modified accordingly), and/or (iii) self-insure with respect to such risks with respect to which companies of established reputation engaged in the same general line of business in the same general area usually self-insure.

(b) Except as the Collateral Agent may agree in its reasonable discretion, within thirty (30) days after the later of the DIP Closing Date and, with respect to any DIP Closing Date Mortgaged Property, the date on which such Mortgaged Property is required to be encumbered by a Mortgage hereunder (or such later date (A) not to exceed an additional fifteen (15) days if reasonably required by the Lead Borrower or (B) as such period may be further extended in the sole discretion of the Collateral Agent), subject to Section 9.02(a)(i), cause all such property and casualty insurance policies with respect to the Mortgaged Property to be endorsed or otherwise amended to include a "standard" lender's loss payable endorsement, in form and substance reasonably satisfactory to the Collateral Agent, deliver a certificate of insurance with respect to each Mortgaged Property to the Collateral Agent; deliver to the Collateral Agent, prior to or concurrently with the cancellation or nonrenewal of any such policy of insurance covered by this clause (b), a copy of a renewal or replacement policy (or other evidence of renewal of a policy previously delivered to the Collateral Agent), or insurance certificate with respect thereto, together with evidence reasonably satisfactory to the Collateral Agent of payment of the premium therefor, in each case of the foregoing, to the extent customarily maintained, purchased or provided to, or at the request of, lenders by similarly situated companies in connection with credit facilities of this nature.

(c) Prior to the delivery of the applicable Mortgage, if any portion of any Mortgaged Property located in the United States is at any time located in an area identified by the Federal Emergency Management Agency (or any successor agency thereto) as a "special flood hazard area" (each, a "Special Flood Hazard Area") with respect to which flood insurance has been made available under the Flood Insurance Laws (as now or hereafter in effect or successor act thereto), (i) obtain and maintain, with a financially sound and reputable insurer (except to the extent that any insurer insuring such Mortgaged Property of such Loan Party ceases to be financially sound and reputable after the DIP Closing Date, in which case such Loan Party shall promptly replace such insurer with a financially sound and reputable insurer), such flood insurance in such reasonable total amount as the Collateral Agent and the Lenders may from time to time reasonably require and otherwise sufficient to comply with all applicable rules and regulations promulgated pursuant to the Flood Insurance Laws and (ii) promptly upon request of the Collateral Agent or any Lender, deliver to the Collateral Agent or such Lender, as applicable, evidence of such compliance in form and substance reasonably acceptable to the Collateral Agent or such Lender, including, without limitation, evidence of annual renewals of such flood insurance.

(d) In connection with the covenants set forth in this Section 9.02, it is understood and agreed that:

(i) the Administrative Agent, the Collateral Agent, the Lenders and their respective agents or employees shall not be liable for any loss or damage insured by the insurance policies required to be maintained under this Section 9.02, it being understood that (A) the Loan Parties shall look solely to their insurance companies or any other parties other than the aforesaid parties for the recovery of such loss or damage and (B) such insurance companies shall have no rights of subrogation against the Administrative Agent, the Collateral Agent, the Lenders or their agents or employees. If, however, the insurance policies, as a matter of the internal policy of such insurer, do not provide waiver of subrogation rights against such parties, as required above, then the Borrowers, on behalf of themselves and behalf of each of the Lead Borrower and the Subsidiaries, hereby agree, to the extent permitted by law, to waive, and further agree to cause each of the Lead Borrower and their Subsidiaries to waive, its right of recovery, if any, against the Administrative Agent, the Collateral Agent, the Lenders and their agents and employees;

(ii) the designation of any form, type or amount of insurance coverage by the Collateral Agent (including acting in the capacity as the Collateral Agent) under this Section 9.02 shall in no event be deemed a representation, warranty or advice by the Collateral Agent or the Lenders that such insurance is adequate for the purposes of the business of the Lead Borrower and the Subsidiaries or the protection of their properties; and

(iii) the amount and type of insurance that the Lead Borrower and its Subsidiaries have in effect as of the DIP Closing Date and the certificates and endorsements, if any, listing the Collateral Agent as a co-insured, co-loss payee or additional insured, as the case may be, satisfy for all purposes the requirements of this Section 9.02.

Section 9.03 Taxes. Pay its obligations in respect of all Tax liabilities, assessments and governmental charges, before the same shall become delinquent or in default, except where (i) the Lead Borrower or a Subsidiary thereof has set aside on its books adequate reserves therefor in accordance with GAAP and the amount thereof is being contested in good faith by appropriate action and/or (ii) the failure to make payment could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

Section 9.04 Financial Statements, Reports, Etc. Furnish to the Administrative Agent (which will promptly furnish such information to the Lenders (including their Public-Siders)):

(a) within ninety (90) days (or one hundred five (105) days with respect to the fiscal year ending on or about June 30, 2020) after the end of each fiscal year, commencing with the first fiscal year ending on or about June 30, 2020, a consolidated balance sheet and related statements of operations, cash flows and owners' equity showing the financial position of the Lead Borrower and its Subsidiaries as of the close of such fiscal year and the consolidated results of their operations during such year and setting forth in comparative form the corresponding figures for the prior fiscal year, which consolidated balance sheet and related statements of operations, cash flows and owners' equity shall be accompanied by customary management's discussion and analysis and audited by independent public accountants of recognized national standing and accompanied by an opinion of such accountants (which opinion shall not be qualified as to scope of audit or as to the status of the Lead Borrower or any Material Subsidiary as a going concern, except that such opinion (i) may contain references (excluding formal qualifications) regarding audits performed by other auditors as contemplated by AU Section 543, Part of Audit Performed by Other Independent Auditors (or any successor or similar standard under GAAP) and (ii) may include a going concern qualification or like qualification or exception relating to an upcoming maturity date under any Indebtedness incurred under this Agreement occurring within one year from the time such opinion is delivered or relating to the Debtors' financial distress and filing of the Cases) to the effect that such

consolidated financial statements fairly present, in all material respects, the financial position and results of operations of the Lead Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP;

(b) within forty-five (45) days after the end of each of the first three fiscal quarters of each fiscal year (commencing with the first fiscal quarter ending after the DIP Closing Date), a consolidated balance sheet and related statements of operations and cash flows showing the financial position of the Lead Borrower and its Subsidiaries as of the close of such fiscal quarter and the consolidated results of their operations during such fiscal quarter and the then-elapsed portion of the fiscal year and setting forth in comparative form the corresponding figures for the corresponding periods of the prior fiscal year, all of which shall be in reasonable detail, which consolidated balance sheet and related statements of operations and cash flows shall be accompanied by customary management's discussion and analysis and which consolidated balance sheet and related statements of operations and cash flows shall be certified by a Financial Officer of the Lead Borrower on behalf of the Lead Borrower as fairly presenting, in all material respects, the financial position and results of operations of the Lead Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP (subject to normal year-end audit adjustments and the absence of footnotes);

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a Compliance Certificate of a Financial Officer of the Lead Borrower certifying that no Event of Default or Default has occurred since the date of the last certificate delivered pursuant to this Section 9.04(c) (or since the DIP Closing Date in the case of the first such certificate) or, if such an Event of Default or Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto;

(d) promptly after the same become publicly available, copies of all periodic and other publicly available reports, proxy statements and, to the extent requested by the Administrative Agent, other materials filed by the Lead Borrower or any of the Subsidiaries with the SEC, or distributed to its stockholders or shareholders generally, as applicable;

(e) promptly, from time to time, the financial statements of the Foreign Loan Parties prepared on a legal entity basis as the Administrative Agent may reasonably request (for itself or on behalf of any Lender);

(f) concurrently with the delivery of financial statements under clause (a) above, an updated Perfection Certificate reflecting all changes to the information required to be disclosed by the terms thereof since the date of the information most recently received pursuant to this clause (f) or Section 9.10(d) (or a certificate of a Responsible Officer certifying as to the absence of any changes to the previously delivered update, if applicable);

(g) [reserved];

(h) promptly following any request therefor, information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act, the AML Legislation and the Beneficial Ownership Regulation;

(i) promptly, from time to time, such other information regarding the operations, business affairs and financial condition of the Lead Borrower or any of its Subsidiaries, or compliance with the terms of any Loan Document as in each case the Administrative Agent may reasonably request (for itself or on behalf of any Lender); provided, however, that, notwithstanding any provision hereof or any other Loan Document to the contrary, no Loan Party nor any Subsidiary thereof shall be required to disclose or discuss,

or permit the inspection, examination or making of extracts of, any records, books, information or account or other matter (i) in respect of which disclosure to the Administrative Agent, any Lender or their representatives is then prohibited by applicable law or any agreement binding on any Loan Party or any Subsidiary thereof, (ii) that is protected from disclosure by the attorney-client privilege or the attorney work product privilege or (iii) constitutes non-financial trade secrets or non-financial proprietary information (the "Disclosure Exceptions");

(j) as soon as available and in any event no later than 30 days after the end of each fiscal month, the unaudited consolidated balance sheet and related income statements showing the financial position of Lead Borrower and its Subsidiaries as of the close of such month and the consolidated results of their operations during such month and the then-elapsed portion of the fiscal year and setting forth in comparative form the corresponding figures for the prior fiscal year; and

(k) by Thursday of each week, information in reasonable detail regarding the Lead Borrower's and its Subsidiaries' sales receipts from their respective operations.

Documents required to be delivered pursuant to Section 9.04(a), 9.04(b) or 9.04(d), (1) will be deemed to have been delivered hereunder upon the Lead Borrower filing such documents with the SEC via the EDGAR filing system (or any successor system) to the extent such documents are publicly available and (2) otherwise may be delivered electronically and, if so otherwise delivered electronically, shall be deemed to have been delivered on the date (A) on which the Lead Borrower posts such documents, or provides a link thereto, on the Lead Borrower's website on the Internet; or (B) on which such documents are posted on the Lead Borrower's behalf on an Internet or intranet website, if any, to which the Lenders and the Administrative Agent have access (whether a commercial, third-party website or sponsored by the Administrative Agent); provided that, the Lead Borrower shall notify (which may be by electronic mail) the Administrative Agent (which shall notify each Lender) of the posting of any such document pursuant to clause (2) and, promptly upon request by the Administrative Agent, provide to the Administrative Agent by electronic mail an electronic version (i.e., a soft copy) of any such document posted pursuant to clause (2) specifically requested by the Administrative Agent.

The Lead Borrower represents and warrants that each of it and its Controlling and Controlled entities, in each case, if any (collectively with the Lead Borrower, the "Relevant Entities"), either (i) has no SEC registered or unregistered, publicly traded securities outstanding, or (ii) files its financial statements with the SEC and/or makes its financial statements available to potential holders of its securities, and, accordingly, the Lead Borrower hereby (i) authorizes the Administrative Agent to make the financial statements to be provided under Sections 9.04(a) or 9.04(b) above, along with the Loan Documents, available to Public-Siders and (ii) agrees that at the time such financial statements are provided hereunder, they shall already have been made available to holders of any such securities. The Lead Borrower will not request that any other material be posted to Public-Siders without expressly representing and warranting to the Administrative Agent in writing that such materials do not constitute material non-public information within the meaning of the federal securities laws or that the Relevant Entities have no outstanding SEC registered or unregistered, publicly traded securities. Notwithstanding anything herein to the contrary, in no event shall the Lead Borrower request that the Administrative Agent make available to Public-Siders budgets or any certificates, reports or calculations with respect to the Lead Borrower's compliance with the covenants contained herein.

Section 9.05 Litigation and Other Notices. Furnish to the Administrative Agent (which will promptly thereafter furnish to the Lenders) written notice of the following promptly after any Responsible Officer of any Borrower obtains actual knowledge thereof:

(a) any Event of Default or Default, specifying the nature and extent thereof and the corrective action (if any) proposed to be taken with respect thereto;

(b) the filing or commencement of, or any written threat or notice of intention of any person to file or commence, any action, suit or proceeding, whether at law or in equity or by or before any Governmental Authority or in arbitration, against the Lead Borrower or any of the Subsidiaries as to which an adverse determination is reasonably probable and which, if adversely determined, would reasonably be expected to have a Material Adverse Effect;

(c) any other development specific to the Lead Borrower or any of the Subsidiaries that is not a matter of general public knowledge and that has had, or would reasonably be expected to have, a Material Adverse Effect; and

(d) the occurrence of any ERISA Event that, together with all other ERISA Events that have occurred, would reasonably be expected to have a Material Adverse Effect.

Each notice delivered under this Section 9.05 (i) shall be in writing, (ii) shall contain a heading or a reference line that reads "Notice under Section 9.05 of [ ] Credit Agreement dated [ ]" and (iii) shall be accompanied by a statement of a Responsible Officer of the Lead Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

Section 9.06 Compliance with Laws. Comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect; provided that this Section 9.06 shall not apply to Environmental Laws, which are the subject of Section 9.09, or to laws related to Taxes, which are the subject of Section 9.03. The Lead Borrower will implement and maintain in effect and enforce policies and procedures designed to promote and achieve compliance by the Lead Borrower, its Subsidiaries and their respective directors, officers and employees with Anti-Corruption Laws and applicable Sanctions in all material respects.

Section 9.07 Maintaining Records; Access to Properties and Inspections.

(a) Maintain all financial records to enable the preparation of financial statements in accordance with GAAP and permit any persons designated by the Administrative Agent or, upon the occurrence and during the continuance of an Event of Default, any Lender to visit and inspect the financial records and the properties of the Lead Borrower or any of the Subsidiaries at reasonable times, upon reasonable prior notice to the Lead Borrower, and as often as reasonably requested and to make extracts from and copies of such financial records, and permit any persons designated by the Administrative Agent or, upon the occurrence and during the continuance of an Event of Default, any Lender upon reasonable prior notice to the Lead Borrower to discuss the affairs, finances and condition of the Lead Borrower or any of the Subsidiaries with the officers thereof and independent accountants therefor (so long as the Lead Borrower has the opportunity to participate in any such discussions with such accountants), in each case, subject to the Disclosure Exceptions and to reasonable requirements of confidentiality, including requirements imposed by law or by contract.

(b) The Lead Borrower will permit the Administrative Agent, subject to reasonable advance notice to, and reasonable coordination with, the Lead Borrower and during normal business hours, to visit and inspect the properties of any Borrower, at the Borrower's expense as provided in clause (c) below, inspect, audit and make extracts from any Borrower's corporate, financial or operating records, and discuss with its officers, employees, agents, advisors and independent accountants (subject to such accountants'

customary policies and procedures) such Borrower's business, financial condition, assets and results of operations (it being understood that a representative of the Lead Borrower and such Borrower shall be permitted to be present in any discussions with officers, employees, agent, advisors and independent accountants); provided that the foregoing, in each case, shall be subject to the Disclosure Exceptions and to reasonable requirements of confidentiality, including requirements imposed by law or contract; provided further that, subject to the final sentence of this Section 9.07(b), the Administrative Agent shall only be permitted to conduct one field examination and the Lead Borrower shall be required to provide the Administrative Agent with one inventory appraisal conducted by an appraiser chosen by the Administrative Agent and consented to by the Lead Borrower (such consent not to be unreasonably withheld or delayed) in a form and on a basis reasonably satisfactory to the Administrative Agent with respect to any Collateral comprising the Aggregate Borrowing Base per 12-month period; provided further that if at any time Aggregate Availability is less than the greater of (x) 15.0% of the Line Cap and (y) $45,000,000 for a period of five (5) consecutive Business Days during such 12-month period, in each case, one additional field examination and one additional inventory appraisal will be permitted in such 12-month period, except that during the existence and continuance of an Event of Default, there shall be no limit on the number of additional field examinations and inventory appraisals that shall be permitted at the Administrative Agent's request. Notwithstanding the foregoing, additional appraisals of equipment, trademarks or real property shall not be required unless initiated at a time when an Event of Default has occurred and is continuing; provided that (i) not more than one (1) time per 12-month period, the Lead Borrower may, in its sole discretion and expense, request that the Administrative Agent (and, in such event, the Administrative Agent shall promptly) order an appraisal of specified equipment being newly added to any Borrowing Base from an appraiser selected and engaged by the Administrative Agent and consented to by the Lead Borrower (such consent not to be unreasonably withheld, delayed or conditioned) to determine the increase to the Borrowing Bases after the inclusion of such specified equipment and (ii) not more than one (1) time per 12-month period, the Lead Borrower may, in its sole discretion and expense, request that the Administrative Agent (and, in such event, the Administrative Agent shall promptly) order updated appraisals of all equipment from an appraiser selected and engaged by the Administrative Agent and consented to by the Lead Borrower (such consent not to be unreasonably withheld, delayed or conditioned) to redetermine the fixed asset components of the Borrowing Bases based on such appraisals (which redetermination may result in the increase or decrease of such fixed asset components). No such inspection or visit shall unduly interfere with the business or operations of any Borrower, nor result in any damage to the property or other Collateral. No inspection shall involve invasive testing without the prior written consent of the Lead Borrower. Neither the Administrative Agent nor any Lender shall have any duty to any Borrower to make any inspection nor to share any results of any inspection, appraisal or report with any Borrower, except that the Administrative Agent shall promptly forward copies to the Lead Borrower of any appraisals, environmental assessments and/or other final work product that is produced by a third party for the Administrative Agent in respect of any appraisal or environmental assessment of the Lead Borrower's and/or any of its Subsidiaries' assets (excluding, for the avoidance of doubt, any work product from any field examination). Each of the Borrowers acknowledges that all inspections, appraisals and reports are prepared by the Administrative Agent and Lenders for their purposes, and the Borrowers shall not be entitled to rely upon them. Notwithstanding the foregoing, from and after the DIP Closing Date until December 31, 2020 the Administrative Agent may elect to require that a new inventory appraisal be conducted by an appraiser chosen by the Administrative Agent and the limitations set forth in the second proviso of this Section 9.07(b) shall not apply to such inventory appraisal in any respect.

(c) The Lead Borrower will reimburse (or will cause to be reimbursed) the Administrative Agent for all reasonable and documented out-of-pocket costs and expenses (other than any legal fees or costs and expenses covered under Section 13.01) of the Administrative Agent in connection with (i) one examination per fiscal year of any Borrower's books and records as described in clause (a) above and (ii) field examinations and appraisals of inventory, equipment, trademarks and real property comprising the Aggregate Borrowing Base, in each case subject to the limitations on such examinations, audits and

appraisals permitted under the preceding paragraph. Subject to and without limiting the foregoing, the Borrowers specifically agree to pay the Administrative Agent's then standard charges for examination activities, including the standard charges of the Administrative Agent's internal appraisal group. This Section 9.07 shall not be construed to limit the Administrative Agent's right to use third parties for such purposes.

(d) Notwithstanding anything to the contrary in this Section 9.07:

(i) the Administrative Agent or its counsel may, at the Administrative Agent's sole discretion, engage one or more financial or other advisors or consultants satisfactory to the Administrative Agent, to advise and assist the Administrative Agent, the Administrative Agent's counsel and the Secured Parties with their on-going assessment of the Collateral, the Lead Borrower's and its Subsidiaries' financial performance and their ability to repay the Obligations and all other matters relating to the Chapter 11 Cases. The Administrative Agent and the other Secured Parties may elect to maintain the confidentiality of any conclusions reached or reports prepared by such consultant and may also provide that the consultant's conclusions shall be covered by the attorney work-product privilege. The Loan Parties shall reimburse the Administrative Agent for any and all reasonable and documented fees and expenses of such advisors and/or consultants in accordance with the Applicable DIP Order.

(ii) Without limiting the Secured Parties' rights under the Credit Agreement and other Loan Documents, the Lead Borrower and the other Loan Parties hereby agree to: (A) give the Administrative Agent and its Representatives reasonable access to the offices, properties, officers, employees, accountants, auditors, counsel and other representatives, books and records of the Lead Borrower and the other Loan Parties, (B) furnish to the Administrative Agent and its Representatives such financial, operating and property related data and other information as such persons reasonably request and (C) instruct the Lead Borrower's and any other Loan Party's employees and financial advisors to cooperate reasonably with the Administrative Agent and its Representatives in respect of the aforementioned clauses (A) and (B)); provided, however, that, with respect to this Section 9.07(d), notwithstanding any provision hereof or any other Loan Document to the contrary, no Loan Party nor any Subsidiary thereof shall be required to disclose or discuss, or permit the inspection, examination or making of extracts of, any records, books, information or account or other matter (1) in respect of which disclosure to the Administrative Agent, any Lender or their representatives is then prohibited by applicable law or any agreement in effect on the DIP Closing Date that is binding on any Loan Party or any Subsidiary thereof or (2) that is protected from disclosure by the attorney-client privilege or the attorney work product privilege (the "Specified Disclosure Exceptions"). For purposes of this Section 9.07(d), the term "Representatives" shall mean the Administrative Agent's employees, agents, representatives, advisors and consultants (including any investment banker, financial advisor, accountant, legal counsel, agent, representative or expert retained by or acting on behalf of the Administrative Agent).

(iii) Subject to the Specified Disclosure Exceptions, the Lead Borrower and the other Loan Parties each irrevocably authorizes, and shall direct, any financial advisors, consultants or investment bankers that are representing any or all of the Loan Parties in connection with this Agreement and the other Loan Documents (the foregoing, collectively, and excluding, for the avoidance of doubt, JPMCB and its Affiliates, the "Financial Advisors") to: (A) regularly offer to consult with (and consult with if so requested), and respond to the inquiries of, the Administrative Agent, the other Secured Parties and their respective Representatives identified by the Administrative Agent for such purpose concerning any and all material matters relating to (1) the affairs, finances and businesses of the Lead Borrower or any other Loan Party, (2) the assets and

capital stock of the Lead Borrower or any other Loan Party, (3) any aspect of this Agreement or the other Loan Documents, (4) any aspect of the Chapter 11 Cases (including, but not limited to, any aspect of a sale under section 363 of the Bankruptcy Code and any restructuring- or sale-related negotiations with the Creditors' Committee, the ad hoc group of unsecured noteholders, or any parties in interest), and/or (5) the Financial Advisors' activities related to any of the foregoing (including, without limitation, communications outside the presence of any representatives of the Lead Borrower or any other Loan Party) and (B) offer to provide (and provide if the Administrative Agent, the other Secured Parties and/or their Representatives request) weekly updates on a conference call with the Administrative Agent, the other Secured Parties and/or their respective Representatives.

(iv) Subject to the Specified Disclosure Exceptions, each of the Lead Borrower and the other Loan Parties shall, and shall direct its officers, directors, employees and advisors to, cooperate fully with the Administrative Agent in furnishing information as and when reasonably requested by the Administrative Agent or any other Secured Party regarding the Collateral or the Lead Borrower's or any other Loan Party's financial affairs, finances, financial condition, business and operations. Subject to the Specified Disclosure Exceptions, the Lead Borrower and each other Loan Party authorizes the Administrative Agent to meet and/or have discussions with any of their officers, directors, employees and advisors from time to time as reasonably requested by the Administrative Agent to discuss any material matters regarding the Collateral or the Lead Borrower's or any other Loan Party's financial affairs, finances, financial condition, business and operations, and shall direct and authorize all such persons and entities to fully disclose to the Administrative Agent all information reasonably requested by the Administrative Agent regarding the foregoing. The Lead Borrower and the other Loan Parties each waives and releases any such officer, director, employee and advisor from the operation and provisions of any confidentiality agreement with the Lead Borrower or such other Loan Party, as the case may be, such that such person or entity is not prohibited from providing any of the foregoing information to the Administrative Agent or any other Secured Party.

Section 9.08 Use of Proceeds. Use the proceeds of the Loans made in the manner contemplated by Section 8.12 and Section 8.23.

Section 9.09 Compliance with Environmental Laws.

(a) Comply, and make reasonable efforts to cause all lessees and other persons occupying its properties to comply, with all applicable Environmental Laws; and obtain and renew all required Environmental Permits, except, in each case with respect to this Section 9.09, to the extent the failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) Comply, in all material respects, with the terms and conditions of all closure letters issued by any state or federal Governmental Authority applicable to the facility located at 3300 N. 124th Street, Wauwatosa, Wisconsin regarding the presence or remediation of any Hazardous Materials.

Section 9.10 Further Assurances; Additional Guarantors; Additional Security.

(a) 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 and the delivery of notifications to counterparties and the registration in any applicable public registry), that may be required by the Security Documents or that the Collateral Agent may reasonably request (including, without limitation, those required by applicable law), to satisfy the Collateral and Guarantee Requirement and to cause the Collateral and Guarantee Requirement to be and remain satisfied,

all at the expense of the Loan Parties and provide to the Collateral Agent, from time to time upon reasonable request, evidence reasonably satisfactory to the Collateral Agent as to the perfection of the Liens created or intended to be created by the Security Documents.

(b) If any asset (other than Real Property) is acquired by any Loan Party (including, without limitation, any acquisition pursuant to a Delaware LLC Division) after the DIP Closing Date or owned by an entity at the time it becomes a Guarantor (in each case other than (x) assets constituting Collateral under a Security Document that automatically become subject to the Lien of such Security Document upon acquisition thereof, (y) assets constituting Excluded Property and (z)(i) in the case of a Loan Party organized under the laws of the United States or any state thereof, assets (other than Equity Interests) owned thereby and located outside of the United States, and (ii) in the case of a Loan Party organized or incorporated under the laws of any Specified Jurisdiction, assets (other than Equity Interests) owned thereby and located outside of such Specified Jurisdiction), such Loan Party will, (A) notify the Collateral Agent of such acquisition or ownership; provided that this clause (A) will be deemed satisfied with respect to any applicable asset so long as such notice is delivered on the first date on which financial statements are required to be delivered pursuant to Section 9.04(a) or (b) which occurs at least ten (10) Business Days after the acquisition of such asset, or at any time prior thereto) and (B) cause such asset to be subjected to a Lien (subject to any Permitted Liens) securing the Obligations by, and take, and cause the Guarantors to take, such actions as shall be reasonably requested by the Collateral Agent to satisfy the Collateral and Guarantee Requirement to be satisfied with respect to such asset, including actions described in clause (a) of this Section 9.10, all at the expense of the Loan Parties, subject to the penultimate paragraph of this Section 9.10.

(c) Grant and cause each of the Guarantors to grant to the Collateral Agent (or to all the Secured Parties, if necessary or customary under applicable local law) mortgages on any Material Real Property of such Loan Parties, as applicable, that are not Mortgaged Property as of the DIP Closing Date, to the extent acquired after the DIP Closing Date or to the extent a new Guarantor owns Material Real Property after the DIP Closing Date, within thirty (30) days after such acquisition or such Real Property becoming Material Real Property or such new Guarantor becoming a Guarantor, as applicable, or such later date as the Collateral Agent may agree in its reasonable discretion, pursuant to documentation in form and substance reasonably satisfactory to the Collateral Agent and the Lead Borrower (each, an "Additional Mortgage"), which mortgage shall constitute valid and enforceable Liens subject to no other Liens except Permitted Liens and record, register or file, and cause each such Subsidiary to record, register or file, the Additional Mortgage or instruments related thereto in such manner and in such places as is required by law to establish, perfect, preserve and protect the Liens in favor of the Collateral Agent (for the benefit of the Secured Parties) required to be granted pursuant to the Additional Mortgages and pay, and cause each such Subsidiary to pay, in full, all Taxes, fees and other charges required to be paid in connection with such recording, registration or filing, in each case subject to the penultimate paragraph of this Section 9.10. Unless otherwise waived by the Collateral Agent, with respect to each such Additional Mortgage, the Borrowers shall cause the requirements set forth in clauses (b)(iii), (h) and (i) of the definition of "Collateral and Guarantee Requirement" to be satisfied with respect to such Material Real Property.

Notwithstanding the foregoing, the Collateral Agent shall not enter into any Mortgage in respect of any Real Property acquired by any Loan Party after the DIP Closing Date until (1) the date that occurs forty-five (45) days after the Collateral Agent has delivered to the Lenders (which may be delivered electronically) the following documents in respect of such Real Property: (i) a completed flood hazard determination from a third party vendor, (ii) if such Real Property is located in a "special flood hazard area," (A) a notification to the applicable Loan Party of that fact and (if applicable) notification to the applicable Loan Party that flood insurance is not available and (B) evidence of receipt by the applicable Loan Party of such notice, and (iii) if such notice is required to be provided to the applicable Loan Party and flood insurance is available in the community in which such Real Property is located, evidence of flood

insurance, and (2) the Collateral Agent shall have received written confirmation from the Lenders that flood insurance due diligence and flood insurance compliance has been completed by the Lenders (such written confirmation not to be unreasonably conditioned, withheld or delayed).

(d) If any additional direct or indirect Subsidiary of the Lead Borrower (i) is formed (including, without limitation, the formation of any Subsidiary of the Lead Borrower that is a Delaware Divided LLC), acquired or continues to be a Subsidiary of the Lead Borrower but ceases to constitute an Excluded Subsidiary following the DIP Closing Date and such Subsidiary is (1) a Wholly Owned Subsidiary which is a U.S. Subsidiary or a Foreign Subsidiary organized or incorporated in a Specified Jurisdiction and which is not an Excluded Subsidiary or (2) any other U.S. Subsidiary or Foreign Subsidiary organized or incorporated in a Specified Jurisdiction that may be designated by the Lead Borrower in its sole discretion or (ii) that is not then a Borrower or a Guarantor guarantees or incurs any capital markets Indebtedness of the Lead Borrower, the other Borrowers or any Subsidiary of the Lead Borrower with an aggregate principal amount in excess of $50,000,000 or is designated by the Lead Borrower in its sole discretion to become a Guarantor (if, in the case of such a Subsidiary designated by the Lead Borrower, such Subsidiary is a U.S. Subsidiary or a Foreign Subsidiary organized or incorporated in a Specified Jurisdiction), in each case, within twenty (20) days after the date such Subsidiary is formed or acquired or meets such criteria (or first becomes subject to such requirement) or, in the case of a Subsidiary that ceases to be an Excluded Subsidiary based on its assets and/or revenues, within twenty (20) days after the end of the quarter in which such change in status occurs (or, in each of the foregoing cases, such longer period as the Collateral Agent may agree in its sole discretion), notify the Collateral Agent thereof and, within thirty (30) days after the date such Subsidiary is formed or acquired or meets such criteria (or first becomes subject to such requirement) or, in the case of such a Subsidiary that ceases to be an Excluded Subsidiary, within twenty (20) days after the end of the quarter in which such change in status occurs or, in the case of clause (ii) above, twenty (20) Business Days following the date such Indebtedness is guaranteed or incurred by the applicable Subsidiary) (or, in each of the foregoing cases, such longer period as the Collateral Agent may agree in its sole discretion), cause such Subsidiary to become a Guarantor and cause the Collateral and Guarantee Requirement to be satisfied with respect to such Subsidiary and with respect to any Equity Interest in or Indebtedness of such Subsidiary owned by or on behalf of any Loan Party, subject to the penultimate paragraph of this Section 9.10. Notwithstanding anything to the contrary herein, (x) except with respect to clause (y) below, in no circumstance shall an Excluded Subsidiary become a Guarantor unless designated as a Guarantor by the Lead Borrower in its sole discretion, (y) no Foreign Subsidiary other than a Foreign Subsidiary organized or incorporated in a Specified Jurisdiction shall become a Guarantor unless the Administrative Agent shall have consented in writing (such consent shall be in the sole discretion of the Administrative Agent) and (z) no Subsidiary shall be formed or organized without the written consent of the Administrative Agent (not to be unreasonably withheld, conditioned or delayed).

(e) Furnish to the Collateral Agent prompt written notice of any change (A) in any Loan Party's corporate, registered or organization name, (B) in any Loan Party's identity or type of legal entity, (C) in any Loan Party's organizational identification or registered number (to the extent relevant in the applicable jurisdiction of organization or incorporation) and (D) in any Loan Party's jurisdiction of organization or incorporation; provided that the Loan Parties shall not effect or permit any such change unless all filings have been made, or will have been made within ten (10) days following such change (or such longer period as the Collateral Agent may agree in its sole discretion), under the Uniform Commercial Code (or its equivalent in any applicable jurisdiction) that are required in order for the Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral in which a security interest may be perfected by such filing, for the benefit of the Secured Parties.

Notwithstanding anything to the contrary in this Agreement or in the other Loan Documents, the Collateral and Guarantee Requirement and the other provisions of this Section 9.10 and the other Loan

Documents with respect to Collateral need not be satisfied with respect to any of the following (collectively, the "Excluded Property"):

(i) any Real Property other than Material Real Property;

(ii) motor vehicles and other assets subject to certificates of title (other than to the extent that a security interest therein can be perfected automatically or by the filing of a financing statement under the Uniform Commercial Code or applicable filings under Specified Foreign Law or is perfected without any action under Specified Foreign Law);

(iii) letter of credit rights (other than to the extent that a security interest therein can be perfected automatically or by the filing of a financing statement under the Uniform Commercial Code or applicable filings under Specified Foreign Law or is perfected without any action under Specified Foreign Law);

(iv) commercial tort claims with an expected value of less than $5,000,000 (other than to the extent that a security interest therein can be perfected automatically or by the filing of a financing statement under the Uniform Commercial Code or applicable filings under Specified Foreign Law or is perfected without any filing under Specified Foreign Law), as determined by the Lead Borrower in good faith;

(v) [reserved];

(vi) leases, licenses, permits and other agreements permitted under this Agreement, in each case, to the extent, and so long as, the pledge thereof as Collateral would violate or invalidate such lease, license, permit or agreement or create a right of termination in favor of any other party thereto (other than the Borrowers or a Guarantor), but only to the extent, and for so long as, such prohibition is not terminated or rendered unenforceable or otherwise deemed ineffective by the Uniform Commercial Code, Specified Foreign Law, the Bankruptcy Code or other Requirement of Law and other than the proceeds thereof the assignment of which is expressly deemed effective under the Uniform Commercial Code, Specified Foreign Law or other applicable law;

(vii) other assets to the extent the pledge thereof or the security interest therein is prohibited by applicable law, rule or regulation (other than to the extent such prohibition is not terminated or rendered unenforceable or otherwise deemed ineffective by the Uniform Commercial Code, Specified Foreign Law of the applicable jurisdiction, Bankruptcy Code or any other Requirement of Law and other than the proceeds thereof the assignment of which is expressly deemed effective under the Uniform Commercial Code, Specified Foreign Law or other applicable law) or requires governmental (including regulatory) consent, approval, license or authorization or third party consent binding on any asset on the DIP Closing Date or at the time of their acquisition, as applicable, to be pledged (unless such consent, approval, license or authorization has been received);

(viii) those assets as to which the Administrative Agent and the Borrowers shall reasonably agree that the costs or other adverse consequences (including, without limitations, Tax consequences) of obtaining such security interest or perfection thereof are likely to be excessive in relation to the value of the security to be afforded thereby; provided that, with respect to any assets in existence or pledged as of the DIP Closing Date, the term "cost or other consequences" shall not include any Tax consequences under Code Section 956;

(ix) "intent-to-use" Trademark applications prior to the filing of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, to the extent that the grant of a security interest therein would impair the validity or enforceability of, or render void or voidable or result in the cancellation of the applicable grantor's right, title or interest therein or in any Trademark registration issued as a result of such application under applicable law;

(x) any governmental licenses, permits or state or local franchises, charters and authorizations, to the extent Liens and security interests therein are prohibited or restricted thereby, but only to the extent, and for so long as, such prohibition is not terminated or rendered unenforceable or otherwise deemed ineffective by the Uniform Commercial Code or Specified Foreign Law, as applicable (other than the proceeds thereof the assignment of which is expressly deemed effective under the Uniform Commercial Code or Specified Foreign Law, as applicable);

(xi) cash, cash equivalents and/or securities held by a trustee or other escrow agent under any indenture or other debt agreement pursuant to customary discharge, redemption or defeasance provisions; provided that the related discharge, redemption and/or defeasance does not conflict with this Agreement;

(xii) Excluded Securities; and

(xiii) Excluded Accounts;

provided that (x) the Lead Borrower may in its sole discretion elect to exclude any property from the definition of "Excluded Property", (y) in no event shall any asset included in any Borrowing Base constitute Excluded Property and (z) none of the categories of assets set forth above will constitute Excluded Property with respect to the Debtors if it is not excluded from the Liens granted under the DIP Orders.

Notwithstanding anything herein to the contrary, (A) the Collateral Agent may grant extensions of time or waiver or modification of requirement for the creation or perfection of security interests in or the obtaining of insurance (including title insurance) or surveys with respect to particular assets (including extensions beyond the DIP Closing Date for the perfection of security interests in the assets of the Loan Parties on such date) where it reasonably determines, in consultation with the Borrowers, that perfection or obtaining of such items cannot reasonably be accomplished without undue effort or expense or is otherwise impracticable by the time or times at and/or in the form or manner in which it would otherwise be required by this Agreement or the other Loan Documents, (B) Liens required to be granted from time to time pursuant to, or any other requirements of, the Collateral and Guarantee Requirement and the Security Documents shall be subject to exceptions and limitations set forth in the Security Documents and (C) to the extent any Mortgaged Property is located in a jurisdiction with mortgage recording or similar Tax, the amount secured by the Security Document with respect to such Mortgaged Property shall be limited to the Fair Market Value of such Mortgaged Property as determined in good faith by the Lead Borrower (subject to such lesser amount agreed to by the Collateral Agent).

Section 9.11 [Reserved].

Section 9.12 Post-Closing. Take all necessary actions to satisfy the items described on Schedule 9.12 (as may be updated pursuant to Section 13.12 of this Agreement) within the applicable period of time specified in such Schedule (or such longer period as the Administrative Agent may agree in its sole discretion).

Section 9.13 Lender Calls. The Lead Borrower shall conduct, every other week, a conference call that the Lenders may attend to discuss the financial condition and results of operations of the Lead

Borrower and its Subsidiaries and any other information or items that the Lenders reasonably request, each at a date and time to be determined by the Administrative Agent in consultation with the Lead Borrower.

Section 9.14 Qualified Sale. Use its commercially reasonable efforts to obtain Bankruptcy Court approval and confirmation of a Qualified Sale and the consummation of the transactions therein.

Section 9.15 Centre of Main Interests. Each Loan Party that is incorporated in a jurisdiction to which the Regulation applies shall maintain its "centre of main interests" in its jurisdiction of incorporation for the purposes of the Regulation.

Section 9.16 [reserved].

Section 9.17 [reserved].

Section 9.18 Collateral Monitoring and Reporting.

(a) Borrowing Base Certificates. By the 20th day of each month after the DIP Closing Date (or, in each case, if such date is not a Business Day, the following Business Day), the Lead Borrower shall deliver to the Administrative Agent (and the Administrative Agent shall promptly deliver same to the Revolving Lenders) a Borrowing Base Certificate prepared as of the close of business on the last Business Day of the previous month (provided that during the continuance of a Weekly Monitoring Period the Lead Borrower shall deliver to the Administrative Agent weekly Borrowing Base Certificates by Thursday (or if such date is not a Business Day, the following Business Day) of every week prepared as of the close of business on Friday of the previous week, which weekly Borrowing Base Certificates shall be in standard form unless otherwise reasonably agreed to by the Administrative Agent), or more frequently if elected by the Lead Borrower, provided that the Aggregate Borrowing Base shall continue to be reported on a more frequent basis for at least three (3) months following such election; provided further that (i) amounts of Equipment, Inventory, Real Property and Trademarks shown in the Borrowing Base Certificates delivered on a weekly basis will be based on the amount of Equipment, Inventory, Real Property or Trademarks, as applicable, (a) set forth in the most recent weekly report, where possible, and (b) for the most recently ended month for which such information is available with regard to locations where it is impracticable to report Equipment, Inventory, Real Property or Trademarks, as applicable, more frequently, and (ii) the amount of Eligible Accounts shown in such Borrowing Base Certificate will be based on the amount of the gross Accounts set forth in the most recent weekly report, less the amount of ineligible Accounts reported for the most recently ended month. In addition, an updated Borrowing Base Certificate will be delivered in connection with any Notice of Borrowing delivered following the transfer of any assets pursuant to Section 10.05(c) between the Loan Parties if such transferred assets would need to be included in the applicable Borrowing Base in order to meet the Availability Conditions. All calculations of Aggregate Availability in any Borrowing Base Certificate shall be made by the Lead Borrower and certified by a Responsible Officer, provided that the Administrative Agent may from time to time review and adjust any such calculation in consultation with the Lead Borrower to the extent the calculation is not made in accordance with this Agreement or does not accurately reflect the Reserves.

(b) Records and Schedules of Accounts. The Lead Borrower shall keep materially accurate and complete records of all Accounts, including all payments and collections thereon, and shall submit to the Administrative Agent, upon the Administrative Agent's request, sales, collection, reconciliation and other reports in form reasonably satisfactory to the Administrative Agent on a periodic basis (but not more frequently than at the time of delivery of each of the Financial Statements). The Lead Borrower shall also provide to the Administrative Agent, upon the Administrative Agent's reasonable advance request, on or before the 20th day of any calendar month as to which the Administrative Agent has made such a reasonable advance request, a detailed aged trial balance of all Accounts as of the end of the preceding month,

specifying each Account's Account Debtor name and the amount, invoice date and due date as the Administrative Agent may reasonably request. If Accounts owing from any single Account Debtor in an aggregate face amount of $5,000,000 or more cease to be Eligible Accounts, the Borrowers shall notify the Administrative Agent of such occurrence promptly (and in any event within three (3) Business Days) after any Responsible Officer of the Lead Borrower has actual knowledge thereof.

(c) Maintenance of Dominion Account by U.S. Loan Parties. With respect to each U.S. Loan Party's Deposit Accounts (other than Excluded Accounts) and Dominion Accounts, as at the DIP Closing Date or, if opened following the DIP Closing Date, within fourteen (14) days (or such later date as the Administrative Agent may agree in its reasonable discretion), of the opening of such Deposit Account or the date any Person that owns such Deposit Account becomes a U.S. Loan Party hereunder, (i) each U.S. Loan Party shall obtain from each bank or other depository institution that maintains such Deposit Account, a Deposit Account Control Agreement, in form reasonably satisfactory to the Administrative Agent that provides for such bank or other depository institution, from and after the DIP Closing Date until the end of the Interim Period and otherwise, in the case of any Liquidity Period other than the Interim Period, following receipt by it of a Liquidity Notice (it being understood that the Administrative Agent shall reasonably promptly deliver a copy of such Liquidity Notice to the Lead Borrower), to transfer to a Dominion Account (or another account as the Administrative Agent or the Collateral Agent may direct (each acting in its sole discretion)), on a daily basis (or such other timing as the Administrative Agent or the Collateral Agent may direct (each acting in its sole discretion)), all balances in such Deposit Account (net of such minimum balance required by the bank at which such Deposit Account is maintained) for application to the Obligations then outstanding (the "U.S. Sweep") provided that, following the termination of the Liquidity Period, the Administrative Agent shall promptly instruct such bank or other depository institution to terminate the U.S. Sweep; (ii) the Lead Borrower shall establish the Dominion Account and obtain a Deposit Account Control Agreement in form reasonably satisfactory to the Administrative Agent, from the applicable Dominion Account bank, establishing the Administrative Agent's control over such Dominion Account, (iii) each U.S. Loan Party irrevocably appoints the Administrative Agent as such U.S. Loan Party's attorney-in-fact to collect such balances during a Liquidity Period to the extent any such delivery is not so made and (iv) each U.S. Loan Party shall instruct each Account Debtor to make all payments with respect to Collateral into Deposit Accounts subject to Deposit Account Control Agreements, and if deposited in violation of such instructions, the U.S. Loan Parties shall promptly (and in any event within seven (7) days) direct any such payments into Deposit Accounts subject to Deposit Account Control Agreements (it being understood that it shall not be a Default or Event of Default if any such payments are deposited in an Excluded Account pursuant to clause (v) of the definition thereof); and it is expressly acknowledged that the Administrative Agent reserves the right to impose Reserves with respect to the failure to obtain any such Deposit Account Control Agreement within such fourteen (14) day period. The provisions of this Section 9.18(c) do not apply to Excluded Accounts. Notwithstanding anything to the contrary in any Loan Document, (A) each U.S. Loan Party acknowledges and agrees that, from the commencement and during the continuation of a Liquidity Period, each of the Administrative Agent and the Collateral Agent is authorized and permitted to send to the applicable bank or other depository institution a notice of exclusive control, a trigger notice, a control notice, an access termination notice, a shifting control notice or any similar notice contemplated by any Deposit Account Control Agreement in order to give effect to the U.S. Sweep and (B) the U.S. Sweep shall be applied in accordance with Section 11.02(b).

(d) [reserved.]

(e) Foreign Deposit Accounts. Each Foreign Loan Party shall, with respect to its Deposit Accounts into which proceeds of the Accounts of such Foreign Loan Party ("Collections") are paid or any master account to which any such Accounts are swept (each such Deposit Account being a "Collection Account"), (i) ensure that it is subject to a valid and enforceable first ranking security interest (subject to

any Liens permitted under Section 10.02(d) or (n)(i) of this Agreement, solely to the extent such Liens arise by operation of law and either (x) such Liens are permitted by the related Deposit Account Control Agreement or (y) the Administrative Agent has established a Reserve in its Permitted Discretion for liabilities secured by such Liens) under the laws of the jurisdiction where the relevant Collection Account is located and (ii) as of the DIP Closing Date or, if opened following the DIP Closing Date, within fourteen (14) days (or such later date as the Administrative Agent may agree in its reasonable discretion), of the opening of such Collection Account or the date any Person that owns such Collection Account becomes a Foreign Loan Party hereunder take all actions necessary to obtain a Deposit Account Control Agreement, in form reasonably satisfactory to the Administrative Agent, that provides for such bank or other depository institution, from and after the DIP Closing Date until the end of the Interim Period and otherwise, in the case of any Liquidity Period other than the Interim Period, following receipt by it of a Liquidity Notice (it being understood that the Administrative Agent shall reasonably promptly deliver a copy of such Liquidity Notice to the Lead Borrower) to transfer to the Administrative Agent, at such times and in such amounts and currencies as prescribed by the Administrative Agent or the Collateral Agent (each acting in its sole discretion), all or any balance in such Collection Account (net of such minimum balance required by the bank at which such Collection Account is maintained) for application to the Obligations then outstanding (the "Foreign Sweep") provided that, following the termination of the Liquidity Period, the Administrative Agent shall promptly instruct such bank or other depository institution to terminate the Foreign Sweep. It is expressly acknowledged that the Administrative Agent reserves the right to impose Reserves with respect to the failure to obtain any such Deposit Account Control Agreement within such fourteen (14) day period. The provisions of this Section 9.18(e) do not apply to Excluded Accounts. Notwithstanding anything to the contrary in any Loan Document, (A) each Foreign Loan Party acknowledges and agrees, from the commencement and during the continuation of a Liquidity Period, that each of the Administrative Agent and the Collateral Agent is authorized and permitted to send to the applicable bank or other depository institution a notice of exclusive control, a trigger notice, a control notice, an access termination notice, a shifting control notice or any similar notice contemplated by any Deposit Account Control Agreement in order to give effect to the Foreign Sweep and (B) the Foreign Sweep shall be applied in accordance with Section 11.02(c).

(f) Deposit Account Operations.

(i) Schedule 9.18 sets forth all Deposit Accounts (other than Excluded Accounts or accounts not required to be subject to a Deposit Account Control Agreement pursuant to Section 9.18(e)) maintained by the Loan Parties, including the Dominion Accounts, as of the DIP Closing Date. The Lead Borrower shall promptly notify the Administrative Agent of any opening or closing of a Deposit Account (other than any Excluded Accounts) by the Lead Borrower or any other Loan Party, and shall not open, and shall ensure that no other Loan Parties open, any Deposit Accounts (other than any Excluded Accounts) at a bank not reasonably acceptable to the Administrative Agent.

(ii) If any Loan Party receives cash or any check, draft or other item of payment payable to such Loan Party with respect to any Collateral, it shall hold the same in trust for the Collateral Agent and promptly (and in any event within seven (7) days) deposit the same into any Deposit Account that is subject to a Deposit Account Control Agreement or a Dominion Account.

(iii) Each Foreign Loan Party agrees that, from the commencement and during the continuation of a Liquidity Period, the only way in which monies may be withdrawn from any Deposit Account with respect to which Deposit Account Control Agreements have been entered into is (i) by (or on the authorization or instruction of) the Collateral Agent (or the Administrative Agent) in order to apply them in accordance with Section 11.02(c) or (ii) at the sole discretion of, and through the express authorization or instruction by, the Collateral Agent (or the Administrative

Agent). To the extent that any Deposit Account Control Agreement (including an Australian Account Control Deed) allows a Deposit Account to be operated in a manner that is not consistent with this clause, then on request by the Collateral Agent or Australian Security Trustee, the Foreign Credit Party who holds that Deposit Account will promptly enter into such documentation as is required by the Collateral Agent or Australian Security Trustee to ensure that the Deposit Account Control Agreement is consistent with this Section 9.18(f)(iii).

(iv) The Collateral Agent shall be given sufficient access to each relevant Deposit Account (including each Collection Account) to ensure that the provisions of Section 11.02(c) are capable of being complied with including, without limitation, by having entered into a Deposit Account Control Agreement or other equivalent agreement with the account bank holding the relevant Deposit Account requiring such account bank to follow the instructions of the Administrative Agent and/or the Collateral Agent if instructions are given by it.

(v) Each Foreign Loan Party shall instruct each Account Debtor to pay all Collections into segregated Collection Accounts, which only contain Collections and are not used for any other purpose and which are subject to a Deposit Account Control Agreement as specified in clause (e) above (and if deposited in violation of such instructions, each Foreign Loan Party shall promptly (and in any event within seven (7) days) direct any such payments into such Collection Accounts).

(g) Transfer of Accounts; Notification of Account Debtors.

(i) At any time at the request of the Administrative Agent in its sole discretion from the commencement and during the continuation of a Liquidity Period, the Foreign Loan Parties shall (a) at the discretion of the Administrative Agent, either (i) immediately cause all of their Deposit Accounts into which the proceeds of Accounts are being paid (each, an "Existing Collection Account") to be transferred to the name of the Administrative Agent or (ii) promptly open new Deposit Accounts with (and, at the discretion of the Administrative Agent, in the name of) the Administrative Agent or an Affiliate of the Administrative Agent (such new bank accounts being Deposit Accounts under and for the purposes of this Agreement), and (b) if new Deposit Accounts have been established pursuant to this Section (each, a "New Collection Account") ensure that all Account Debtors are instructed to pay the Collections owing to such Loan Parties to the New Collection Accounts. Until all Collections have been redirected to the New Collection Accounts, each such Loan Party shall cause all amounts on deposit in any Existing Collection Account to be transferred to a New Collection Account at the end of each Business Day, provided that, if any such Loan Party does not instruct such re-direction or transfer, each of them hereby authorizes the Administrative Agent to give such instructions on their behalf to the applicable Account Debtors and/or the account bank holding such Existing Collection Account (as applicable).

(ii) At any time at the request of the Administrative Agent in its sole discretion, from the commencement and during the continuation of a Liquidity Period, each Foreign Loan Party agrees that if any of its Account Debtors have not previously received notice of the security interest of the Collateral Agent over the Accounts and the Collections, it shall give notice to such Account Debtors and if any such Loan Party does not serve such notice, each of them hereby authorizes the Administrative Agent or the Collateral Agent to serve such notice on their behalf.

Section 9.19 Financial Assistance. Each Loan Party and its Subsidiaries shall comply in all respects with applicable legislation governing financial assistance and/or capital maintenance, to the extent such legislation is applicable to such Loan Party or such Subsidiary, including in relation to the execution of the Security Documents by such Loan Party and payments of amounts due under this Agreement.

Section 9.20 Foreign Collateral. Each Foreign Loan Party shall ensure that (i) its standard terms and conditions of purchase at all times contain a condition to the effect that title to the purchased goods transfers to such Loan Party at a time no later than on delivery of the purchased goods to such Loan Party and that, pursuant to such standard terms and conditions of purchase, there are no extendible retention of title rights in favor of its suppliers; provided, however, that retention of title rights may be imposed in the ordinary course of buying and using and/or selling current assets, (ii) its standard terms and conditions of purchase are not amended in a manner that would prejudice the interest of the Lenders without the prior consent in writing of the Administrative Agent, and (iii) if the reference on any purchase order or equivalent document is to the standard terms and conditions of purchase as set out on a specified website, the relevant website must be maintained, up to date and publicly accessible at all times. During any Liquidity Period or at any other time at which the Administrative Agent in its Permitted Discretion determines that the Collateral of any Foreign Loan Party may be at substantial risk of loss of title, at the request of the Administrative Agent, the specified Loan Party must send a copy of its standard terms and conditions of purchase (or other notice satisfactory to the Administrative Agent which rejects retention of title and/or extendible retention of title provisions in relation to the Loan Party's Equipment, Inventory, Real Property or Trademarks (other than retention of title rights imposed in the ordinary course of buying and using and/or selling current assets)) to its suppliers.

Section 9.21 Australian PPSA Undertaking.

(a) If a Loan Party holds any security interests for the purposes of the Australian PPSA and if failure by the Loan Party to perfect such security interests would materially adversely affect its business, the Loan Party agrees to implement, maintain and comply in all material respects with, procedures for the perfection of those security interests. These procedures must include procedures designed to ensure that the Loan Party takes all reasonable steps under the Australian PPSA to continuously perfect any such security interest including all steps reasonably necessary:

(i) for the Loan Party to obtain, the highest ranking priority possible in respect of the security interest (such as perfecting a purchase money security interest or perfecting a security interest by control); and

(ii) to reduce as far as possible the risk of a third party acquiring an interest free of the security interest (such as including the serial number in a financing statement for personal property that may or must be described by a serial number).

(b) Everything a Loan Party is required to do under this Section 9.21 is at the Loan Party's expense. Each Loan Party agrees to pay or reimburse the costs (including in connection with advisers) of the Loan Parties in connection with anything the Loan Party is required to do under this clause.

Section 9.22 Australian Tax Consolidation. Each Australian Loan Party is a member of an Australian Tax Consolidated Group for which the Head Company (as defined in the Income Tax Assessment Act 1997) is Briggs & Stratton Australia Pty. Limited.

Section 9.23 Compliance with the Swiss Non-Bank Rules.

(a) Each Swiss Loan Party shall comply with the Swiss Non-Bank Rules, to the extent applicable; provided, however, that a Swiss Loan Party shall not be in breach of this covenant if non-compliance arises solely by reason of:

(i) a failure by one or more Lenders or Participants to comply with their obligations under Section 13.04;

(ii) a confirmation made by one or more Lenders or Participants to be one single Swiss Non-Qualifying Lender is incorrect;

(iii) one or more Lenders or Participants ceasing to be a Swiss Qualifying Lender (to the extent such Lender or Participant confirmed to be a Swiss Qualifying Lender) as a result of any reason attributable to such Lender or Participant;

(iv) an assignment or participation of any Loan under this Agreement to a Swiss Non-Qualifying Lender after the occurrence and during the continuance of an Event of Default; or

(v) an inaccurate representation or warranty by a Lender pursuant to Section 13.27.

(b) For the purposes of this Section 9.23, each Swiss Loan Party shall assume that, for the purpose of determining compliance with the Swiss Twenty Non-Bank Rule, the aggregate number of Lenders and Participants under this Agreement which are Swiss Non-Qualifying Lenders is ten (10).

Section 9.24 Milestones. Ensure the timely compliance with the following milestones relating to the Chapter 11 Cases in accordance with the applicable timing referred to below (or such later dates as approved by (x) in the case of any extension that is less than or equal to five days after each time period referred to below, the Administrative Agent or (y) in the case of any extension that is in excess of five days after each time period referred to below, the Administrative Agent and the Required Lenders) (collectively, the "Milestones" and individually a "Milestone"):

(a) within five (5) days following the Petition Date, entry by the Bankruptcy Court of the Interim Order;

(b) no later than August 25, 2020, entry by the Bankruptcy Court of the Bidding Procedures Order;

(c) within forty (40) days following the entry by the Bankruptcy Court of the Interim Order, entry by the Bankruptcy Court of the Final Order (the "Final Order Deadline");

(d) no later than September 15, 2020, commencement of an auction (unless no other bidder submitted a qualified bid with respect to a Qualified Sale in accordance with the Bidding Procedures Order);

(e) no later than September 25, 2020, entry by the Bankruptcy Court of the Qualified Sale Order; and

(f) no later than November 19, 2020 (or if the closing of the Qualified Sale shall not have occurred due to the failure of the conditions to closing set forth in Section 7.1(f) and Section 7.2(d) of the Stalking Horse APA remain unsatisfied or not waived and if all other conditions to the respective obligations of the parties to the Stalking Horse APA to close thereunder that are capable of being fulfilled by such date shall have been so fulfilled or waived, then no later than December 31, 2020), consummation of a Qualified Sale.

Section 9.25 Priority and Liens. Each Debtor hereby covenants, represents and warrants that upon the entry of each DIP Order, the Obligations of such Debtor hereunder and under the Loan Documents shall have the priority provided to them in accordance with the DIP Orders.

Section 9.26 DIP Budget Covenants.

(a) Each Loan Party shall, and cause its Subsidiaries to, comply with the DIP ABL Budget Covenant.

(b) Each Loan Party shall, and cause its Subsidiaries to, comply with the DIP Term Budget Covenant.

ARTICLE 10 NEGATIVE COVENANTS

The Borrowers covenant and agree with each Lender, each Issuing Bank and the Swingline Lender that from the DIP Closing Date until the Termination Date, unless the Required Lenders shall otherwise consent in writing, the Lead Borrower and the other Borrowers will not, and will not permit any of the Subsidiaries to:

Section 10.01 Indebtedness. Incur, create, assume or permit to exist any Indebtedness, except:

(a) Indebtedness outstanding on the DIP Closing Date (provided that any Indebtedness incurred pursuant to this clause (a) shall be set forth on Schedule 10.01); provided that any Indebtedness outstanding pursuant to this clause (a) which is owed by a Loan Party to any Subsidiary that is not a Loan Party shall be subordinated in right of payment to the Loan Obligations under this Agreement on customary terms;

(b) Indebtedness created hereunder and under the other Loan Documents;

(c) Indebtedness of the Lead Borrower or any Subsidiary pursuant to Hedging Agreements entered into for non-speculative purposes;

(d) Indebtedness (including obligations in respect of letters of credit, bank guarantees or similar instruments for the benefit of any person providing such Indebtedness) in respect of workers' compensation claims, health, disability or other employee benefits or property, casualty, liability or self-insurance obligations, supply chain financing transactions, trade contracts, bankers' acceptances, guarantees, performance, tender, bid, stay, surety, statutory, judgment, appeal, advance payment, completion, export or import, indemnities, customs, value added or similar tax or other guarantees and warranties, revenue bonds or similar instruments, in each case in the ordinary course of business and consistent with past practice or industry practices, including those incurred to secure health, safety and environmental obligations;

(e) Indebtedness of the Lead Borrower to any Subsidiary and of any Subsidiary to the Lead Borrower or any other Subsidiary; provided that (i) Indebtedness of any Subsidiary that is not a Debtor owing to a Debtor incurred pursuant to this Section 10.01(e) shall be subject to Section 10.04, (ii) Indebtedness of any Subsidiary that is neither a Debtor or a Loan Party owing to a Loan Party incurred pursuant to this Section 10.01(e) shall be subject to Section 10.04, (iii) Indebtedness owed by any Debtor to any Subsidiary that is not a Debtor incurred pursuant to this Section 10.01(e) shall be subordinated in right of payment to the Loan Obligations under this Agreement on customary terms and (iv) Indebtedness owed by any Loan Party that is not a Debtor (a "Non-Debtor Loan Party") to any Subsidiary that is not a Debtor or a Loan Party incurred pursuant to this Section 10.01(e) shall be subordinated in right of payment to the Loan Obligations under this Agreement on customary terms;

(f) Indebtedness in connection with floor plan and other finance programs provided for the benefit of customers, dealers and/or distributors of the Lead Borrower and/or its Subsidiaries in the ordinary course of business in an aggregate amount not to exceed $5,000,000 at any time outstanding;

(g) Indebtedness arising in connection with endorsement of instruments for collection or deposit, from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds or other cash management services in the ordinary course of business;

(h) [reserved];

(i) Capitalized Lease Obligations, mortgage financings, purchase money obligations (including Indebtedness as lessee or guarantor) and other Indebtedness (including, for the avoidance of doubt, any Indebtedness in connection with sale leaseback transactions) in each case, incurred for the purpose of financing all or any part of the acquisition, lease or cost of design, construction, repair, replacement, installation or improvement of the respective property (real or personal, and whether through the direct purchase of property or the Equity Interest of any person owning such property), in an aggregate principal amount that immediately after giving effect to the incurrence of such Indebtedness and the use of proceeds thereof, together with the aggregate principal amount of any other Indebtedness outstanding pursuant to this Section 10.01(i), would not exceed $500,000 when incurred, created or assumed;

(j) [reserved];

(k) [reserved];

(l) [reserved];

(m) Guarantees:

(i) by any Debtor of any Indebtedness of any Debtor permitted to be incurred under this Agreement or any DIP Order,

(ii) by any Non-Debtor Loan Party of any Indebtedness of any Non-Debtor Loan Party permitted to be incurred under this Agreement,

(iii) by any Debtor of Indebtedness otherwise permitted hereunder of any Subsidiary that is not a Debtor to the extent such Guarantees are permitted by Section 10.04,

(iv) by any Non-Debtor Loan Party of Indebtedness otherwise permitted hereunder of any Subsidiary that is not a Non-Debtor Loan Party to the extent such Guarantees are permitted by Section 10.04,

(v) by any Subsidiary that is not a Loan Party of Indebtedness of another Subsidiary that is not a Loan Party, and

(vi) by any Debtor of Indebtedness of Subsidiaries that are not Debtors incurred for working capital purposes in the ordinary course of business on ordinary business terms to the extent such Guarantees are permitted by Section 10.04; provided that Guarantees by any Debtor under this Section 10.01(m) of any other Indebtedness of a person that is subordinated in right of payment to other Indebtedness of such person shall be expressly subordinated in right of payment to the Loan Obligations to at least the same extent as such underlying Indebtedness is subordinated in right of payment

(vii) by any Non-Debtor Loan Party of Indebtedness of Subsidiaries that are neither Debtors nor Loan Parties incurred for working capital purposes in the ordinary course of business on ordinary business terms to the extent such Guarantees are permitted by Section 10.04; provided

that Guarantees by any Non-Debtor Loan Party under this Section 10.01(m) of any other Indebtedness of a person that is subordinated in right of payment to other Indebtedness of such person shall be expressly subordinated in right of payment to the Loan Obligations to at least the same extent as such underlying Indebtedness is subordinated in right of payment;

(n) [reserved];

(o) Indebtedness in respect of letters of credit (including standby and commercial), banker's acceptances, bank guarantees, shipside bonds, surety bonds, performance bonds, warehouse receipts or similar instruments issued in the ordinary course of business and consistent with past practice or industry practices that (i) do not support obligations in respect of Indebtedness for borrowed money and/or (ii) remain contingent;

(p) [reserved];

(q) [reserved];

(r) Indebtedness incurred in the ordinary course of business in respect of obligations of the Lead Borrower or any Subsidiary to pay the deferred purchase price of goods or services or progress payments in connection with such goods and services; provided that such obligations are incurred in connection with open accounts extended by suppliers on customary trade terms in the ordinary course of business and not in connection with the borrowing of money or any Hedging Agreements;

(s) Indebtedness representing deferred compensation to employees, consultants or independent contractors of the Lead Borrower or any Subsidiary incurred in the ordinary course of business;

(t) [reserved];

(u) obligations in respect of Bank Product Debt;

(v) [reserved];

(w) [reserved];

(x) Indebtedness issued by the Lead Borrower or any Subsidiary to current or former officers, directors and employees, their respective permitted transferees, assigns, estates, spouses or former spouses to finance the purchase or redemption of Equity Interests of the Lead Borrower permitted by Section 10.06;

(y) [reserved];

(z) Indebtedness of the Lead Borrower or any Subsidiary to or on behalf of any joint venture (regardless of the form of legal entity) that is not a Subsidiary arising in the ordinary course of business in connection with the cash management operations (including with respect to intercompany self-insurance arrangements) of the Lead Borrower and the Subsidiaries;

(aa) [reserved];

(bb) Indebtedness consisting of (i) obligations to pay, or the financing of, insurance premiums or (ii) take-or-pay obligations contained in supply arrangements, in each case, in the ordinary course of business; and

(cc) Indebtedness related to unfunded pension fund and other employee benefit plan obligations and liabilities to the extent they are permitted to remain unfunded under applicable law.

For purposes of determining compliance with this Section 10.01 or Section 10.02, if Indebtedness is incurred to refinance other Indebtedness denominated in a currency other than U.S. Dollars (or in a different currency from the Indebtedness being refinanced), 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 outstanding or committed principal amount, as applicable, of such Indebtedness being refinanced *plus* (ii) the aggregate amount of fees, underwriting discounts, premiums (including tender premiums), defeasance costs and other costs and expenses incurred in connection with such refinancing.

Further, for purposes of determining compliance with this Section 10.01, (A) Indebtedness need not be permitted solely by reference to one category of permitted Indebtedness (or any portion thereof) described in Sections 10.01(a) through (cc) but may be permitted in part under any relevant combination thereof (and subject to compliance, where relevant, with Section 10.02) and (B) in the event that an item of Indebtedness (or any portion thereof) meets the criteria of one or more of the categories of permitted Indebtedness (or any portion thereof) described in Sections 10.01(a) through (cc), the Lead Borrower may, in its sole discretion, classify or divide such item of Indebtedness (or any portion thereof) in any manner that complies with this Section 10.01 and will be entitled to only include the amount and type of such item of Indebtedness (or any portion thereof) in one of the above clauses (or any portion thereof) and such item of Indebtedness (or any portion thereof) shall be treated as having been incurred or existing pursuant to only such clause or clauses (or any portion thereof); provided that all Indebtedness outstanding under this Agreement shall at all times be deemed to have been incurred pursuant to clause (b) of this Section 10.01.

For the avoidance of doubt, this Agreement will not treat (1) unsecured Indebtedness as subordinated or junior in right of payment to secured Indebtedness merely because it is unsecured or (2) senior Indebtedness as subordinated or junior in right of payment to any other senior Indebtedness merely because it has a junior priority with respect to the same collateral.

Section 10.02 Liens. Create, incur, assume or permit to exist any Lien on any property or assets (including stock or other securities of any person) of the Lead Borrower or any Subsidiary now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof, except the following, all of which shall be, in the case of the Collateral of the Debtors, junior to the Liens on Collateral of the Debtors to the Liens securing the Obligations except to the extent otherwise expressly permitted in the Applicable DIP Order (collectively, "Permitted Liens"):

(a) Liens on property or assets (i) of the Lead Borrower and the Subsidiaries existing on the DIP Closing Date and set forth on Schedule 10.02(a), and any modifications, replacements, renewals or extensions of Liens permitted by this clause (a); provided that such Liens shall secure only those obligations that they secure on the DIP Closing Date and shall not subsequently apply to any other property or assets of the Lead Borrower or any Subsidiary other than (A) after-acquired property that is affixed or incorporated into the property covered by such Lien and/or that otherwise constitutes after-acquired property that would be required to be subjected to such Lien pursuant to the collateral grant clause and/or other terms of such Indebtedness as in effect on the DIP Closing Date and (B) proceeds and products thereof to the extent permitted under the Bankruptcy Code and (ii) of the Lead Borrower associated with the project that is the subject of the NMTC Financing that from time to time secure the NMTC Financing;

(b) any Lien created under the Loan Documents (including Liens created under the Security Documents securing Secured Bank Product Obligations) and any Lien created or permitted under the Interim Order or the Final Order;

(c) [reserved];

(d) Liens for Taxes, assessments or other governmental charges, levies or claims not yet delinquent by more than thirty (30) days or that are being contested in good faith in compliance with Section 9.03;

(e) Liens imposed by law, constituting landlord's, carriers', warehousemen's, mechanics', materialmen's, workmen's, repairmen's, supplier's, construction or other like Liens, securing obligations that are not overdue by more than thirty (30) days or that are being contested in good faith by appropriate proceedings and in respect of which, if applicable, the Lead Borrower or any Subsidiary shall have set aside on its books reserves in accordance with GAAP;

(f) (i) pledges and deposits and other Liens made in the ordinary course of business in compliance with the Federal Employers Liability Act or any other workers' compensation, unemployment insurance and other social security laws or regulations and deposits securing liability to insurance carriers under insurance or self-insurance arrangements in respect of such obligations and (ii) pledges and deposits and other Liens securing liability for reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance to the Lead Borrower or any Subsidiary;

(g) pledges and deposits and other Liens to secure the performance of bids, trade contracts (other than for Indebtedness), leases (other than Capitalized Lease Obligations), statutory obligations, surety and appeal bonds, performance and return of money bonds, bids, leases, government contracts, agreements with utilities, and other obligations of a like nature (including letters of credit in lieu of any such bonds or to support the issuance thereof), in each case to the extent such deposits and other Liens are incurred in the ordinary course of business, including those incurred to secure health, safety and environmental obligations in the ordinary course of business;

(h) zoning, land use and building restrictions, regulations and ordinances, easements, survey exceptions, minor encroachments by and on the Real Property, railroad trackage rights, sidings and spur tracks, leases (other than Capitalized Lease Obligations), subleases, licenses, special assessments, rights-of-way, covenants, conditions, restrictions and declarations on or with respect to the use of Real Property, reservations, restrictions and leases of or with respect to oil, gas, mineral, riparian and water rights and water usage, servicing agreements, development agreements, site plan agreements and other similar encumbrances incurred in the ordinary course of business and title defects or irregularities that, in the aggregate, do not interfere in any material respect with the ordinary conduct of the business of the Lead Borrower or any Subsidiary (including, without limitation, all such matters shown on any Mortgage Policies in respect of any Mortgaged Property delivered to the Administrative Agent prior to the DIP Closing Date);

(i) Liens securing Indebtedness permitted by Section 10.01(i); provided that such Liens do not apply to any property or assets of the Lead Borrower or any Subsidiary other than the property or assets acquired, leased (including in connection with a sale leaseback transaction), constructed, replaced, repaired, improved with or financed by such Indebtedness, and accessions and additions thereto, proceeds and products thereof, customary security deposits and related property; provided further that individual financings provided by one lender may be cross-collateralized to other financings provided by such lender (and its Affiliates);

(j) [reserved];

(k) Liens arising out of (i) judgments, decrees, orders or awards not constituting an Event of Default under Section 11.01(k) or (ii) notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made to the extent required by GAAP;

(l) any interest or title of a ground lessor or any other lessor, sublessor or licensor under any ground leases or any other leases, subleases or licenses entered into by the Lead Borrower or any Subsidiary in the ordinary course of business, and all Liens suffered or created by any such ground lessor or any other lessor, sublessor or licensor (or any predecessor in interest) with respect to any such interest or title in the real property which is subject thereof;

(m) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks and other financial institutions not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposits, sweep accounts, reserve accounts or similar accounts of the Lead Borrower or any Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Lead Borrower or any Subsidiary, including with respect to credit card charge-backs and similar obligations, or (iii) relating to purchase orders and other agreements entered into with customers, suppliers or service providers of the Lead Borrower or any Subsidiary in the ordinary course of business;

(n) Liens (i) that are banker's liens, rights of set-off or similar rights, (ii) attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business, (iii) 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, (iv) in respect of Third Party Funds or (v) in favor of credit card companies pursuant to agreements therewith;

(o) Cash deposits securing obligations in respect of letters of credit (including standby and commercial), banker's acceptances, bank guarantees, shipside bonds, surety bonds, performance bonds, warehouse receipts or similar instruments permitted under Section 10.01(d), (g) or (o) and incurred in the ordinary course of business and consistent with past practice or industry practices that (i) do not support obligations in respect of Indebtedness for borrowed money and/or (ii) remain contingent;

(p) leases or subleases, and licenses or sublicenses (including with respect to any Real Property, fixtures, furnishings, equipment, vehicles or other personal property, or Intellectual Property) and covenants not to sue of or under Intellectual Property or software or other technology, granted to others in the ordinary course of business or otherwise not interfering in any material respect with the business of the Lead Borrower and its Subsidiaries, taken as a whole;

(q) pledges and deposits and other Liens in favor of customs and revenue authorities to secure contested Taxes and payment of customs duties in connection with the importation of goods;

(r) Liens solely on any cash earnest money deposits made by the Lead Borrower or any of the Subsidiaries in connection with any letter of intent or purchase agreement in respect of any Investment permitted hereunder;

(s) [reserved];

(t) [reserved];

(u) [reserved];

(v) [reserved];

(w) Liens arising from precautionary Uniform Commercial Code financing statements (or other similar filings in other applicable jurisdictions) regarding operating leases or other obligations not constituting Indebtedness;

(x) Liens, encumbrances or restrictions (including, without limitation, put and call agreements) that existed on the DIP Closing Date (i) on Equity Interests in joint ventures that are not Subsidiaries (A) securing obligations of such joint venture or (B) pursuant to the relevant joint venture agreement or arrangement, (ii) [reserved] and (iii) constituting options, put and call arrangements, rights of first refusal and similar rights relating to investments in joint ventures, partnerships and other similar investments;

(y) Liens on securities that are the subject of repurchase agreements constituting Permitted Investments under clause (c) of the definition thereof;

(z) [reserved];

(aa) Liens securing insurance premiums financing arrangements; provided that such Liens are limited to the applicable unearned insurance premiums;

(bb) (i) any condemnation or eminent domain proceedings affecting any Real Property and (ii) in the case of Real Property in which a Loan Party has a leasehold interest or easement rights, any Lien, mortgage, security interest, restriction, encumbrance or any other matter of record to which the fee simple interest (or any superior leasehold interest) is subject;

(cc) Liens securing Indebtedness or other obligation (i) of the Debtors in favor of a Debtor (ii) of any Subsidiary that is a Non-Debtor Loan Party in favor of any Non-Debtor Loan Party and (iii) of any Subsidiary that is not a Guarantor in favor of any Subsidiary that is not a Guarantor;

(dd) Liens securing obligations under Hedging Agreements consisting of Liens on any margin or collateral posted by the Lead Borrower or any Subsidiary under a Hedging Agreement as a result of any regulatory requirement, swap clearing organization, or other similar regulations, rule, or requirement;

(ee) Liens on goods or inventory the purchase, shipment or storage price of which is financed by a documentary letter of credit or bank guarantee issued or created for the account of the Lead Borrower or any Subsidiary in the ordinary course of business; provided that such Lien secures only the obligations of the Lead Borrower or such Subsidiaries in respect of such letter of credit, bank guarantee or banker's acceptance to the extent permitted under Section 10.01;

(ff) subordination, non-disturbance and/or attornment agreements with any ground lessor, lessor or any mortgagor of any of the foregoing, with respect to any ground lease or other lease or sublease entered into by the Lead Borrower or any Subsidiary;

(gg) [reserved];

(hh) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale or purchase of goods by the Lead Borrower or any of the Subsidiaries in the ordinary course of business;

(ii) with respect to any Real Property which is acquired in fee after the DIP Closing Date, Liens which exist immediately prior to the date of acquisition, excluding any Liens securing Indebtedness which is not otherwise permitted hereunder provided that (i) such Lien is not created in contemplation of or in connection with such acquisition and (ii) such Lien does not apply to any other property or assets of the Lead Borrower or any of its Subsidiaries;

(jj) [reserved];

(kk) [reserved];

(ll) [reserved];

(mm) [reserved];

(nn) Liens on assets pursuant to merger agreements, stock or asset purchase agreements and similar agreements in respect of the disposition of such assets otherwise permitted under this Agreement and the Applicable DIP Order for so long as such agreements are in effect; and

(oo) Liens that may arise on inventory or equipment in the ordinary course of business as a result of such inventory or equipment being located on premises owned by persons (including, without limitation, any client or supplier) other than the Lead Borrower or its Subsidiaries.

(pp) [reserved];

(qq) [reserved].

For purposes of determining compliance with this Section 10.02, (A) a Lien securing an item of Indebtedness need not be permitted solely by reference to one category of Permitted Liens (or any portion thereof) described in Sections 10.02(a) through (oo) but may be permitted in part under any combination thereof and (B) in the event that a Lien securing any obligation (or any portion thereof) meets the criteria of one or more of the categories of Permitted Liens (or any portion thereof) described in Sections 10.02(a) through (oo), the Lead Borrower may, in its sole discretion, classify or divide such Lien securing such obligation (or any portion thereof) in any manner that complies with this Section 10.02 and will be entitled to only include the amount and type of such Lien or such obligation secured by such Lien (or any portion thereof) in one of the above clauses and such Lien securing such obligation (or portion thereof) will be treated as being incurred or existing pursuant to only such clause or clauses (or any portion thereof); provided that all Liens securing Indebtedness under this Agreement shall at all times be deemed to have been incurred pursuant to clause (b) of this Section 10.02.

Section 10.03 Limitations on Certificate of Incorporation, By-Laws and Certain Other Agreements, Etc. Amend or modify, or permit the amendment or modification of (i) any provision of the definitive documentation governing any Junior Financing (after the entering into thereof) or (ii) its certificate or articles of incorporation, certificate of formation, limited liability company or by-laws (or the equivalent organizational documents), in each case, in a manner that is materially adverse to the interests of the Lenders without the prior written consent of the Required Lenders.

Section 10.04 Investments, Loans and Advances. (i) Purchase or acquire (including pursuant to any merger or amalgamation with a person that is not a Wholly Owned Subsidiary immediately prior to such merger or amalgamation) any Equity Interests, evidences of Indebtedness or other securities of any other person, (ii) make any loans or advances to or Guarantees of the Indebtedness of any other person, or (iii) purchase or otherwise acquire, in one transaction or a series of related transactions, (x) all or

substantially all of the property and assets or business of another person or (y) assets constituting a business unit, line of business or division of such person (each of the foregoing, an "Investment"), except:

(a) Guarantees permitted by Section 10.01;

(b) (i) Investments by any Debtor in any other Debtor;

(ii) Investments by any Non-Debtor Loan Party in any other Non-Debtor Loan Party;

(iii) Investments by any Subsidiary that is not a Loan Party in any Loan Party or any Subsidiary that is not a Loan Party; and

(iv) other intercompany liabilities amongst the Lead Borrower and its Subsidiaries (or solely amongst its Subsidiaries) in the ordinary course of business and consistent with past practices prior to the DIP Closing Date in connection with the cash management operations of the Lead Borrower and its Subsidiaries.

(c) Permitted Investments and Investments that were Permitted Investments when made;

(d) Investments arising out of the receipt by the Lead Borrower or any Subsidiary of non-cash consideration for the Disposition of assets permitted under Section 10.05;

(e) loans and advances to officers, directors, employees or consultants (i) in the ordinary course of business in an aggregate principal amount not to exceed $250,000 at any one time outstanding, (ii) in respect of payroll payments and expenses in the ordinary course of business and (iii) in connection with such person's purchase of Equity Interests of the Lead Borrower;

(f) accounts receivable, security deposits and prepayments arising and trade credit granted in the ordinary course of business and any assets or securities received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss and any prepayments and other credits to suppliers made in the ordinary course of business;

(g) Hedging Agreements entered into for non-speculative purposes;

(h) Investments existing or committed, or anticipated to exist in the future, as of the DIP Closing Date, and set forth on Schedule 10.04, so long as the aggregate amount of all Investments pursuant to this clause (h) is not increased at any time above the amount of such Investment existing or committed on the DIP Closing Date (other than pursuant to an increase as required by the terms of any such Investment as in existence on the DIP Closing Date or as otherwise permitted by this Section 10.04);

(i) Investments resulting from pledges and deposits under Sections 10.02(f), (g), (n), (q), (r), (dd) and (ii);

(j) [reserved];

(k) [reserved];

(l) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with or judgments against, customers and suppliers, in each case in the ordinary course of business or Investments acquired by the Lead Borrower or a Subsidiary as a result of a

foreclosure by the Lead Borrower or any of the Subsidiaries with respect to any secured Investments or other transfer of title with respect to any secured Investment in default;

(m) [reserved];

(n) acquisitions by the Lead Borrower or any Subsidiary of obligations of one or more officers or other employees of the Lead Borrower or its Subsidiaries in connection with such officer's or employee's acquisition of Equity Interests of the Lead Borrower, so long as no cash is actually advanced by the Lead Borrower or any of the Subsidiaries to such officers or employees in connection with the acquisition of any such obligations;

(o) Guarantees by the Lead Borrower or any Subsidiary of operating leases (other than Capitalized Lease Obligations) or of other obligations that do not constitute Indebtedness of the kind described in clauses (b), (e), (f), (g), (h), (i), (j) or (k) of the definition thereof, in each case entered into by the Lead Borrower or any Subsidiary in the ordinary course of business;

(p) [reserved];

(q) Investments in the ordinary course of business and consistent with past practice consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Uniform Commercial Code Article 4 customary trade arrangements with customers;

(r) loans and advances to future, present or former officers, directors, employees, members of management or consultants or their respective estates, spouses or former spouses in connection with such person's purchase or redemption of Equity Interests of the Lead Borrower, to the extent not prohibited by Section 10.06;

(s) advances in the form of deposits, prepayment of expenses and other credits made in the ordinary course of business;

(t) [reserved];

(u) [reserved];

(v) Investments consisting of the licensing, sublicensing or contribution of Intellectual Property pursuant to joint marketing or other similar arrangements with other persons in the ordinary course of business and consistent with past practices or industry practices;

(w) to the extent constituting Investments, purchases and acquisitions of Inventory, supplies, materials and Equipment or purchases of contract rights or licenses or leases of Intellectual Property, in each case in the ordinary course of business and in accordance with the Applicable DIP Order;

(x) [reserved];

(y) [reserved];

(z) [reserved];

(aa) [reserved];

(bb) [reserved];

(cc) [reserved];

(dd) guaranties, keepwells and similar arrangements made in the ordinary course of business of obligations owed to landlords, suppliers, customers, franchisees and licensees of the Lead Borrower or any Subsidiary and performance guarantees with respect to obligations that are permitted by this Agreement;

(ee) Investments consisting of earnest money deposits required in connection with a purchase agreement, or letter of intent, or other acquisitions to the extent not otherwise prohibited by this Agreement; and

(ff) contributions to a "rabbi" trust for the benefit of employees or other grantor trusts subject to claims of creditors in the case of bankruptcy of the Lead Borrower; and

(gg) any Investment acquired by virtue of any Bail-in Action with respect to any Lender (or any direct or indirect parent company thereof),

provided that, to the extent any Investment under this Section 10.04 constitutes an intercompany loan or other intercompany Indebtedness owing from a non-Debtor to a Debtor or a non-Loan Party to a Loan Party and, in each case with a value in excess of $250,000, such loan or other Indebtedness shall be documented by a promissory note and pledged to the Administrative Agent for the benefit of the Secured Parties in accordance with the applicable Security Documents.

For purposes of determining compliance with this Section 10.04, (A) an Investment need not be permitted solely by reference to one category of permitted Investments (or any portion thereof) described in Sections 10.04(a) through (gg) but may be permitted in part under any relevant combination thereof and (B) in the event that an Investment (or any portion thereof) meets the criteria of one or more of the categories of permitted Investments (or any portion thereof) described in Sections 10.04(a) through (gg), the Lead Borrower may, in its sole discretion, classify or divide such Investment (or any portion thereof) in any manner that complies with this Section 10.04 and will be entitled to only include the amount and type of such Investment (or any portion thereof) in one or more (as relevant) of the above clauses (or any portion thereof) and such Investment (or any portion thereof) shall be treated as having been made or existing pursuant to only such clause or clauses (or any portion thereof); provided that all Investments described in Schedule 10.04 shall be deemed outstanding under Section 10.04(b) or Section 10.04(h), as applicable.

The amount of any Investment made other than in the form of cash or Permitted Investments shall be the Fair Market Value thereof valued at the time of the making thereof (without giving effect to any subsequent increases or decreases (including, without limitation, write-downs or write-offs) thereof) less any amount realized in respect of such Investment upon the sale, collection or return of capital (not to exceed the original amount invested).

Section 10.05 Mergers, Consolidations, Sales of Assets and Acquisitions. Merge into, amalgamate with or consolidate with any other person, or permit any other person to merge into, amalgamate with or consolidate with it, or Dispose of (in one transaction or in a series of related transactions) all or any part of its assets (whether now owned or hereafter acquired), or Dispose of any Equity Interests of any Subsidiary, or purchase, lease or otherwise acquire (in one transaction or a series of related transactions) all or substantially all of the assets of any other person or division or line of business of a person (including, in each case, pursuant to a Delaware LLC Division), except that this Section 10.05 shall not prohibit:

(a) (i) the purchase and Disposition by the Lead Borrower or any Subsidiary of inventory, products, equipment, services or accounts receivable in the ordinary course of business and consistent with past practice,

(ii) [reserved],

(iii) the acquisition or lease (pursuant to an operating lease) of any other asset in the ordinary course of business by the Lead Borrower or any Subsidiary or, with respect to operating leases, otherwise for Fair Market Value on market terms (as determined in good faith by the Lead Borrower),

(iv) the Disposition by the Lead Borrower or any Subsidiary of surplus, obsolete, damaged or worn out equipment or other property in the ordinary course of business and consistent with past practice, or

(v) the Disposition of Permitted Investments in the ordinary course of business;

(b) if at the time thereof and immediately after giving effect thereto no Event of Default shall have occurred and be continuing or would result therefrom,

(i) the merger, amalgamation or consolidation of any Debtor with or into another Debtor in a transaction in which such Debtor is the survivor,

(ii) the merger, amalgamation or consolidation of any Non-Debtor Loan Party with or into another Non-Debtor Loan Party in a transaction in which such Non-Debtor Loan Party is the survivor,

(iii) the merger, amalgamation or consolidation of any Foreign Subsidiary (other than a Borrower) with or into any Non-Debtor Loan Party in a transaction in which the surviving, continuing or resulting entity is or becomes a Non-Debtor Loan Party,

and, in the case of each of clauses (i) to (iii), no person other than a Borrower or a Guarantor receives any consideration (unless otherwise permitted by Section 10.04),

(iv) the merger, amalgamation or consolidation of any Subsidiary that is not a Guarantor with or into any other Subsidiary that is not a Guarantor;

(c) Dispositions to the Lead Borrower, a Borrower or a Subsidiary; provided that any Dispositions by (x) a Debtor to a Subsidiary that is not a Debtor or (y) a Non-Debtor Loan Party to a Subsidiary that is not a Loan Party in each case, in reliance on this clause (c) shall be made in compliance with Section 10.04;

(d) licenses, sublicenses, or covenants not to sue by the Lead Borrower or any Subsidiary of or under Intellectual Property or software or other technology in the ordinary course of business and consistent with past practice or industry practice;

(e) Investments permitted by Section 10.04, Permitted Liens, and Restricted Payments permitted by Section 10.06;

(f) the discount, forgiveness or sale, in each case without recourse and in the ordinary course of business, of past due receivables arising in the ordinary course of business, but only in connection with

the compromise or collection thereof consistent with customary industry practice (and not as part of any bulk sale or financing of receivables);

(g) other Dispositions of assets; provided that (i) any such Dispositions shall comply with the final sentence of this Section 10.05 and (ii) the Fair Market Value of the assets Disposed in all such Dispositions do not exceed $2,000,000 during the term of this Agreement;

(h) [reserved];

(i) leases, licenses or subleases or sublicenses of any real or personal property in the ordinary course of business and consistent with past practice;

(j) Dispositions of inventory or Dispositions or abandonment of Intellectual Property of the Lead Borrower and its Subsidiaries determined in good faith by the management of the Lead Borrower to be no longer economically practicable or commercially reasonable to maintain or useful or necessary in the operation of the business of the Lead Borrower or any of the Subsidiaries;

(k) [reserved];

(l) [reserved];

(m) [reserved];

(n) [reserved];

(o) any conversion of a Loan Party from a corporation to a limited liability company, or from a limited liability company to a corporation, or other change in corporate formation;

(p) any surrender, termination or waiver of contract rights or settlement, release, waiver of, recovery on or surrender of contract, tort or other claims of any kind;

(q) any solvent liquidation or dissolution of a Subsidiary of the Lead Borrower, provided that such Subsidiary's direct parent is also either the Lead Borrower or a Subsidiary and immediately becomes the owner of such Subsidiary's assets;

(r) [reserved];

(s) [reserved];

(t) the sale, transfer, termination or other disposition in connection with Hedging Agreements incurred in compliance with this Agreement or the partial or total unwinding of obligations in respect of any Bank Product Debt in compliance with this Agreement;

(u) sales of assets received by the Lead Borrower or any Subsidiary upon the foreclosure on a Lien;

(v) dispositions arising from foreclosures, condemnations, eminent domain, seizure, nationalization or any similar action with respect to assets, and dispositions of property subject to casualty events (including, without limitation, resulting from any involuntary loss or damage to or destruction of any property or assets of the Lead Borrower or any Subsidiary;

(w) the termination of leases and subleases in the ordinary course of business and consistent with past practice;

(x) [reserved];

(y) [reserved];

(z) any exchange of assets for other assets used in the business of the Lead Borrower or any Subsidiary in the ordinary course of business (including a combination of such assets and a *de minimis* amount of cash or Permitted Investments) of comparable or greater market value than the assets exchanged, as determined in good faith by the Lead Borrower;

(aa) [reserved];

(bb) the surrender or waiver of obligations of trade creditors or customers or other contract rights that were incurred in the ordinary course of business of the Lead Borrower or any of Subsidiary, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer or compromise, settlement, release or surrender of a contract, tort or other litigation claim, arbitration or other disputes;

(cc) [reserved]; and

(dd) any Disposition of any Investment acquired by virtue of any Bail-in Action with respect to any Lender (or any direct or indirect parent company thereof);

provided that, in each case, if (i) (x) any such disposition involves assets that accounted for more than 5% of the Aggregate Borrowing Base immediately prior to such disposition and (y) any Revolving Loans are outstanding at such time, (ii) any such disposition results in a Borrower ceasing to be a Subsidiary, as a condition to such disposition or (iii) any such disposition is made in reliance on Section 10.05(aa) and involves Real Property included in the U.S. Borrowing Base, an updated Borrowing Base certificate shall be delivered to the Administrative Agent recalculating the applicable Borrowing Bases after giving effect to such disposition.

Notwithstanding anything to the contrary contained in Section 10.05 above, no Disposition of assets under Section 10.05(g) shall in each case be permitted unless (i) such Disposition is for Fair Market Value, and (ii) at least 75% of the proceeds of such Disposition (except to Debtors) consist of cash or Permitted Investments.

Section 10.06 Restricted Payments. (i) Declare or pay any dividend or make any other distribution (by reduction of capital or otherwise), whether in cash, property, securities or a combination thereof, with respect to any of its Equity Interests (other than dividends and distributions on Equity Interests payable solely by the issuance of Qualified Equity Interests of the person declaring, paying or making such dividends or distributions), (ii) directly or indirectly redeem, purchase, retire or otherwise acquire for value (or permit any Subsidiary to purchase or acquire) any of the Lead Borrower's Equity Interests or set aside any amount for any such purpose (other than through the issuance of Qualified Equity Interests) or (iii) make any Junior Debt Restricted Payment (all of the foregoing, "Restricted Payments"); provided, however, that:

(a) Restricted Payments may be made by any Subsidiary (provided that Restricted Payments made by a non-Wholly Owned Subsidiary must be made on a *pro rata* basis (or more favorable basis from

the perspective of the Lead Borrower or the Subsidiary which is the parent of such Subsidiary) based on its ownership interests in such non-Wholly Owned Subsidiary);

(b) Restricted Payments in respect of DIP Term Loans may be made by the Lead Borrower on or after Full Senior Obligation Repayment; and

(c) any person may (i) make non-cash repurchases of Equity Interests deemed to occur upon exercise or settlement of stock options or other Equity Interests if such Equity Interests represent a portion of the exercise price of or withholding obligation with respect to such options or other Equity Interests or (ii) withhold a portion of Equity Interests issued upon any such exercise to cover any withholding tax obligations in respect of such issuance.

Section 10.07 Transactions with Affiliates.

(a) Sell or transfer any property or assets to, or purchase or acquire any property or assets from, or otherwise engage in any other transaction with, any of its Affiliates (other than the Lead Borrower, and the Subsidiaries or any person that becomes a Subsidiary as a result of such transaction) in a transaction (or series of related transactions) involving aggregate consideration in excess of $2,500,000 unless the terms of such transaction are substantially no less favorable to the Lead Borrower or such Subsidiary, as applicable, than would be obtained in a comparable arm's-length transaction with a person that is not an Affiliate, as determined, in the case of any transaction (or series of related transactions) involving aggregate consideration in excess of $5,000,000, by the Board of Directors of the Lead Borrower or such Subsidiary in good faith.

(b) The foregoing clause (a) shall not prohibit, to the extent otherwise permitted under this Agreement,

(i) any issuance of securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, equity purchase agreements, stock options and stock ownership plans or similar employee benefit plans approved by the Board of Directors of the Lead Borrower or any Subsidiary, as appropriate,

(ii) transactions with a person that is an Affiliate of the Lead Borrower solely because the Lead Borrower owns, directly or through a Subsidiary, an Equity Interest in, or controls, such person,

(iii) transactions among the Lead Borrower or any Subsidiary or any entity that becomes a Subsidiary as a result of such transaction (including via merger, consolidation or amalgamation in which the Lead Borrower or a Subsidiary is the surviving entity),

(iv) the payment of fees, reasonable out-of-pocket costs and indemnities to directors, officers, consultants and employees of the Lead Borrower and the Subsidiaries in the ordinary course of business,

(v) permitted transactions, agreements and arrangements in existence on the DIP Closing Date and set forth on Schedule 10.07, and, in each case, any amendment thereto or replacement thereof or similar arrangement to the extent such amendment, replacement or arrangement is not more disadvantageous to the Lenders when taken as a whole in any material respect than the original agreement as in effect on the DIP Closing Date (as determined by the Lead Borrower in good faith),

(vi) (A) any employment agreement, consulting agreement, severance agreement, compensation arrangement, officer or director indemnification agreement or any similar arrangement entered into by the Lead Borrower or any of the Subsidiaries in the ordinary course of business and any payments pursuant thereto, (B) any subscription agreement or similar agreement pertaining to the repurchase of Equity Interests pursuant to put/call rights or similar rights with employees, officers or directors, and (C) any employee compensation, benefit plan or arrangement, any health, disability or similar insurance plan which covers employees, and any reasonable employment contract and transactions pursuant thereto,

(vii) Restricted Payments permitted under Section 10.06 and Investments permitted under Section 10.04,

(viii) transactions for the purchase or sale of goods, equipment, products, parts and services entered into in the ordinary course of business and consistent with past practice,

(ix) any transaction in respect of which the Lead Borrower delivers to the Administrative Agent a letter addressed to the Board of Directors of the Lead Borrower from an accounting, appraisal or investment banking firm, in each case of nationally recognized standing that is in the good faith determination of the Lead Borrower qualified to render such letter, which letter states that (i) such transaction is on terms that are substantially no less favorable to the Lead Borrower or such Subsidiary, as applicable, than would be obtained in a comparable arm's-length transaction with a person that is not an Affiliate or (ii) such transaction is fair to the Lead Borrower or such Subsidiary, as applicable, from a financial point of view,

(x) payments to or the receipts of payments from, and entry into and the consummation of transactions with joint ventures entered into in the ordinary course of business,

(xi) [reserved],

(xii) transactions between the Lead Borrower or any of the Subsidiaries and any person, a director of which is also a director of the Lead Borrower; provided, however, that (A) such director abstains from voting as a director of the Lead Borrower on any matter involving such other person and (B) such person is not an Affiliate of the Lead Borrower for any reason other than such director's acting in such capacity,

(xiii) transactions permitted by, and complying with, the provisions of Section 10.05,

(xiv) intercompany transactions undertaken in good faith (as certified by a Responsible Officer of the Lead Borrower) for the purpose of improving the consolidated Tax efficiency of the Lead Borrower and the Subsidiaries and not for the purpose of circumventing any covenant set forth herein; provided that any such transaction does not materially decrease the value of any interest of any Secured Party in the Guarantees or Collateral,

(xv) payments, loans (or cancellation of loans) or advances to employees or consultants that are (i) made in the ordinary course of business or approved by a majority of the Disinterested Directors of the Lead Borrower in good faith, (ii) made in compliance with applicable law and (iii) otherwise permitted under this Agreement,

(xvi) transactions with customers, clients or suppliers, or purchasers or sellers of goods or services, in each case in the ordinary course of business that are fair to the Lead Borrower or the Subsidiaries,

(xvii) any issuance of Qualified Equity Interests of the Lead Borrower to Affiliates of the Lead Borrower, and

(xviii) [reserved],

(xix) [reserved],

(xx) any contributions to the common equity capital of the Lead Borrower or any Debtor Subsidiary.

(xxi) [reserved],

(xxii) [reserved].

Notwithstanding anything contained in this Section 10.07, none of the exceptions specified in clause (b) above shall be construed to permit a transaction otherwise prohibited by any other Section of this Article 10 .

Section 10.08 Business of the Lead Borrower and the Subsidiaries; Etc. Notwithstanding any other provisions hereof, engage at any time to any material respect in any business or business activity substantially different from any business or business activity conducted by any of them on the DIP Closing Date and/or any Similar Business. For the avoidance of doubt, any Disposition that does not conflict with this Agreement, or that is otherwise approved in accordance with the terms of this Agreement, shall not be deemed to conflict with this Section 10.08.

Section 10.09 Restrictions on Subsidiary Distributions and Negative Pledge Clauses Permit the Lead Borrower or any Subsidiary to enter into any agreement or instrument that by its terms restricts (A) the payment of dividends or other distributions or the making of cash advances to the Lead Borrower or any Subsidiary that is a direct or indirect parent of such Subsidiary or (B) the granting of Liens by any Borrower or any Guarantor pursuant to the Security Documents, in each case other than those arising under any Loan Document, except, in each case, restrictions existing by reason of:

(a) restrictions imposed by applicable law rule, regulation, order or other requirement;

(b) contractual encumbrances or restrictions in effect on the DIP Closing Date under Indebtedness existing on the DIP Closing Date (provided that, in each case, such documentation shall permit the Liens on Collateral granted pursuant to the Loan Documents);

(c) any restriction on a Subsidiary imposed pursuant to an agreement entered into for the sale or disposition of the Equity Interests or assets of a Subsidiary pending the closing of such sale or disposition;

(d) customary provisions in joint venture agreements and other similar agreements applicable to joint ventures entered into in the ordinary course of business;

(e) any restrictions imposed by any agreement relating to secured Indebtedness permitted by this Agreement to the extent that such restrictions apply only to the specific property or assets securing such Indebtedness;

(f) any restrictions imposed by any agreement relating to Indebtedness permitted to be incurred under Section 10.01, to the extent such restrictions either (i) are not materially more restrictive, taken as a whole, than the restrictions contained in this Agreement, or (ii) are not materially more

disadvantageous to the Lenders than is customary in comparable financings (in each case, as determined in good faith by the Lead Borrower, and in the case of clause (ii), either (x) the Lead Borrower determines in good faith that such encumbrance or restriction will not affect the Borrower's ability to make principal or interest payments on the Loan Obligations or (y) such encumbrances or restrictions apply only during the continuance of a default in respect of payment or a financial maintenance covenant relating to such Indebtedness);

(g) customary provisions contained in leases or licenses of Intellectual Property and other similar agreements entered into in the ordinary course of business;

(h) customary provisions restricting subletting or assignment of any lease governing a leasehold interest;

(i) customary provisions restricting assignment, mortgaging or hypothecation of any agreement entered into in the ordinary course of business;

(j) customary restrictions and conditions contained in any agreement relating to the sale, transfer, lease or other disposition of any asset permitted under Section 10.05 pending the consummation of such sale, transfer, lease or other disposition;

(k) Permitted Liens and customary restrictions and conditions contained in the document relating thereto, so long as (1) such restrictions or conditions relate only to the specific asset subject to such Lien, and (2) such restrictions and conditions are not created for the purpose of avoiding the restrictions imposed by this Section 10.09;

(l) customary net worth provisions contained in Real Property leases entered into by Subsidiaries, so long as the Lead Borrower has determined in good faith that such net worth provisions would not reasonably be expected to impair the ability of the Lead Borrower and its Subsidiaries to meet their ongoing obligations;

(m) any agreement in effect at the time such subsidiary becomes a Subsidiary, so long as such agreement was not entered into in contemplation of such person becoming a Subsidiary;

(n) restrictions in agreements representing Indebtedness permitted under Section 10.01 of a Subsidiary that is not a Guarantor that apply only to such Subsidiary and its Subsidiaries that are not Guarantors;

(o) customary restrictions contained in contracts, leases, subleases, licenses, sublicenses or Equity Interests or asset sale agreements otherwise permitted hereby as long as such restrictions relate to the Equity Interests and assets subject thereto;

(p) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(q) [reserved];

(r) [reserved];

(s) any encumbrances or restrictions of the type referred to in Section 10.09(A) above imposed by any other instrument or agreement entered into after the DIP Closing Date that contains encumbrances

and restrictions that, as determined by the Lead Borrower in good faith, will not materially adversely affect the Borrowers' ability to make payments on the Loans;

(t) customary restrictions imposed in connection with purchase money obligations, mortgage financings and Capitalized Lease Obligations on the property purchased or leased relating to the sale, lease or transfer of such property;

(u) provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale leaseback agreements, stock sale agreements and other similar agreements (including agreements entered into in connection with an Investment permitted hereunder), which limitation is applicable only to the assets that are the subject of such agreements;

(v) restrictions imposed in connection with any Investment permitted under Section 10.04; and

(w) [reserved];

(x) any encumbrances or restrictions of the type referred to in clause 10.09(A) or (B) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of or similar arrangements to the contracts, instruments or obligations referred to in clauses (a) through (v) above; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements, refinancings or similar arrangements are, in the good faith judgment of the Lead Borrower, no more restrictive as a whole with respect to such dividend and other payment restrictions than those contained in the dividend or other payment restrictions as contemplated by such provisions prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement, refinancing or similar arrangement

Section 10.10 Financial Covenant. On any date (x) during the Interim Period, have Aggregate Availability of less than $22,500,000 and (y) after the last day of the Interim Period, have Aggregate Availability of less than $30,000,000.

Section 10.11 Fiscal Quarter and/or Fiscal Year. In the case of the Lead Borrower, permit any change to its fiscal quarter and/or fiscal year; provided that the Lead Borrower and its Subsidiaries may change their fiscal quarter and/or fiscal year end one or more times, subject to such adjustments to this Agreement as the Lead Borrower and Administrative Agent shall reasonably agree are necessary or appropriate in connection with such change (and the parties hereto hereby authorize the Lead Borrower and the Administrative Agent to make any such amendments to this Agreement as they jointly deem necessary to give effect to the foregoing).

Section 10.12 Superpriority Claims. Incur, create, assume, suffer to exist or permit any other Superpriority Claim that is pari passu with or senior to the claims of the Agents and the Secured Parties against the Debtors, except with respect to the Carve-Out.

Section 10.13 DIP Term Facility. Prior to the occurrence of the Full Senior Obligation Repayment (and, in addition, with respect to clause (a), full and final payment in cash of all Prepetition Obligations) (a) make payments on account of the Carve-Out from proceeds of any Revolving Loan advances other than those permitted by the Applicable DIP Order; or (b) repay the DIP Term Facility from proceeds of Collateral or Revolving Loans.

Section 10.14 DIP Term Lender Covenants. At any time (a) cause the Aggregate First Out Obligations to exceed the applicable Aggregate First Out Obligation Cap or (b) enter into any agreement or plan in connection with the sale or other disposition of all or a substantial portion of the assets of the

Lead Borrower (or any division of its business) on a going concern basis with a counterparty that is not the Stalking Horse Bidder, unless (i) such agreement or plan has provided for sources of funds sufficient to cause the Termination Date to occur upon the consummation thereof or (ii) if the Required DIP Term Lenders have consented to such agreement or plan in their commercially reasonable judgment (provided that, in the case of this clause (ii), such consent shall not be required if (A) the Sellers (as defined in the Stalking Horse APA) have validly terminated the Stalking Horse APA pursuant to Section 8.1(d) of the Stalking Horse APA or pursuant to 8.1(b)(ii) of the Stalking Horse APA as a result of the conditions set forth in Sections 7.1(f) or 7.2(d) of the Stalking Horse APA failing to be satisfied, (B) if the Stalking Horse Bidder has validly terminated the Stalking Horse APA as a result of the conditions set forth in Sections 7.1(f) or 7.2(d) of the Stalking Horse APA failing to be satisfied; or (C) Stalking Horse Bidder has validly terminated the Stalking Horse APA pursuant to 8.1(b)(ii) of the Stalking Horse APA as a result of the conditions set forth in Sections 7.1(f) or 7.2(d) of the Stalking Horse APA failing to be satisfied.

ARTICLE 11 EVENTS OF DEFAULT

Section 11.01 Events of Default. In case of the happening of (each, an "Event of Default") on and after the DIP Closing Date, any of the following events:

(a) any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or any certificate or document delivered pursuant hereto or thereto shall prove to have been false or misleading in any material respect when so made or deemed made;

(b) default shall be made in the payment of any principal of any Loan, any North American LC Disbursement or any Swiss LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise;

(c) default shall be made in the payment of any interest on any Loan or in the payment of any Fee or any other amount (other than an amount referred to in clause (b) above) due under any Loan Document, when and as the same shall become due and payable, and such default shall continue unremedied for a period of two (2) Business Days;

(d) (x) default shall be made in the due observance or performance by any Borrower of any covenant, condition or agreement contained in Section 9.01(a) (solely with respect to the Lead Borrower and the other Borrowers), 9.05(a), 9.08, 9.18(c)-(g), Section 9.24, Section 9.25, Section 9.26, in Article 10 or in any Applicable DIP Order, (y) the Borrowers shall fail to deliver a Borrowing Base Certificate required to be delivered under this Agreement within two (2) Business Days of the date such Borrowing Base Certificate is required to be delivered or (z) default shall be made in the due observance or performance by any Borrower of any covenant, condition or agreement contained in Section 9.04(k) or (g), and such default shall continue unremedied for a period of five (5) consecutive Business Days provided that (A) in each case, any Revolving Credit Facility Matter Event of Default shall not constitute an Event of Default with respect to the DIP Term Facility unless and until the Revolving Lenders shall have terminated their Revolving Commitments and declared all amounts outstanding under the DIP ABL Facilities to be due and payable (and such declaration has not been rescinded) and (B) any Event of Default in respect of the DIP Term Budget Covenant or Section 10.14 shall not constitute an Event of Default with respect to the DIP ABL Facilities unless and until the DIP Term Lenders shall have terminated their DIP Term Commitments and declared all amounts outstanding under the DIP Term Loans to be due and payable (and such declaration has not been rescinded);

(e) default shall be made in the due observance or performance by any of the Loan Parties of any covenant, condition or agreement contained in any Loan Document (other than those specified in

clauses (b), (c) and (d) above) and such default shall continue unremedied for a period of thirty (30) days after the earlier of (x) notice thereof from the Administrative Agent to the Lead Borrower and (y) any Borrower's actual knowledge of such default provided that, in each case, any Revolving Credit Facility Matter Event of Default shall not constitute an Event of Default with respect to the DIP Term Facility unless and until the Revolving Lenders shall have terminated their Revolving Commitments and declared all amounts outstanding under the DIP ABL Facilities to be due and payable (and such declaration has not been rescinded);

(f) (i) any event or condition occurs that (A) results in any Material Indebtedness becoming due prior to its scheduled maturity or (B) enables or permits (with all applicable grace periods having expired; it being understood and agreed, for the avoidance of doubt, that during such time when any such grace period is in effect and has not expired, no Default or Event of Default shall have occurred pursuant to this clause (B) with respect to such event or condition) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any such Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity, in each case without such Material Indebtedness having been discharged, or any such event of or condition having been cured promptly; provided that this clause (f) shall not apply to any secured Indebtedness that becomes due as a result of (1) the commencement of the Chapter 11 Cases or (2) the voluntary sale or transfer of the property or assets securing such Indebtedness if (x) such sale or transfer is permitted hereunder and under the documents providing for such Indebtedness and (y) repayments are made as required by the terms of the respective Indebtedness; provided further that, notwithstanding the foregoing, none of the following events shall constitute an Event of Default under this clause (f) unless such event results in the acceleration of other Material Indebtedness of the Lead Borrower or any Subsidiary: (i) any secured Indebtedness becoming due as a result of a casualty or similar event, (ii) any change of control offer made within 60 days after an Acquisition with respect to, and effectuated pursuant to, Indebtedness of an acquired business, (iii) any default under Indebtedness of an acquired business if such default is cured, or such Indebtedness is repaid, within 60 days after the Acquisition of such business so long as no other creditor accelerates or commences any kind of enforcement action in respect of such Indebtedness, (iv) mandatory prepayment requirements arising from the receipt of net cash proceeds from debt, dispositions (including casualty losses, governmental takings and other involuntary dispositions), equity issues or excess cash flow, in each case pursuant to Indebtedness of an acquired business), (v) prepayments required by the terms of Indebtedness as a result of customary provisions in respect of illegality, replacement of lenders and gross-up provisions for Taxes, increased costs, capital adequacy and other similar customary requirements and (vi) any voluntary prepayment, redemption or other satisfaction of Indebtedness that becomes mandatory in accordance with the terms of such Indebtedness solely as the result of the Lead Borrower or any Subsidiary delivering a prepayment, redemption or similar notice with respect to such prepayment, redemption or other satisfaction;

(g) there shall have occurred a Change of Control;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of the Swiss Borrower or any of the Material Subsidiaries (other than a Debtor), or of a substantial part of the property or assets of the Swiss Borrower or any Material Subsidiary (other than a Debtor), under the Bankruptcy Code, or any other federal, state, provincial or foreign bankruptcy, insolvency, receivership, administration or any other Debtor Relief Law, (ii) the appointment of a receiver, interim receiver, trustee, monitor, custodian, sequestrator, conservator, examiner, liquidator, administrator, Controller, receiver manager or similar official for or to the Swiss Borrower or any of the Material Subsidiaries (other than a Debtor) for or to a substantial part of the property or assets of the Swiss Borrower or any of the Material Subsidiaries (other than a Debtor) or (iii) the winding-up, liquidation, reorganization, dissolution, compromise, arrangement, administration, examinership, receivership or other relief in respect of the Swiss Borrower or any Material Subsidiary (other than a Debtor)

(except, in each case, in a transaction permitted hereunder); and, in the case of the Swiss Borrower or any Material Subsidiary (other than a Debtor) such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) (x) the Swiss Borrower or any Material Subsidiary (other than a Debtor) shall (i) voluntarily commence any proceeding or file any petition seeking relief under the Bankruptcy Code, as now constituted or hereafter amended, or any other federal, state or foreign bankruptcy, insolvency, receivership, administration, arrangement or any other Debtor Relief Law, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in clause (h) above, (iii) apply for or consent to the appointment of a receiver, interim receiver, trustee, monitor, custodian, sequestrator, conservator, examiner, liquidator, administrator or similar official for the Swiss Borrower or any of the Material Subsidiaries (other than a Debtor) or for a substantial part of the property or assets of the Swiss Borrower or any Material Subsidiary (other than a Debtor), (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) become unable or fail generally to pay its debts as they become due or (y) without prejudice to any other provisions of this Article 11, any of the following occurs in respect of the Swiss Borrower: the occurrence of any event or procedure in relation to the Swiss Borrower which is analogous to those listed in the clauses (f), (h), (i) and (j) of this Section 11.01 above including, inter alia "Zahlungsunfähigkeit" (inability to pay its debts), "Zahlungseinstellung" (suspending making payments), or, provided that no subordination (Rangrücktritt) within the meaning of article 725 of the Swiss Code of Obligations in an amount sufficient to cover the respective shortfall (Unterdeckung) is put in place, "Überschuldung" within the meaning of art. 725 and art. 820 para. 1 of the Swiss Federal Code of Obligations (CO) (over-indebtedness, i.e. liabilities not covered by the assets), duty of filing of the balance sheet with the judge due to over-indebtedness or insolvency pursuant to art. 725a and art. 820 para. 1 CO, "Konkurseröffnung und Konkurs" (declaration of bankruptcy and bankruptcy), "Nachlassverfahren" (composition with creditors) including in particular "Nachlassstundung" (moratorium) and proceedings regarding "Nachlassvertrag" (composition agreements) and "Notstundung" (emergency moratorium), proceedings regarding "Fälligkeitsaufschub" (postponement of maturity), "Konkursaufschub / Gesellschaftsrechtliches Moratorium" (postponement of the opening of bankruptcy; moratorium proceedings) pursuant to art. 725a or art. 820 para. 2 CO, notification of the judge of a capital loss or over-indebtedness under these provisions and "Auflösung / Liquidation" (dissolution/liquidation);

(j) any Australian Loan Party (A) is (or has stated that it is) insolvent under administration or insolvent (each as defined in the Australian Corporations Act); (B) is in liquidation, in provisional liquidation, under administration or wound up or has had a controller (as defined in the Australian Corporations Act) appointed to its property; (C) is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the Administrative Agent); (D) has had an application or order made or resolution passed, in each case in connection with that person, which is preparatory to or could result in any of clauses (A), (B) or (C) above (and in the case of an application or similar action, it is not stayed, withdrawn or dismissed within 21 days); (E) is taken (under section 459F(1) of the Australian Corporations Act) to have failed to comply with a statutory demand; (F) is the subject of an event described in section 459C(2)(b) or section 585 of the Australian Corporations Act (or it makes a statement from which the Administrative Agent reasonably deduces it is so subject); or (G) is otherwise unable to pay its debts generally when they fall due;

(k) the failure by the Swiss Borrower or any Material Subsidiary (other than a Debtor) to pay one or more final judgments aggregating in excess of $50,000,000, which judgments are not discharged or effectively waived or stayed for a period of 45 consecutive days, or any action shall be legally taken by a judgment creditor to attach or levy upon assets or properties of the Swiss Borrower or any Material Subsidiary (other than a Debtor) to enforce any such judgment; provided, however, that any such judgment

shall not be included in the calculation of the aggregate amount of judgments under this clause (k) if and for so long as (A) the amount of such judgment is covered by a valid and binding policy of insurance between the defendant and the insurer covering payment thereof and (B) such insurer, which shall be rated at least "A" by A.M. Best Company, has been notified of, and has not disputed the claim made for payment of, the amount of such judgment;

(l) (i) an ERISA Event shall have occurred or (ii) the Lead Borrower, any other Borrower or any Subsidiary or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or is being terminated, within the meaning of Title IV of ERISA; and in the case of each of clauses (i) and (ii) above, such event or condition, together with all other such events or conditions, if any, would reasonably be expected to have a Material Adverse Effect;

(m) (i) any Loan Document, including any subordination provision therein, shall for any reason cease to be (or be asserted in writing by any Borrower or any Guarantor to not be) a legal, valid and binding obligation of any Loan Party party thereto (other than in accordance with its terms), (ii) any security interest purported to be created by any Security Document or the DIP Orders and to extend to assets that constitute a material portion of the Collateral shall cease to be, or shall be asserted in writing by any Borrower or any other Loan Party not to be, a valid and perfected security interest (perfected as required by this Agreement, the relevant Security Document or the DIP Orders and subject to such limitations and restrictions as are set forth herein and therein) in the securities, assets or properties covered thereby (other than in accordance with the terms of the applicable Loan Documents), except to the extent that any such loss of perfection results from the limitations of foreign laws, rules and regulations as they apply to pledges of Equity Interests in Foreign Subsidiaries or the application thereof other than Specified Foreign Laws, or from failure of the Collateral Agent to maintain possession of certificates actually delivered to it representing securities pledged under the Initial U.S. Security Agreement or to file Uniform Commercial Code continuation statements or to make any other similar filings (provided that the Loan Parties have provided any cooperation, documentation or other assistance reasonably requested on reasonable notice by the Collateral Agent to enable the Collateral Agent to make any such filings by the applicable deadline), and in any case so long as such failure does not result from the breach or non-compliance with the Loan Documents by any Loan Party (iii) a material portion of the Guarantees pursuant to the Loan Documents by the Guarantors guaranteeing the Obligations, shall cease to be in full force and effect (other than in accordance with the terms thereof), or shall be asserted in writing by any Borrower or any Guarantor not to be in effect or not to be legal, valid and binding obligations (other than in accordance with the terms thereof) or (iv) the DIP ABL Obligations and the DIP Term Obligations cease to have the same benefit under any Guarantee or in respect to any Collateral except to the extent permitted under Section 11.02; provided that no Event of Default shall occur under this Section 11.01(m) if the Loan Parties cooperate with the Collateral Agent to replace or perfect such security interest and Lien, such security interest and Lien is promptly replaced or perfected (as needed) and the rights, powers and privileges of the Secured Parties are not materially adversely affected by such replacement;

(n) at any time after the DIP Closing Date:

(i) the entry of an order dismissing any of the Chapter 11 Cases or converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code;

(ii) the entry of an order appointing a chapter 11 trustee in any of the Chapter 11 Cases;

(iii) the entry of an order in any of the Chapter 11 Cases appointing an examiner having expanded powers (beyond those set forth under Sections 1106(a)(3) and (4) of the Bankruptcy Code);

(iv) the entry of an order in any of the Chapter 11 Cases denying or terminating use of cash collateral by the Loan Parties;

(v) the filing of any pleading by any Loan Party seeking, or otherwise consenting to, any of the matters set forth in clauses (i) through (iv) above;

(vi) (a) an amendment, supplement or other modification shall have been made to, or a consent or waiver shall have been granted with respect to any departure by any person from the provisions of, the Qualified Sale Documentation, in each case, that is not reasonably satisfactory to the Administrative Agent, (b) any Qualified Sale is withdrawn without the consent of the Required Lenders, (c) any sale, disposition, transfer or plan with respect to substantially all of the Debtors' or Loan Parties' assets other than a Qualified Sale, is filed or otherwise pursued without the prior written consent of the Required Lenders, (d) the Bankruptcy Court shall terminate or reduce the period pursuant to Section 1121 of the Bankruptcy Code during which the Debtors have the exclusive right to file a plan of reorganization and solicit acceptances thereof, (e) the Bankruptcy Court shall grant relief that is inconsistent with a Qualified Sale in any material respect and that is adverse to the Administrative Agent's, the Lead Arrangers' or the Lenders' interests or inconsistent with the Loan Documents or (f) any of the Loan Parties or any of their affiliates shall file any motion or pleading with the Bankruptcy Court that is inconsistent in any material respect with a Qualified Sale and such motion or pleading has not been withdrawn prior to the earlier of (A) three business days of the Borrowers receiving notice from the Administrative Agent and (B) entry of an order of the Bankruptcy Court approving such motion or pleading;

(vii) (w) the entry of the Final Order shall not have occurred within forty (40) days after entry of the Interim Order (or such later date as approved by the Administrative Agent and Required Lenders), or (x) there shall be a breach by any Debtor of any provisions of the Interim Order (prior to entry of the Final Order) or the Final Order (from and after its entry), or (y) the Interim Order (prior to entry of the Final Order) or Final Order (from and after its entry) shall cease to be in full force and effect or (z) any of the Interim Order (prior to entry of the Final Order) or Final Order (from and after its entry), the Bidding Procedures, the Bidding Procedures Motion (from and after its filing), the Bidding Procedures Order (from and after its entry), the First Day Orders (from and after their entry), the Qualified Sale Order (from and after its entry) or any other orders of the Bankruptcy Court granting interim or final relief related to the Chapter 11 Cases (from and after entry thereof), in each case, shall have been reversed, modified, amended, stayed, vacated or subject to stay pending appeal, in the case of any modification or amendment, without the prior written consent of the Administrative Agent and Required Lenders;

(viii) the entry of an order in any of the Chapter 11 Cases charging any of the Collateral under Section 506(c) of the Bankruptcy Code against the Lenders or the Agent under which any person takes action against the Collateral or that becomes a final non-appealable order, or the commencement of other actions that are materially adverse to the Administrative Agent, the Lead Arrangers, the Lenders or their respective rights and remedies under the Facilities in any of the Chapter 11 Cases or inconsistent with the Loan Documents;

(ix) the entry of an order granting relief from any stay of proceeding (including, without limitation, the automatic stay) so as to allow a third party to proceed with foreclosure (or granting of a deed in lieu of foreclosure) against any asset with a value in excess $10.0 million;

(x) the entry of any post-petition judgment against any Loan Party or any judgment that would constitute an administrative expense in the Chapter 11 Cases, in either case in excess of $5.0 million;

(xi) the payment of any prepetition claims (other than as permitted by the Interim Order (prior to entry of the Final Order), the Final Order or pursuant to an order entered in the Chapter 11 Cases that is supported, or not objected to, by the Administrative Agent);

(xii) any lien securing or superpriority claim in respect of the Obligations shall cease to be valid, perfected (if applicable) and enforceable in all respects or to have the priority granted under the Interim Order (prior to entry of the Final Order) and the Final Order;

(xiii) the existence of any claims or charges, or the entry of any order of the Bankruptcy Court authorizing any claims or charges, other than in respect of the Facilities or as otherwise permitted under the Loan Documents, entitled to superpriority under Section 364(c)(1) of the Bankruptcy Code pari passu or senior to the DIP ABL Facilities, or there shall arise or be granted by the Bankruptcy Court (i) any claim having priority over any or all administrative expenses of the kind specified in clause (b) of Section 503 or clause (b) of Section 507 of the Bankruptcy Code (other than the Carve-Out) or (ii) any Lien on the Collateral having a priority senior to or pari passu with the Liens and security interests granted herein, except as expressly provided in this Agreement or in the Interim Order or the Final Order (but only in the event specifically consented to by the Administrative Agent), whichever is in effect;

(xiv) the Loan Parties or any of their subsidiaries shall obtain court authorization to commence, or shall commence, join in, assist or otherwise participate as an adverse party in any suit or other proceeding against the Agents, the Lead Arrangers or any of the Lenders relating to the Facilities or against the administrative agent or other holders of obligations under the Prepetition Credit Agreement, unless such suit or other proceeding is in connection with the enforcement of the Loan Documents against the Agents, the Lead Arrangers or the Lenders, and the order confirming a Qualified Sale provides that any such suit or proceeding shall be dismissed with prejudice;

(xv) failure to satisfy any of the Milestones in accordance with the terms relating to such Milestone;

(xvi) the entry of an order avoiding or disgorging the application of any payments or collections received by the Prepetition Agent or Prepetition Lenders to the Prepetition Obligations as provided for herein; or

(xvii) after the entry thereof by the Bankruptcy Court, the Qualified Sale Order shall cease to be in full force and effect, or any Loan Party shall fail to satisfy in full all Obligations on or prior to the effective date of a Qualified Sale or fail to comply in any material respect with the Qualified Sale Order, or the Qualified Sale Order shall have been revoked, remanded, vacated, reversed, rescinded or modified or amended in any manner that is adverse to the Agents', the Lead Arrangers' or the Lenders' interests or inconsistent with the Loan Documents; or

(o) Any DIP Term Lender that is an Affiliate of the Stalking Horse Bidder, shall have failed to fund in full the DIP Term Loans (if the conditions precedent set forth in Section 6.02 and Section 6.03 are otherwise satisfied) in an aggregate principal amount equal to its DIP Term Commitment within one (1) Business Day of the entry by the Bankruptcy Court of the Final Order and/or the proceeds of such DIP Term Loans are not applied towards achieving the Prepetition Obligations Refinancing as set forth in Section 8.12(b); provided that an Event of Default under this Section 11.01(o) shall not constitute an Event of Default with respect to the DIP Term Facility unless and until the Revolving Lenders shall have terminated their Revolving Commitments and declared all amounts outstanding under the DIP ABL Facilities to be due and payable (and such declaration has not been rescinded),

then, and in every such event (other than an event with respect to the Swiss Borrower described in clause (h), (i) or (j) above), and at any time thereafter during the continuance of such event, the Administrative Agent, at the request of either the Required Revolving Lenders or the Required DIP Term Lenders shall (provided that (x) if a Revolving Credit Facility Matter Event of Default occurs and is continuing, the Administrative Agent shall at the request of the Required Revolving Lenders, only with respect to the Revolving Commitments and any Letters of Credit and (y) if an Event of Default resulting from the breach of the DIP Term Budget Covenant or Section 10.14 occurs and is continuing, the Administrative Agent shall at the request of the Required DIP Term Lenders, only with respect to the DIP Term Commitments and the DIP Term Loans) by notice to the Lead Borrower, take any or all of the following actions, at the same or different times: (i) terminate, reduce or condition any of the Commitments or make any adjustment to any Borrowing Base, (ii) declare the Loans then outstanding and all other Obligations to be forthwith due and payable in whole or in part (in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), whereupon the principal of the Loans and other Obligations so declared to be due and payable, together with accrued interest thereon and any unpaid accrued fees (including, for the avoidance of doubt, any break funding payments) and all other liabilities of the Borrowers accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrowers, anything contained herein or in any other Loan Document to the contrary notwithstanding and (iii) require the Loan Parties to Cash Collateralize the LC Obligations, and, if the Loan Parties fail promptly to deposit such Cash Collateral, the Administrative Agent may (and shall upon the direction of Required Lenders) advance the required Cash Collateral as Revolving Loans; and in any event with respect to the Swiss Borrower described in clause (h), (i) or (j) above, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and any unpaid accrued fees (including, for the avoidance of doubt, any break funding payments) and all other liabilities of the Swiss Borrower accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Swiss Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding.

In addition to any other rights and remedies granted to the Administrative Agent and the Secured Parties in the Loan Documents, following the occurrence and continuation of an Event of Default, the Collateral Agent on behalf of the Secured Parties shall, at the direction of either the Required Revolving Lenders or the Required DIP Term Lenders, exercise all rights and remedies of a secured party under the Uniform Commercial Code, the Canadian PPSA, the Australian PPSA or any other applicable law. Without limiting the generality of the foregoing, following the occurrence and continuation of an Event of Default, the Collateral Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Guarantor or any other person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances, subject to applicable laws and conditions provided by the relevant Security Documents, forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, or consent to the use by the Guarantor of any cash collateral arising in respect of the Collateral on such terms as the Collateral Agent deems reasonable, and/or may forthwith sell, lease, assign, give an option or options to purchase or otherwise dispose of and deliver, or acquire by credit bid on behalf of the Lenders, the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Collateral Agent or any Secured Party or elsewhere, upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery, all without assumption of any credit risk. The Collateral Agent or any Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Guarantor, which right or equity is hereby waived and released. The Administrative Agent or Collateral Agent shall apply the net proceeds of any action taken

by it pursuant to this Section 11.01 and the other corresponding provisions set forth in the other Loan Documents pursuant to Section 11.02 below. To the extent permitted by applicable law, each Guarantor waives all claims, damages and demands it may acquire against the Administrative Agent or any Secured Party arising out of the exercise by them of any rights hereunder, except abuse of right and fraud. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least ten (10) days before such sale or other disposition.

Section 11.02 Application of Funds. After the exercise of remedies provided for above (or after the Loans have automatically become immediately due and payable and the LC Exposure has automatically been required to be Cash Collateralized as set forth above) and/or during any Liquidity Period and/or during any period in which any Reinstated Prepetition Obligations exist, but in any event subject to the terms of the Applicable DIP Order (including without limitation, prior to the occurrence of the DIP Term Loan Closing Date, the Administrative Agent remitting all proceeds of Collateral or all other amounts received on account of the Obligations, in each case, to the Prepetition Agent for application to the Prepetition Obligations) and subject in all respects to the last paragraph hereof:

(a) any amounts received on account of the Obligations (other than proceeds of the Collateral) shall, subject to the provisions of Sections 2.11 and 2.13(j), be applied ratably in the following order (x) *first*, prior to the occurrence of the DIP Term Loan Closing Date, to the Prepetition Obligations (including, for the avoidance of doubt, any Prepetition Hedging Obligations) in accordance with the Prepetition Credit Agreement until such Prepetition Obligations, fees and all other expenses or amounts shall have been paid in full in cash and (y) *second*, by the Administrative Agent, separately in respect of each Facility, in the following order:

First, to the payment of all reasonable and documented costs and out-of-pocket expenses, fees, commissions and taxes of such sale, collection or other realization, if any, including, without limitation, compensation to the Administrative Agent, Collateral Agent and their agents and counsel, and all expenses, liabilities and advances made or incurred by the Administrative Agent and Collateral Agent in connection therewith;

Second, to the payment of all other reasonable and documented costs and out-of-pocket expenses of such sale, collection or other realization including, without limitation, costs and expenses and all costs, liabilities and advances made or incurred by the other Secured Parties (other than the DIP Term Lenders) in connection therewith (other than in respect of Secured Bank Product Obligations), in each case, to the extent required to be reimbursed pursuant to Section 13.01;

Third, to interest then due and payable on the Swingline Loans;

Fourth, to the principal balance of the Swingline Loans outstanding until the same has been prepaid in full;

Fifth, to interest then due and payable on Revolving Loans and other amounts due pursuant to Sections 3.01, 3.02 and 5.01;

Sixth, to Cash Collateralize all LC Exposures (to the extent not otherwise Cash Collateralized pursuant to the terms hereof) *plus* any accrued and unpaid interest thereon;

Seventh, to the principal balance of Revolving Borrowings then outstanding and all Obligations on account of Noticed Hedges with Secured Parties, *pro rata*;

Eighth, to all other Obligations (other than DIP Term Obligations) *pro rata*;

Ninth, to the payment in full of the Qualified Reinstated Prepetition Obligations;

Tenth, to the payment of all reasonable and documented costs and out-of-pocket expenses, fees, commissions and taxes of such sale, collection or other realization, if any, including, without limitation, compensation to the DIP Term Lenders and their agents and counsel, and all expenses, liabilities and advances made or incurred by the DIP Term Lenders in connection therewith, in each case, to the extent required to be reimbursed pursuant to Section 13.01;

Eleventh, to interest then due and payable on DIP Term Loans and other amounts due pursuant to Sections 3.01, 3.02 and 5.01

Twelfth, to the principal balance of DIP Term Loans then outstanding, *pro rata*;

Thirteenth, to the Excess Obligations;

Fourteenth, to the Reinstated Prepetition Obligations (other than the Qualified Reinstated Prepetition Obligations); and

Fifteenth, the balance, if any, to the Person lawfully entitled thereto (including the applicable Loan Party or its successors or assigns).

Amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Sixth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above. Amounts distributed with respect to any Secured Bank Product Obligations shall be the lesser of the maximum Secured Bank Product Obligations last reported to the Administrative Agent or the actual Secured Bank Product Obligations as calculated by the methodology reported to the Administrative Agent for determining the amount due. The Administrative Agent shall have no obligation to calculate the amount to be distributed with respect to any Secured Bank Product Obligations, and may request a reasonably detailed calculation of such amount from the applicable Secured Party. If a Secured Party fails to deliver such calculation within five (5) days following request by the Administrative Agent, the Administrative Agent may assume the amount to be distributed is zero.

In the event that any such proceeds are insufficient to pay in full the items described in clauses First through Fifteenth of this Section 11.02(a), the Loan Parties shall remain liable for any deficiency.

(b) any proceeds of U.S. Collateral (including any distributions of cash, securities or other property of any Debtor) received by the Administrative Agent shall be applied ratably in the following order (x) *first*, prior to the occurrence of the DIP Term Loan Closing Date, to the Prepetition Obligations (including, for the avoidance of doubt, any Prepetition Hedging Obligations) in accordance with the Prepetition Credit Agreement until such Prepetition Obligations, fees and all other expenses or amounts shall have been paid in full in cash and (y) *second*, ratably in the following order:

First, to the payment of all reasonable and documented costs and out-of-pocket expenses, fees, commissions and taxes of such sale, collection or other realization including, without

limitation, compensation to the Administrative Agent, Collateral Agent and their agents and counsel, and all expenses, liabilities and advances made or incurred by the Administrative Agent and Collateral Agent in connection therewith due from the U.S. Borrowers;

Second, to the payment of all other reasonable and documented costs and out-of-pocket expenses of such sale, collection or other realization including, without limitation, costs and expenses and all costs, liabilities and advances made or incurred by the other Secured Parties (other than the DIP Term Lenders) in connection therewith (other than in respect of Secured Bank Product Obligations or the Guarantee by the U.S. Borrowers of the Foreign Loan Parties) due from the U.S. Borrowers, in each case to the extent required to be reimbursed pursuant to Section 13.01;

Third, to interest then due and payable on the Swingline Loans made to the U.S. Borrowers;

Fourth, to the principal balance of the Swingline Loans outstanding and made to the U.S. Borrowers until the same has been prepaid in full;

Fifth, to interest then due and payable on Revolving Loans made to the U.S. Borrowers under the North American Revolving Facility and other amounts due pursuant to Sections 3.01, 3.02 and 5.01;

Sixth, to Cash Collateralize all North American LC Exposures in respect of the U.S. Borrowers (to the extent not otherwise Cash Collateralized pursuant to the terms hereof) *plus* any accrued and unpaid interest thereon;

Seventh, to the principal balance of Revolving Borrowings made to the U.S. Borrowers under the North American Revolving Facility then outstanding, *pro rata*;

Eighth, to the payment of all reasonable and documented costs and out-of-pocket expenses, fees, commissions and taxes of such sale, collection or other realization including, without limitation, compensation to the Administrative Agent and its agents and counsel, and all expenses, liabilities and advances made or incurred by the Administrative Agent in connection therewith due from the Foreign Loan Parties;

Ninth, to the payment of all other reasonable and documented costs and out-of-pocket expenses of such sale, collection or other realization including, without limitation, costs and expenses and all costs, liabilities and advances made or incurred by the other Secured Parties in connection therewith (other than in respect of Secured Bank Product Obligations) due from the Foreign Loan Parties, in each case to the extent required to be reimbursed pursuant to Section 13.01;

Tenth, to interest then due and payable on the Swingline Loans made to the Swiss Borrower;

Eleventh, to the principal balance of the Swingline Loans made to the Swiss Borrower outstanding until the same has been prepaid in full;

Twelfth, to interest then due and payable on Revolving Loans made to the Swiss Borrower and other amounts due pursuant to Sections 3.01, 3.02 and 5.01;

Thirteenth, to Cash Collateralize all LC Exposures in respect of the Swiss Borrower (in each case, to the extent not otherwise Cash Collateralized pursuant to the terms hereof) plus any accrued and unpaid interest thereon;

Fourteenth, to the principal balance of Revolving Borrowings made to the Swiss Borrower then outstanding and all Obligations of the Foreign Loan Parties on account of Noticed Hedges with Secured Parties, *pro rata*;

Fifteenth, to all other Obligations (other than the DIP Term Obligations) *pro rata*;

Sixteenth, the Qualified Reinstated Prepetition Obligations;

Seventeenth, to the payment of all reasonable and documented costs and out-of-pocket expenses, fees, commissions and taxes of such sale, collection or other realization, if any, including, without limitation, compensation to the DIP Term Lenders and their agents and counsel, and all expenses, liabilities and advances made or incurred by the DIP Term Lenders in connection therewith, in each case, to the extent required to be reimbursed pursuant to Section 13.01;

Eighteenth, to interest then due and payable on DIP Term Loans and other amounts due pursuant to Sections 3.01, 3.02 and 5.01;

Nineteenth, to the principal balance of DIP Term Loans then outstanding, *pro rata*;

Twentieth, to the Excess Obligations;

Twenty-first, to the Reinstated Prepetition Obligations (other than the Qualified Reinstated Prepetition Obligations); and

Twenty-second, the balance, if any, to the Person lawfully entitled thereto (including the applicable Loan Party or its successors or assigns).

In the event that any such proceeds are insufficient to pay in full the items described in clauses First through Twenty-second of this Section 11.02(b), the Loan Parties shall remain liable for any deficiency. Amounts distributed with respect to any Secured Bank Product Obligations shall be the lesser of the maximum Secured Bank Product Obligations last reported to the Administrative Agent or the actual Secured Bank Product Obligations as calculated by the methodology reported to the Administrative Agent for determining the amount due. The Administrative Agent shall have no obligation to calculate the amount to be distributed with respect to any Secured Bank Product Obligations, and may request a reasonably detailed calculation of such amount from the applicable Secured Party. If a Secured Party fails to deliver such calculation within five (5) days following request by the Administrative Agent, the Administrative Agent may assume the amount to be distributed is zero.

(c) any proceeds of Foreign Collateral received by the Administrative Agent shall be applied ratably in the following order (x) *first*, prior to the occurrence of the DIP Term Loan Closing Date, to the Prepetition Obligations (including, for the avoidance of doubt, any Prepetition Hedging Obligations) in accordance with Section 11.02(c) of the Prepetition Credit Agreement but only to the extent any Foreign Obligations (as defined in the Prepetition Credit Agreement and including, for the avoidance of doubt, any Prepetition Hedging Obligations) and any fees and all other expenses or amounts relating to such Foreign Obligations (as defined in the Prepetition Credit Agreement and including, for the avoidance of doubt, any

Prepetition Hedging Obligations) shall have been paid in full in cash and without giving effect to any of the other clauses of Section 11.02(c) of the Prepetition Credit Agreement requiring the application of such proceeds towards any other Prepetition Obligations and (y) *second*, ratably in the following order:

First, to the payment of all reasonable and documented costs and out-of-pocket expenses, fees, commissions and taxes of such sale, collection or other realization including, without limitation, compensation to the Administrative Agent, Collateral Agent and their agents and counsel, and all expenses, liabilities and advances made or incurred by the Administrative Agent and Collateral Agent in connection therewith due from the Foreign Loan Parties;

Second, to the payment of all other reasonable and documented costs and out-of-pocket expenses of such sale, collection or other realization including, without limitation, costs and expenses and all costs, liabilities and advances made or incurred by the other Secured Parties (other than the DIP Term Lenders) in connection therewith (other than in respect of Secured Bank Product Obligations) due from the Foreign Loan Parties to the extent required to be reimbursed pursuant to Section 13.01;

Third, to interest then due and payable on the Swingline Loans made to the Swiss Borrower;

Fourth, to the principal balance of the Swingline Loans outstanding and made to the Swiss Borrower until the same has been prepaid in full;

Fifth, to interest then due and payable on Revolving Loans made to the Swiss Borrower and other amounts due pursuant to Sections 3.01, 3.02 and 5.01;

Sixth, to Cash Collateralize all LC Exposures in respect of the Swiss Borrower (to the extent not otherwise Cash Collateralized pursuant to the terms hereof) *plus* any accrued and unpaid interest thereon;

Seventh, to the principal balance of Revolving Borrowings made to the Swiss Borrower then outstanding and all Obligations of the Foreign Loan Parties on account of Noticed Hedges with Secured Parties, *pro rata*;

Eighth, to the payment of all reasonable and documented costs and out-of-pocket expenses, fees, commissions and taxes of such sale, collection or other realization including, without limitation, compensation to the Administrative Agent, Collateral Agent and their agents and counsel, and all expenses, liabilities and advances made or incurred by the Administrative Agent and Collateral Agent in connection therewith due from the U.S. Loan Parties;

Ninth, to the payment of all other reasonable and documented costs and out-of-pocket expenses of such sale, collection or other realization including, without limitation, costs and expenses and all costs, liabilities and advances made or incurred by the other Secured Parties in connection therewith (other than in respect of Secured Bank Product Obligations or the Guarantee by the U.S. Loan Parties of the Obligations of the Foreign Loan Parties) due from the U.S. Loan Parties to the extent required to be reimbursed pursuant to Section 13.01;

Tenth, [reserved];

Eleventh, to interest then due and payable on Revolving Loans made to the U.S. Borrowers and other amounts due pursuant to Sections 3.01, 3.02 and 5.01;

Twelfth, to Cash Collateralize all LC Exposures in respect of the U.S. Borrowers (to the extent not otherwise Cash Collateralized pursuant to the terms hereof) plus any accrued and unpaid interest thereon;

Thirteenth, to the principal balance of Revolving Borrowings made to the U.S. Borrowers then outstanding, *pro rata*;

Fourteenth, to all other Obligations (other than DIP Term Obligations) *pro rata*;

Fifteenth, to the Qualified Reinstated Prepetition Obligations;

Sixteenth, to the payment of all reasonable and documented costs and out-of-pocket expenses, fees, commissions and taxes of such sale, collection or other realization, if any, including, without limitation, compensation to the DIP Term Lenders and their agents and counsel, and all expenses, liabilities and advances made or incurred by the DIP Term Lenders in connection therewith, in each case, to the extent required to be reimbursed pursuant to Section 13.01;

Seventeenth, to interest then due and payable on DIP Term Loans and other amounts due pursuant to Sections 3.01, 3.02 and 5.01;

Eighteenth, to the principal balance of DIP Term Loans then outstanding, *pro rata*;

Nineteenth, to the Excess Obligations;

Twentieth, to the Reinstated Prepetition Obligations (other than the Qualified Reinstated Prepetition Obligations); and

Twenty-first, the balance, if any, to the Person lawfully entitled thereto (including the applicable Loan Party or its successors or assigns).

In the event that any such proceeds are insufficient to pay in full the items described in clauses First through Twenty-first of this Section 11.02(c), the Loan Parties shall remain liable for any deficiency. Amounts distributed with respect to any Secured Bank Product Obligations shall be the lesser of the maximum Secured Bank Product Obligations last reported to the Administrative Agent or the actual Secured Bank Product Obligations as calculated by the methodology reported to the Administrative Agent for determining the amount due. The Administrative Agent shall have no obligation to calculate the amount to be distributed with respect to any Secured Bank Product Obligations, and may request a reasonably detailed calculation of such amount from the applicable Secured Party. If a Secured Party fails to deliver such calculation within five (5) days following request by the Administrative Agent, the Administrative Agent may assume the amount to be distributed is zero.

Excluded Swap Obligations with respect to any Guarantor shall not be paid with amounts received from such Guarantor or its assets, but appropriate adjustments shall be made with respect to payments from other Loan Parties to preserve the allocation to Obligations otherwise set forth above in this Section.

Notwithstanding anything set forth above, if the Aggregate First Out Obligations exceed the Aggregate First Out Obligation Cap, any DIP ABL Obligations in excess of such amount, together with all

accrued interest or fees in respect of such excess amount (collectively, the "Excess Obligations") shall only be paid pursuant to the applicable waterfall provisions above.

ARTICLE 12 THE ADMINISTRATIVE AGENT

Section 12.01 Appointment and Authorization.

(a) Each of the Lenders hereby irrevocably appoints JPMCB to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article 12 (other than Sections 12.08, 12.10 and 12.11) are solely for the benefit of the Administrative Agent, the Issuing Banks and the Lenders, and neither the Lead Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions. At the request of the Administrative Agent, a Lender that cannot authorize or empower, or has not authorized or empowered, the Administrative Agent to act on its behalf, irrevocably undertakes before the Administrative Agent and the other Lenders, to appear and execute with the Administrative Agent to enable the Administrative Agent to exercise any right, power, authority or discretion vested in it as Administrative Agent pursuant to this Agreement and to execute any document or instrument.

(b) Each of the Lenders (on behalf of itself and its Affiliates, including in its capacity as Secured Bank Product Provider) hereby irrevocably appoints and authorizes the Collateral Agent to act as the agent and, to the extent relevant, security trustee of such Lender hereunder and under the other Loan Documents for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any Loan Party to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto, it being understood that the provisions of this Article 12 apply to the Collateral Agent in its capacity as such and references to Administrative Agent in the rest of this Article 12 shall be interpreted accordingly to include references to the Collateral Agent (including in the Collateral Agent's capacity as trustee of any trust under the Security Documents). The Collateral Agent and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent or Collateral Agent pursuant to Section 12.02 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Security Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent, shall be entitled to the benefits of all provisions of this Article 12 and Article 13 (including Section 13.01, as though such co-agents, sub-agents and attorneys-in-fact were the "Collateral Agent" or "security trustee" under the Loan Documents) as if set forth in full herein with respect thereto. Without limiting the generality of the foregoing, the Lenders hereby expressly authorize the Administrative Agent and/or the Collateral Agent to execute any and all documents (including releases) with respect to the Collateral and the rights of the Guaranteed Creditors with respect thereto, as contemplated by and in accordance with the provisions of this Agreement and the Security Documents and acknowledge and agree that any such action by any Agent shall bind the Lenders. Without limiting any other rights of the Collateral Agent under this Agreement or any other Loan Documents, in relation to the Swiss Security Documents the following shall apply:

(i) the Collateral Agent holds:

(1) any security constituted by such Swiss Security Document (but only in relation to an assignment or any other non-accessory (*nicht akzessorische*) security);

(2) the benefit of this paragraph (i); and

(3) any proceeds of such security;

as fiduciary (*treuhänderisch*) in its own name but for the account of all relevant Secured Parties which have the benefit of such security in accordance with the Loan Documents and the respective Swiss Security Document;

(ii) each present and future Secured Party hereby authorizes the Collateral Agent:

(1) acting for itself and in the name and for the account of such Secured Party to accept as its direct representative (*direkter Stellvertreter*) any Swiss law pledge or any other Swiss law accessory (*akzessorische*) security made or expressed to be made to such Secured Party in relation to the Swiss Security Documents, to hold, administer and, if necessary, enforce any such security on behalf of each relevant Secured Party which has the benefit of such security;

(2) to agree as its direct representative (*direkter Stellvertreter*) to amendments and alterations to any Swiss Security Document which creates a pledge or any other Swiss law accessory (*akzessorische*) security;

(3) to effect as its direct representative (*direkter Stellvertreter*) any release of a security interest created under a Swiss Security Document in accordance with this Agreement; and

(4) to exercise as its direct representative (*direkter Stellvertreter*) such other rights granted to the Collateral Agent hereunder, under the relevant Swiss Security Document;

(iii) the Collateral Agent, when acting in its capacity as creditor of each Parallel Debt Obligation holds:

(1) any Swiss law pledge or any other Swiss law accessory (akzessorische) security;

(2) any proceeds of such security; and

(3) the benefit of this paragraph and of the Parallel Debt,

as creditor in its own right but for the benefit of the Secured Parties in accordance with this Agreement.

(c) The Lenders hereby authorize the Administrative Agent and the Collateral Agent to enter into any arrangement or supplement thereto permitted under this Agreement without any further consent by any Lender and any such arrangement or supplemented thereto shall be binding upon the Lenders.

Section 12.02 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article 12 shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Section 12.03 Exculpatory Provisions. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing; additionally, each Lender agrees that it will not assert any claim against the Administrative Agent based on an alleged breach of fiduciary duty by the Administrative Agent in connection with this Agreement and/or the transactions contemplated hereby;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders or, in the case of the Revolving Credit Facility Matters, the Required Revolving Lenders (or, in each case, such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law;

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Lead Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity;

(d) shall not be liable to any Lender for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders or, in the case of the Revolving Credit Facility Matters, the Required Revolving Lenders (or, in each case, such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Article 11 and Section 13.12) or (ii) in the absence of its own gross negligence, bad faith or willful misconduct as determined by a court of competent jurisdiction in a final non-appealable judgment. The Administrative Agent shall be deemed not to have knowledge of any (i) notice of any of the events or circumstances set forth or described in Section 9.05 unless and until written notice thereof stating that it is a "notice under Section 9.05" in respect of this Agreement and identifying the specific clause under said Section is given to the Administrative Agent by the Lead Borrower, or (ii) notice of any Default or Event of Default unless and until written notice thereof (stating that it is a "notice of Default" or a "notice of an Event of Default") is given to the Administrative Agent by the Lead Borrower or a Lender;

(e) shall not be required to account to any Lender for any sum or the profit element of any sum received by the Administrative Agent for its own account;

(f) shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document (including, for the avoidance of doubt, in connection with the Administrative Agent's reliance on any Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page) or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Security Documents, (v) the value or the sufficiency of any Collateral, or (vi) the satisfaction of any condition set forth in Article 6 or elsewhere herein, other than to confirm receipt of items (which on their face purport to be such items)

expressly required to be delivered to the Administrative Agent. Notwithstanding anything herein to the contrary, the Administrative Agent shall not be liable for, or be responsible for any claim, liability, loss, cost or expense suffered by the Borrowers, any subsidiary, any Lender or any Issuing Bank as a result of, any determination of the Revolving Exposure, any of the component amounts thereof or any portion thereof attributable to each Lender or Issuing Bank, or any Spot Rate or Dollar Equivalent; and

Section 12.04 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrowers), independent accountants and other experts selected by it, and shall not be liable, in the absence of its own gross negligence, bad faith or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment) in selecting such counsel, accountants or other experts, for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 12.05 No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the Lead Arrangers, the Co-Syndication Agents or the Documentation Agent shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender hereunder.

Section 12.06 Non-reliance on Administrative Agent and Other Lenders. (a) Each Lender and each Issuing Bank represents and warrants that (i) the Loan Documents set forth the terms of a commercial lending facility, (ii) 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 or Issuing Bank, in each case in the ordinary course of business, and not for the purpose of purchasing, acquiring or holding any other type of financial instrument (and each Lender and each Issuing Bank agrees not to assert a claim in contravention of the foregoing), (iii) it has, independently and without reliance upon the Administrative Agent, any Lead Arranger, any Co-Syndication Agent, any Documentation Agent or any other Lender or Issuing Bank, or any of the Related Parties of any of the foregoing, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Loans hereunder and (iv) it is sophisticated with respect to decisions to make, acquire and/or hold commercial loans and to provide other facilities set forth herein, as may be applicable to such Lender or such Issuing Bank, 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 and each Issuing Bank also acknowledges that it will, independently and without reliance upon the Administrative Agent, any Lead Arranger, any Co-Syndication Agent, any Documentation Agent or any other Lender or Issuing Bank, or any of the Related Parties of any of the foregoing, and based on such documents and information (which may contain material, non-public information within the meaning of the United States securities laws concerning the Lead Borrower and its Affiliates) as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

(b) Each Lender, by delivering its signature page to this Agreement on the Effective Date, or delivering its signature page to an Assignment and Assumption or any other Loan Document pursuant to which it shall become a Lender hereunder, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be delivered to, or be approved by or satisfactory to, the Administrative Agent or the Lenders on the DIP Closing Date.

Section 12.07 Indemnification by the Lenders. To the extent that the Borrowers for any reason fail to pay any amount required under Section 13.01(a) to be paid by them to the Administrative Agent or the Collateral Agent (or any sub-agent thereof), or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent or the Collateral Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's *pro rata* share (based on the amount of then outstanding Loans held by each Lender or, if the Loans have been repaid in full, based on the amount of outstanding Loans held by each Lender immediately prior to such repayment in full) of (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent or the Collateral Agent (or any such sub-agent) in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent or the Collateral Agent (or any such sub-agent) in connection with such capacity; provided further that no Lender shall be liable for any of the foregoing to the extent any of the foregoing is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Administrative Agent or the Collateral Agent. The obligations of the Lenders under this Section 12.07 are subject to the provisions of Section 5.01.

Section 12.08 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Lead Borrower or any subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

Section 12.09 Administrative Agent May File Proofs of Claim; Credit Bidding. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or LC Exposure shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrowers) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, LC Exposure and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuing Banks and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Issuing Banks and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the Issuing Banks and the Administrative Agent under Article 6 and Section 13.01) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, interim receiver, assignee, trustee, monitor, liquidator, examiner, sequestrator, judicial manager, or other similar official in any such judicial proceeding

is hereby authorized by each Lender and each Issuing Bank to make such payments to the Administrative Agent and, if the Administrative Agent shall consent to the making of such payments directly to the Lenders and the Issuing Banks, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Article 6 and Section 13.01.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or any Issuing Bank any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or any Issuing Bank to authorize the Administrative Agent to vote in respect of the claim of any Lender or any Issuing Bank or in any such proceeding.

The Secured Parties hereby irrevocably authorize the Administrative Agent, at the direction of the Required Revolving Lenders (with respect to a credit bid of the DIP ABL Obligations) and/or the Required DIP Term Lenders (with respect to a credit bid of the DIP Term Obligations), as applicable, to credit bid all or any portion of the DIP ABL Obligations or the DIP Term Obligations, as applicable (including accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale or transfer thereof conducted under the provisions of the Bankruptcy Code of the United States, including under Sections 363, 725, or 1123 of the Bankruptcy Code of the United States, or any other Debtor Relief Laws or similar laws in any other jurisdictions to which a Loan Party is subject or (b) at any other sale or foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable law. In connection with any such credit bid and purchase (i) the DIP ABL Obligations shall be entitled to be, and shall be, credit bid on a ratable basis at the direction of the Required Revolving Lenders, (ii) the DIP Term Obligations shall be entitled to be, and shall be, credit bid on a ratable basis at the direction of the Required DIP Term Lenders, in each case, subject to the immediately succeeding clause (iii) and (iii) the DIP Term Obligations shall not be credit bid in connection with the purchase of any Collateral unless Full Senior Obligation Repayment, in each case, shall occur at the closing of such credit bid. Any credit bid described in the previous sentence shall be credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that would vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) in the asset or assets so purchased (or in the Equity Interests or debt instruments of the acquisition vehicle or vehicles that are used to consummate such purchase). In connection with any such bid (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles to make a bid, (ii) the Administrative Agent shall be authorized to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or Equity Interests thereof shall be governed, directly or indirectly, by the vote of the Required Revolving Lenders or Required DIP Term Lenders, as applicable, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in clauses (a)(i) through (a)(v) of Section 13.04 of this Agreement), and (iii) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of debt credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Lenders *pro rata* and the Equity Interests and/or debt instruments issued by any acquisition vehicle on account of the Obligations that had been assigned to the acquisition vehicle shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action.

Section 12.10 Resignation of the Agents.

(a) The Administrative Agent (including as Collateral Agent) and the Collateral Agent may at any time give notice of its resignation to the Lenders and the Borrowers. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, with the Lead Borrower's consent (other than during the existence of any Event of Default), 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 or, in the case of a Collateral Agent, such other third party providing agency services as may be acceptable to the Required Lenders and consented to by the Lead Borrower (other than during the existence of any Event of Default). If no such successor shall have been so appointed by the Required Lenders (and consented to by the Lead Borrower, to the extent so required) and shall have accepted such appointment within thirty (30) days after such retiring Agent gives notice of its resignation, then such retiring Agent may, with the Lead Borrower's consent (other than during the existence of any Event of Default), on behalf of the Lenders, appoint a successor Agent meeting the qualifications set forth above; provided that if the Administrative Agent shall notify the Borrowers and the Lenders that no qualifying Person has accepted such appointment within such period, then such resignation shall nonetheless become effective in accordance with such notice and (a) such retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by such retiring Agent on behalf of the Lenders under any of the Loan Documents, then such retiring Agent shall continue to hold such collateral security solely for purposes of maintaining the Secured Parties' security interest thereon until such time as a successor Agent is appointed) and (b) all payments, communications and determinations provided to be made by, to or through such retiring Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders (with the consent of the Lead Borrower, to the extent so required) appoint a successor Agent as provided for above in this Section 12.10. Upon the acceptance of a successor's appointment hereunder (which, in the case of any third party providing services as a Collateral Agent hereunder may require the entry into such customary documentation reasonably satisfactory to the Lead Borrower as such third party provider shall require, including without limitation in certain jurisdictions a security trust deed or similar arrangement), such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of such retiring Agent, and such retiring Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). After such retiring Agent's resignation hereunder and under the other Loan Documents (including without limitation pursuant to clause (c) below), the provisions of this Section 12 and Section 13.01 shall continue in effect for the benefit of such retiring 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 such retiring Agent was acting as an Agent hereunder.

(b) Any resignation by JPMCB as administrative agent pursuant to this Section 12.10 shall also constitute its resignation as lender of the Swingline Loans to the extent that JPMCB is acting in such capacity at such time. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring lender of the Swingline Loans and (ii) the retiring lender of the Swingline Loans shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents.

(c) Upon the occurrence of (x) Full Senior Obligation Repayment or (y) the exercise of Purchase Option by the DIP Term Lenders, at the written request of the Required DIP Term Lenders, the Administrative Agent and the Collateral Agent shall resign and the Required DIP Term Lenders may appoint a successor reasonably satisfactory to the Lead Borrower (which consent shall not be required to the extent any Event of Default has occurred and is then continuing).

Section 12.11 Collateral Matters and Guarantee Matters. The Lenders and the other Secured Parties (by virtue of their acceptance of the benefits of the Loan Documents) authorize the Collateral Agent

to release any Collateral or Guarantors in accordance with Section 13.18. The Administrative Agent and the Collateral Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's and the Collateral Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

Section 12.12 Bank Product Providers. Each Secured Bank Product Provider, by delivery of a notice substantially in the form of Exhibit D to the Administrative Agent of such agreement, agrees to be bound by this Article 12. Each such Secured Bank Product Provider shall indemnify and hold harmless the Administrative Agent and the Collateral Agent, to the extent not reimbursed by the Loan Parties, against all claims that may be incurred by or asserted against the Administrative Agent and the Collateral Agent in connection with such provider's Secured Bank Product Obligations.

Section 12.13 Withholding Taxes. To the extent required by any applicable Requirement of Law, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding Tax. If the IRS or any authority of the United States or any 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), such Lender shall indemnify the Administrative Agent (to the extent that the Administrative Agent has not already been reimbursed by any applicable Loan Party and without limiting the obligation of any applicable Loan Party to do so) fully for all amounts paid, directly or indirectly, by the Administrative Agent as Tax or otherwise, including penalties, fines, 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 Loan Document against any amount due to the Administrative Agent under this Section 12.13. For purposes of this Section 12.13, the term "Lender" shall include any Issuing Bank and the Swingline Lender. This Section 12.13 shall survive the execution, delivery and termination of this Agreement and the Notes and the making and repayment of the Obligations.

Section 12.14 Australian Security Trust Deed. Each Secured Party hereby:

(a) Upon the execution of the Australian Security Trust Deed, the Secured Parties appoint the Australian Security Trustee under the terms of the Australian Security Trust Deed to act as its trustee under and in relation to the Australian Security Documents and to hold the assets subject to the security thereby created as trustee for the Secured Creditors on trust and on the terms contained in the Australian Security Documents and each Secured Creditor authorizes the Australian Security Trustee under the terms of the Australian Security Trust Deed to exercise such rights, remedies, powers and discretions as are specifically delegated to Australian Security Trustee by the terms of the Australian Security Documents, together with all such rights, remedies, powers and discretions as are incidental thereto and Australian Security Trustee hereby accepts that appointment.

(b) Each Secured Party:

(i) acknowledges that they are aware of, and consent to, the terms of the Australian Security Trust Deed;

(ii) agrees to comply with and be bound by the Australian Security Trust Deed as a Beneficiary (as that term is defined in the Australian Security Trust Deed);

(iii) acknowledges that it has received a copy of the Australian Security Trust Deed together with the other information which it has required in connection with the Australian Security Trust Deed and this Agreement;

(iv) without limiting the general application of paragraph (i) above, acknowledges and agrees as specified in clause 5.12 (Independent decisions by Beneficiaries) of the Australian Security Trust Deed and provides the indemnities as specified in clause 10.3 (Indemnity by Beneficiaries) of the Australian Security Trust Deed; and

(v) without limiting the general application of paragraph (i) above, for consideration received, irrevocably appoints as its attorney each person who under the terms of the Australian Security Trust Deed is appointed an attorney of a Beneficiary (as defined in the Australian Security Trust Deed) on the same terms and for the same purposes as contained in the Australian Security Trust Deed.

(c) This Section is executed as a deed poll in favor of the Australian Security Trustee and each Beneficiary (as defined in the Australian Security Trust Deed) from time to time. The law of New South Wales governs this Section 12.14 and the parties submit to the non-exclusive jurisdiction of the courts of New South Wales and of the Commonwealth of Australia in relation to this Section 12.14.

Section 12.15 Parallel Debt Undertaking.

(a) In order to ensure the continuing validity and enforceability of the Liens expressed to be created under the Security Documents governed by Dutch law, each Loan Party hereby irrevocably and unconditionally undertakes (the resulting liabilities and obligations under that undertaking in respect of any amount, a "Parallel Debt Obligation" and in respect of all of them, the "Parallel Debt Obligations") to pay to the Collateral Agent amounts equal to, and in the currency of, all amounts from time to time due and payable by any Loan Party to any Secured Party under the Obligations as and when the same fall due for payment under the Obligations.

(b) Each Parallel Debt Obligation shall be separate from and independent of the corresponding Obligation, so that the Collateral Agent will have its own independent right to demand payment of the Parallel Debt Obligation.

(c) The Parallel Debt Obligations shall be owed to the Collateral Agent in its own name and not as agent or representative of the Secured Parties.

(d) Other than as set out in paragraph (e) below, the Parallel Debt Obligations shall not limit or affect the existence of the Obligations, for which the Secured Parties shall have an independent right to demand performance.

(e) The rights of the Secured Parties to receive payment of the Obligations are several from the rights of the Collateral Agent to receive payment of the Parallel Debt Obligations, provided that:

(i) payment by a Loan Party of its Parallel Debt Obligations in accordance with this Section 12.15 shall to the same extent decrease and discharge the corresponding Obligations owing to the Secured Parties; and

(ii) payment by a Loan Party of its Obligations in accordance with the Obligations shall to the same extent decrease and discharge the corresponding Parallel Debt Obligations.

Section 12.16 [reserved].

Section 12.17 [reserved].

Section 12.18 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, the Lead Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of any Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of the Plan Asset Regulations) of one or more Plans in connection with the Loans, the Letters of Credit or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(f) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, the Lead Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Lead Borrower or any other Loan Party, that none of the Administrative Agent, the Lead Arrangers, any Co-Syndication Agent, the Documentation Agent or any of their respective Affiliates is a fiduciary with respect to the Collateral or the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related to hereto or thereto).

(g) The Administrative Agent, each Lead Arranger, each Co-Syndication Agent and the Documentation Agent hereby informs the Lenders that each such Person is not undertaking to provide investment advice or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments, this Agreement and any other Loan Documents (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

ARTICLE 13 MISCELLANEOUS

Section 13.01 Payment of Expenses, Etc.

(a) The Loan Parties hereby jointly and severally agree, from and after the DIP Closing Date, to: (i) pay all reasonable, documented and invoiced out-of-pocket costs and expenses of the Agents, the Prepetition Agent and Issuing Banks (limited, in the case of legal expenses, to the reasonable fees and disbursements of one primary counsel to all Agents, Prepetition Agent and Issuing Banks and, if reasonably necessary, one local counsel in any relevant jurisdiction (which may include a single firm of counsel acting in multiple jurisdictions) and specifically including, but not limited to, special counsel to the Agents and Prepetition Agent as to the laws of Missouri) in connection with (w) the Chapter 11 Cases, (x) the preparation, execution and delivery of this Agreement and the other Loan Documents and the documents and instruments referred to herein and therein, (y) the administration hereof and thereof and any amendment, waiver or consent relating hereto or thereto (whether or not effective) and (z) their syndication efforts with respect to this Agreement and any registration fees; (ii) pay all reasonable, documented and invoiced out-of-pocket costs and expenses of the Agents, the Prepetition Agent, each Lender and each Issuing Bank (including court clerk fees (even if their intervention is not mandatory), court costs and any sworn translation costs and together with any applicable VAT) in connection with the enforcement of this Agreement and the other Loan Documents, the Prepetition Credit Agreement and the other Loan Documents (as defined in the Prepetition Credit Agreement) and the documents and instruments referred to herein and therein or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "work-out" or pursuant to any insolvency or bankruptcy proceedings (limited, in the case of legal expenses, to one primary counsel to all Agents, the Prepetition Agent, Lenders and Issuing Banks to be retained by the Administrative Agent and Prepetition Agent and, if reasonably necessary, one local counsel in any relevant jurisdiction (which may include a single firm of counsel acting in multiple jurisdictions) (specifically including, but not limited to, special counsel to the Agents and the Prepetition Agent as to the laws of Missouri) and, in the case of an actual or perceived conflict of interest where any Indemnified Person affected by such conflict informs the Lead Borrower of such conflict, of a single additional firm of counsel and, if reasonably necessary, one local counsel in any relevant jurisdiction (which may include a single firm of counsel acting in multiple jurisdictions), in each case for all similarly situated affected Indemnified Persons); and (iii) indemnify each Agent, the Prepetition Agent and each Lender, each Issuing Bank and their respective Affiliates, and the officers, directors, employees, agents, trustees, representatives and investment advisors of each of the foregoing (each, an "Indemnified Person") from and hold each of them harmless against any and all liabilities, obligations (including removal or remedial actions), losses, damages, penalties, claims, actions, judgments, suits, costs, expenses and disbursements (including reasonable attorneys' and consultants' fees and disbursements) incurred by,

imposed on or assessed against any of them as a result of, or arising out of, or in any way related to, or by reason of, (a) any investigation, litigation or other proceeding (whether or not any Agent, the Prepetition Agent, any Issuing Bank or any Lender is a party thereto and whether or not such investigation, litigation or other proceeding is brought by or on behalf of any Loan Party) related to the Chapter 11 Cases, the entering into and/or performance of this Agreement, any other Loan Document or the Prepetition Credit Agreement or any other Loan Document (as defined in the Prepetition Credit Agreement), the issuance of any Letter of Credit or the proceeds of any Loans or Letters of Credit hereunder or the consummation of the Transaction or any other transactions contemplated herein or in any other Loan Document or the exercise of any of their rights or remedies provided herein or in the other Loan Documents, or (b) the actual or alleged presence of Hazardous Materials in the Environment relating in any way to any Real Property owned, leased or operated, at any time, by the Lead Borrower or any of its subsidiaries; the generation, storage, transportation, handling, Release or threat of Release of Hazardous Materials by the Lead Borrower or any of its subsidiaries at any location, whether or not owned, leased or operated by the Lead Borrower or any of its subsidiaries; the non-compliance by the Lead Borrower or any of its subsidiaries with any Environmental Law (including applicable permits thereunder) applicable to any Real Property; or any Environmental Claim asserted against the Lead Borrower, any of its subsidiaries or relating in any way to any Real Property at any time owned, leased or operated by the Lead Borrower or any of its subsidiaries, including, in each case, without limitation, the reasonable fees and disbursements of counsel and other consultants incurred in connection with any such investigation, litigation or other proceeding, in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory or sole negligence of the Indemnified Person (but excluding in each case (and each Indemnified Person, by accepting the benefits hereof, agrees to promptly refund or return any indemnity received hereunder to the extent it is later determined by a final, non-appealable judgment of a court of competent jurisdiction that such Indemnified Person is not entitled thereto) any losses, liabilities, claims, damages or expenses (i) to the extent incurred by reason of the gross negligence, bad faith or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment) of the applicable Indemnified Person, any Affiliate of such Indemnified Person or any of their respective directors, officers, employees, representatives, agents, Affiliates, trustees or investment advisors, (ii) to the extent incurred by reason of any material breach of the obligations of such Indemnified Person under this Agreement, the other Loan Documents, the Prepetition Credit Agreement or the other Loan Documents (as defined in the Prepetition Credit Agreement) (in the case of each of preceding clauses (i) and (ii), as determined by a court of competent jurisdiction in a final and non-appealable decision) or (iii) that do not involve or arise from an act or omission by the Lead Borrower or Guarantors or any of their respective affiliates and is brought by an Indemnified Person (other than claims against any Agent or the Prepetition Agent solely in its capacity as such or in its fulfilling such role)). To the extent that the undertaking to indemnify, pay or hold harmless any Agent, the Prepetition Agent, any Issuing Bank or any Lender or other Indemnified Person set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, the Loan Parties shall make the maximum contribution to the payment and satisfaction of each of the indemnified liabilities which is permissible under applicable law.

(b) No Agent, nor the Prepetition Agent nor any Indemnified Person shall be responsible or liable to any Loan Party or any other Person for (x) any determination made by it pursuant to this Agreement or any other Loan Document in the absence of gross negligence, bad faith or willful misconduct on the part of such Indemnified Person (in each case, as determined by a court of competent jurisdiction in a final and non-appealable judgment) or (y) any damages arising from the use by others of information or other materials obtained through electronic, telecommunications or other information transmission systems.

(c) No party hereto (and no Indemnified Person or any Subsidiary or Affiliate of any Borrower) shall be responsible to any other party hereto (or any Indemnified Person or any Subsidiary or Affiliate of any Borrower) for any indirect, special, exemplary, incidental, punitive or consequential damages (including, without limitation, any loss of profits, business or anticipated savings) which may be

alleged as a result of this Agreement or any other Loan Document or the financing contemplated hereby; provided that nothing in this Section 13.01(c) shall limit the Loan Parties' indemnity obligations to the extent that such indirect, special, punitive or consequential damages are included in any claim by a third party unaffiliated with any Indemnified Person with respect to which the applicable Indemnified Person is entitled to indemnification under Section 13.01(a).

(d) This Section 13.01 shall not apply to any Taxes (other than Taxes that represent liabilities, obligations, losses, damages, penalties, actions, costs, expenses and disbursements arising from a non-Tax claim).

Section 13.02 Right of Set-off.

(a) In addition to any rights now or hereafter granted under applicable law or otherwise, and not by way of limitation of any such rights, upon the occurrence and during the continuance of an Event of Default, the Administrative Agent, each Issuing Bank and each Lender is hereby authorized at any time or from time to time, without presentment, demand, protest or other notice of any kind to any Loan Party or to any other Person, any such notice being hereby expressly waived, to set off and to appropriate and apply any and all deposits (general or special) (other than accounts used exclusively for payroll, payroll taxes, fiduciary and trust purposes, and employee benefits) and any other Indebtedness at any time held or owing by the Administrative Agent, such Issuing Bank or such Lender (including, without limitation, by branches and agencies of the Administrative Agent or such Lender wherever located) to or for the credit or the account of the Lead Borrower or any of its subsidiaries against and on account of the Obligations and liabilities of the Loan Parties to the Administrative Agent, such Issuing Bank or such Lender under this Agreement or under any of the other Loan Documents, including, without limitation, all claims of any nature or description arising out of or connected with this Agreement or any other Loan Document, irrespective of whether or not the Administrative Agent, such Issuing Bank or such Lender shall have made any demand hereunder and although said Obligations, liabilities or claims, or any of them, shall be contingent or unmatured. The Administrative Agent, each Lender and each Issuing Bank agrees to notify the Lead Borrower and the Administrative Agent promptly after the exercise of such set-off rights; provided that the failure to give such notice shall not affect the validity of such setoff and application.

(b) NOTWITHSTANDING THE FOREGOING SUBSECTION (A), AT ANY TIME THAT THE LOANS OR ANY OTHER OBLIGATION SHALL BE SECURED BY REAL PROPERTY LOCATED IN CALIFORNIA, NO ISSUING BANK OR LENDER SHALL EXERCISE A RIGHT OF SET-OFF, LIEN OR COUNTERCLAIM OR TAKE ANY COURT OR ADMINISTRATIVE ACTION OR INSTITUTE ANY PROCEEDING TO ENFORCE ANY PROVISION OF THIS AGREEMENT OR ANY NOTE UNLESS IT IS TAKEN WITH THE CONSENT OF THE REQUIRED LENDERS OR APPROVED IN WRITING BY THE ADMINISTRATIVE AGENT, IF SUCH SET-OFF OR ACTION OR PROCEEDING WOULD OR MIGHT (PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 580a, 580b, 580d AND 726 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE OR SECTION 2924 OF THE CALIFORNIA CIVIL CODE, IF APPLICABLE, OR OTHERWISE) AFFECT OR IMPAIR THE VALIDITY, PRIORITY OR ENFORCEABILITY OF THE LIENS GRANTED TO THE COLLATERAL AGENT PURSUANT TO THE SECURITY DOCUMENTS OR THE ENFORCEABILITY OF THE NOTES AND OTHER OBLIGATIONS HEREUNDER, AND ANY ATTEMPTED EXERCISE BY ANY ISSUING BANK OR ANY LENDER OF ANY SUCH RIGHT WITHOUT OBTAINING SUCH CONSENT OF THE REQUIRED LENDERS OR THE ADMINISTRATIVE AGENT SHALL BE NULL AND VOID. THIS SUBSECTION (B) SHALL BE SOLELY FOR THE BENEFIT OF EACH ISSUING BANK, EACH OF THE LENDERS AND THE ADMINISTRATIVE AGENT HEREUNDER.

Section 13.03 Notices.

(a) Except as otherwise expressly provided herein, all notices and other communications provided for hereunder shall be in writing and emailed: if to any Loan Party, at its address specified on Schedule 13.03; if to any Lender, at its address specified on Schedule 13.03 or in writing to the Administrative Agent; and if to the Administrative Agent, at the Notice Office; or, as to any Loan Party or the Administrative Agent, at such other address as shall be designated by such party in a written notice to the other parties hereto and, as to each Lender, at such other address as shall be designated by such Lender in its Administrative Questionnaire.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article 2 unless otherwise agreed by the Administrative Agent. Each of the Administrative Agent and the Lead Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided further that, for both clauses (i) and (ii) above, if such notice, e-mail or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

Section 13.04 Benefit of Agreement; Assignments; Participations, Etc.

(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 (including any Affiliate of any Issuing Bank that issues any Letter of Credit), except that (i) no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by a 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. 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 (including any Affiliate of any Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Banks and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph 13.04(b)(ii) below, any Lender may assign to one or more Eligible Transferees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment, participations in Letters of Credit and the Loans at the time owing to it) with:

(A) the prior written consent (such consent not to be unreasonably withheld) of the Lead Borrower; provided that the Lead Borrower shall be deemed to have consented to an assignment unless it shall have objected thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof; provided further that no consent of the Lead Borrower shall be required for an assignment to a Lender, an

Affiliate of a Lender, an Approved Fund or if any Event of Default has occurred and is continuing, any other Eligible Transferee (it being understood that, in the event of any assignment made without the Lead Borrower's consent, the assigning Lender shall provide written notice thereof to the Lead Borrower prior to, or promptly after, such assignment);

(B) the prior written consent (such consent not to be unreasonably withheld) of the Administrative Agent; provided that no consent of the Administrative Agent shall be required for an assignment to a Lender, an Affiliate of a Lender or an Approved Fund;

(C) the prior written consent (such consent not to be unreasonably withheld) of each applicable Issuing Bank; provided that no consent of any Issuing Bank shall be required for an assignment (I) from a Lender to its Affiliate or (II) for an assignment of DIP Term Loans; and

(D) the prior written consent (such consent not to be unreasonably withheld) of the Swingline Lender; provided that no consent of the Swingline Lender shall be required for an assignment (I) from a Lender to its Affiliate or (II) for an assignment of DIP Term Loans.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender 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 Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 (or, in the case of DIP Term Loans or DIP Term Commitments, $1,000,000) unless each of the Lead Borrower and the Administrative Agent otherwise consent; provided that no such consent of the Lead Borrower shall be required if any Event of Default has occurred and is continuing;

(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 shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of Commitments or Loans of a single class, other than as set forth in clause (C) below;

(C) [reserved];

(D) the parties to each assignment shall execute and deliver to the Administrative Agent (x) an Assignment and Assumption or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to a Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants), together with the payment by the assignee of a processing and recordation fee of $3,500;

(E) [reserved];

(F) the assignee shall not be, in the case of an assignment of Revolving Loans or Revolving Commitments, a DIP Term Lender other than pursuant to the terms of Section 15.01;

(G) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Loan Parties and their related parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws;

(H) notwithstanding anything to the contrary in this Section 13.04 or elsewhere in this Agreement, the consent of each Swiss Borrower shall, so long as no Event of Default has occurred and is continuing, be required (such consent not to be unreasonably withheld or delayed) for an assignment or participation to an assignee or Participant that is a Swiss Non-Qualifying Lender; provided, however, that such a consent shall not be required by any Swiss Borrower, if, taking into consideration the contemplated assignment or participation, the number of Lenders or Participants, as applicable, that are Swiss Non-Qualifying Lenders, does not and will not exceed ten (10); and

(I) notwithstanding anything to the contrary in this Section 13.04 or elsewhere in this Agreement, any DIP Term Lender that is the Stalking Horse Bidder or an Affiliate of the Stalking Horse Bidder will not be permitted to assign or otherwise transfer its DIP Term Commitments or any DIP Term Loans to any Person that is not the Stalking Horse Bidder or an Affiliate of the Stalking Horse Bidder until and unless: (x) it has funded Interim DIP Term Loans on the Interim DIP Term Funding Date in an amount equal to the Interim DIP Term Amount and (y) it has funded DIP Term Loans on the DIP Term Loan Closing Date in an amount equal to the Closing Date DIP Term Amount.

(iii) Subject to acceptance and recording thereof pursuant to clause 13.04(b)(iv) below, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.01, 3.02, 5.01 and 13.01). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 13.04 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) below.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrowers, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount (and stated interest) of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent demonstrable error, and the Borrowers, the

Administrative Agent, the Issuing Banks and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers, any Lender, as to its own positions only, and any Issuing Bank, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of (x) a duly completed Assignment and Assumption executed by an assigning Lender and an assignee or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to a Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants), the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in clause (b)(ii)(D) above and any written consent to such assignment required by clause 13.04(b)(i) above, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to this Agreement, the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this clause (v).

(c) Any Lender may, without the consent of any Borrower, the Administrative Agent, the Issuing Banks or the Swingline Lender, sell participations to one or more Eligible Transferees (a "Participant"), in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans (including participations in Letters of Credit) 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; (C) the Borrowers, the Administrative Agent, the Issuing Banks and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement; (D) [reserved]; and (E) in respect of a participation of Revolving Commitments or Revolving Loans, such Participant shall not be a DIP Term 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 enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that requires the consent of each Lender or each adversely affected Lender and that directly affects such Participant. Each Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01 and 5.01 (subject to the requirements and limitations therein (it being understood that the documentation required under Section 5.01 shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section 13.04; provided that such Participant (A) agrees to be subject to the provisions of Section 3.03 as if it were an assignee under clause (b) of this Section; and (B) shall not be entitled to receive any greater payment under Section 3.01 or 5.01, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrowers to effectuate the provisions of Section 3.04 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 13.02 as though it were a Lender; provided that such Participant agrees to be subject to Section 3.03 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated

interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) to any Person except to the extent such disclosure is necessary to establish that such Commitments, Loans, Letters of Credit or other obligation is in registered form under Section 5f.103-1(c) or Proposed Section 1.163-5(b) of the United States Treasury Regulations (or, in each case, any amended or successor version). The entries in the Participant Register shall be conclusive absent demonstrable error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) [reserved].

(e) Nothing in this Agreement shall prevent or prohibit any Lender from pledging its Loans and Notes hereunder to a Federal Reserve Bank or any central banking authority in support of borrowings made by such Lender from such Federal Reserve Bank or any such central banking authority and, with prior notification to the Administrative Agent (but without the consent of the Administrative Agent or the Borrowers), any Lender which is a fund may pledge all or any portion of its Loans and Notes to its trustee or to a collateral agent providing credit or credit support to such Lender in support of its obligations to such trustee, such collateral agent or a holder of such obligations hereunder, as the case may be. No pledge pursuant to this clause (e) shall release the transferor Lender from any of its obligations hereunder (to include, for the avoidance of doubt, in case of an enforcement of such pledge, the limitations pursuant to clause (b)(ii)(H) above) or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) [reserved].

(g) [reserved].

(h) [reserved].

(i) [reserved].

(j) Each Lender acknowledges and agrees to comply with the provisions of this Section 13.04 applicable to it as a Lender hereunder.

Section 13.05 No Waiver; Remedies Cumulative. No failure or delay on the part of the Administrative Agent, the Collateral Agent or any Lender in exercising any right, power or privilege hereunder or under any other Loan Document and no course of dealing between the Borrowers or any other Loan Party and the Administrative Agent, the Collateral Agent or any Lender shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or under any other Loan Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The rights, powers and remedies herein or in any other Loan Document expressly provided are cumulative and not exclusive of any rights, powers or remedies which the Administrative Agent, the Collateral Agent or any Lender would otherwise have. No notice to or demand on any Loan Party in any case shall entitle any Loan Party to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Administrative Agent, the Collateral Agent or any Lender to any other or further action in any circumstances without notice or demand.

Section 13.06 Exclusions of the Australian PPSA; Australian PPSA Further Assurances.

(a) Where any Secured Party has a security interest (as defined in the Australian PPSA) under any Loan Document, to the extent the law permits:

(i) for the purposes of sections 115(1) and 115(7) of the Australian PPSA:

(1) each Secured Party with the benefit of the security interest need not comply with sections 95, 118, 121(4), 125, 130, 132(3)(d) or 132(4) of the Australian PPSA; and

(2) sections 142 and 143 of the Australian PPSA are excluded;

(ii) for the purposes of section 115(7) of the Australian PPSA, each Secured Party with the benefit of the security interest need not comply with sections 132 and 137(3);

(iii) each Party waives its right to receive from any Secured Party any notice required under the Australian PPSA (including a notice of a verification statement);

(iv) if a Secured Party with the benefit of a security interest exercises a right, power or remedy in connection with it, that exercise is taken not to be an exercise of a right, power or remedy under the Australian PPSA unless the Secured Party states otherwise at the time of exercise. However, this clause does not apply to a right, power or remedy which can only be exercised under the Australian PPSA; and

(v) if the Australian PPSA is amended to permit the Parties to agree not to comply with or to exclude other provisions of the PPSA, the Administrative Agent may notify the Lead Borrower and the Secured Parties that any of these provisions is excluded, or that the Secured Parties need not comply with any of these provisions.

This clause (a) does not affect any rights a person has or would have other than by reason of the Australian PPSA and applies despite any other clause in any Loan Document.

(b) Whenever the Administrative Agent or the Australian Security Trustee reasonably requests a Loan Party to take an action to ensure any Loan Document (or any security interest (as defined in the Australian PPSA) is fully effective, enforceable and perfected with the contemplated priority, for more satisfactorily assuring or securing to the Loan Parties the property the subject of any such security interest or other Security in a manner consistent with the Loan Documents or for aiding the exercise of any power in any Loan Document, the Loan Party shall do it promptly at its own cost. Such actions may include obtaining consents, signing documents, getting documents completed and signed and supplying information, delivering documents and evidence of title and executed blank transfers, or otherwise giving possession or control with respect to any property the subject of any security interest.

Section 13.07 Distributable Reserves. Nothing in this Agreement or any other Loan Document will prevent any of the Lead Borrower, any other Borrower or any of the Subsidiaries from reducing its company capital in any way permitted by applicable law and the Lenders hereby consent to any such reduction of company capital and, without limiting the foregoing, consent to and agree not to object to any such reduction of company capital by way of court or other procedure required to implement any such reduction of company capital. Notwithstanding the foregoing, nothing in this Section 13.07 shall diminish the applicability of the covenants contained in Article 10 hereof.

Section 13.08 GOVERNING LAW; SUBMISSION TO JURISDICTION; VENUE; WAIVER OF JURY TRIAL; PROCESS AGENT.

(a) THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL, EXCEPT AS OTHERWISE PROVIDED IN THE RELEVANT SECURITY DOCUMENT, BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK AND, TO THE EXTENT APPLICABLE, THE BANKRUPTCY COURT. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT THAT, (X) IN THE CASE OF ANY MORTGAGE OR OTHER SECURITY DOCUMENT, PROCEEDINGS MAY ALSO BE BROUGHT BY THE ADMINISTRATIVE AGENT OR COLLATERAL AGENT IN THE STATE IN WHICH THE RELEVANT MORTGAGED PROPERTY OR COLLATERAL IS LOCATED OR ANY OTHER RELEVANT JURISDICTION, (Y) IN THE CASE OF ANY SPECIFIED FOREIGN LOAN DOCUMENT, LEGAL ACTIONS AND PROCEEDINGS MAY BE BROUGHT AS SPECIFIED THEREIN AND (Z) IN THE CASE OF ANY BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDINGS WITH RESPECT TO ANY LOAN PARTY, ACTIONS OR PROCEEDINGS RELATED TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS MAY BE BROUGHT IN SUCH COURT HOLDING SUCH BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDINGS, INCLUDING, IN THE CASE OF THE DEBTORS, THE BANKRUPTCY COURT) MAY ONLY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, IN EACH CASE WHICH ARE LOCATED IN THE COUNTY OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, EACH OF THE PARTIES HERETO OR THERETO HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH PARTY HERETO HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH COURTS LACK PERSONAL JURISDICTION OVER IT, AND AGREES NOT TO PLEAD OR CLAIM, IN ANY LEGAL ACTION PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENTS BROUGHT IN ANY OF THE AFOREMENTIONED COURTS, THAT SUCH COURTS LACK PERSONAL JURISDICTION OVER IT. EACH PARTY HERETO IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID AT SUCH PARTY'S ADDRESS SET FORTH IN SECTION 13.03, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. EACH PARTY HERETO IRREVOCABLY WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER OR UNDER ANY OTHER LOAN DOCUMENT THAT SERVICE OF PROCESS WAS IN ANY WAY INVALID OR INEFFECTIVE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR ANY RIGHT THAT ANY AGENT, ANY ISSUING BANK OR ANY LENDER MAY OTHERWISE HAVE TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY LOAN PARTY OR ITS PROPERTIES IN ANY OTHER JURISDICTION.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT BROUGHT IN THE COURTS REFERRED TO IN CLAUSE (a) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR

COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

(d) Each Loan Party party hereto irrevocably and unconditionally appoints the Lead Borrower, with an office on the date hereof at 12301 W. Wirth Street, Wauwatosa, Wisconsin 53222, and its successors hereunder (in each case, the "Process Agent"), as its agent to receive on behalf of each such Loan Party and its property all writs, claims, process, and summonses in any action or proceeding brought against it in the State of New York; provided that to the extent the Process Agent is incorporated or organized under the laws of any jurisdiction other than the United States of America, any state thereof or the District of Columbia, the Process Agent agrees to maintain an office in the United States (which may be effected through a sub-agent) for service of process. Such service may be made by mailing or delivering a copy of such process to the respective Loan Party in care of the Process Agent at the address specified above for the Process Agent, and such Loan Party irrevocably authorizes and directs the Process Agent to accept such service on its behalf. Failure by the Process Agent to give notice to the respective Loan Party, or failure of the respective Loan Party, to receive notice of such service of process shall not impair or affect the validity of such service on the Process Agent or any such Loan Party, or of any judgment based thereon. Each Loan Party party hereto covenants and agrees that it shall take any and all reasonable action, including the execution and filing of any and all documents, that may be necessary to continue the designation of the Process Agent above in full force and effect, and to cause the Process Agent to act as such. Nothing herein shall in any way be deemed to limit the ability to serve any such writs, process or summonses in any other manner permitted by applicable law.

Section 13.09 Counterparts; Integration; Effectiveness; Electronic Execution. (a) This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to (i) fees payable to the Administrative Agent and (ii) the reductions of the Letter of Credit Commitment of any Issuing Bank constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 6.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(b) Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any other Loan Document and/or (z) any document, amendment, approval, consent, information, notice (including, for the avoidance of doubt, any notice delivered pursuant to Section 13.03), certificate, request, statement, disclosure or authorization related to this Agreement, any other Loan Document and/or the transactions contemplated hereby and/or thereby (each an "Ancillary Document") that is an Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such other Loan Document or such Ancillary Document, as applicable. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement, any other Loan Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; provided that nothing herein shall require the Administrative Agent to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; provided, further, without limiting the foregoing, (i) to the extent

the Administrative Agent has agreed to accept any Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of the Lead Borrower or any other Loan Party without further verification thereof and without any obligation to review the appearance or form of any such Electronic signature and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by a manually executed counterpart. Without limiting the generality of the foregoing, the Lead Borrower and each Loan Party hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders and the Lead Borrower and the Loan Parties, Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement, any other Loan Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (ii) the Administrative Agent and each of the Lenders may, at its option, create one or more copies of this Agreement, any other Loan Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (iii) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such other Loan Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (iv) waives any claim against any Lender-Related Person for any Liabilities arising solely from the Administrative Agent's and/or any Lender's reliance on or use of Electronic Signatures and/or transmissions by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page, including any Liabilities arising as a result of the failure of the Lead Borrower and/or any Loan Party to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

Section 13.10 [reserved].

Section 13.11 Headings Descriptive. The headings of the several Sections and subsections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

Section 13.12 Amendment or Waiver; Etc.

(a) Except as expressly contemplated below in this Section 13.12, neither this Agreement or any Loan Document nor any terms hereof or thereof may be changed, waived, discharged or terminated unless such change, waiver, discharge or termination is in writing signed by the Loan Parties party hereto or thereto, the Administrative Agent and the Required Lenders, or the Administrative Agent with the written consent of the Required Lenders, provided that no such change, waiver, discharge or termination shall:

(i) without the prior written consent of each Lender (and Issuing Bank, if applicable) directly and adversely affected thereby, extend the final scheduled maturity of any Commitment or Loan, or reduce the rate or extend the time of payment of interest or fees thereon or reduce or forgive the principal amount thereof; provided that the default interest rate specified in Section 2.06(b) may be postponed, delayed, reduced, waived or modified with the consent of (x) the Required Revolving Lenders in respect of interest rates under the DIP ABL Facilities and (y) the Required DIP Term Lenders in respect of interest rates under the DIP Term Facility (and, in each case, not, for the avoidance of doubt, the Required Lenders);

(ii) except as otherwise expressly provided in Section 15.02, release all or substantially all of the Collateral under all the Security Documents without the prior written consent of each Lender;

(iii) except as otherwise provided in Section 15.02, release all or substantially all of the value of the Guarantees by the Guarantors without the prior written consent of each Lender;

(iv) amend, modify or waive any *pro rata* sharing provision of Section 2.10, the payment waterfall provisions of Section 11.02, or any provision of this Section 13.12, in each case, without the prior written consent of each Lender;

(v) amend the definitions of Required Lenders, Required Revolving Lenders, Required DIP Term Lenders or Supermajority Lenders without the prior written consent of each Lender;

(vi) amend Section 1.04 or the definition of "Alternative Currency" in a manner that could cause any Lender to be required to lend Loans in an additional currency without the written consent of such Lender;

(vii) consent to the assignment or transfer by (A) the Lead Borrower of any of its rights and obligations under this Agreement without the written consent of each Lender and (B) any Borrower under the Revolving Facility of any of its rights and obligations under the Revolving Facility without the consent of each Revolving Lender;

(viii) (A) amend, modify or waive any condition set forth in Section 6.02 or Section 6.03 (as it pertains to the funding of the DIP Term Loans) without the consent of the Required DIP Term Lenders, (B) amend, modify or waive any condition set forth in Section 6.03 (as it pertains to a Credit Extension under the Revolving Commitments) or in Section 6.02(a) without the consent of the Required Revolving Lenders and (C) amend, modify or waive any condition set forth in Section 6.01 without the consent of the Required Lenders (provided that, any amendment or modification to Section 6.02 or Section 6.03 as it pertains to the funding of the DIP Term Loans that adds any conditions or otherwise has the effect of making the conditions set forth in such Sections more onerous or restrictive on the Lead Borrower shall also require the written consent of the Required Revolving Lenders);

(ix) subject to clause (5) of the second proviso this Section 13.12(a) below, amend, modify or waive any Revolving Credit Facility Matter without the consent of the Required Revolving Lenders (and not, for the avoidance of doubt, the Required Lenders); provided that any amendment pursuant to this clause (ix) shall not be in a manner that cause the DIP ABL Facilities to cease to constitute asset-based revolving facilities without the consent of the Required DIP Term Lenders;

(x) amend, modify, waive or consent to a Revolving Credit Facility Matter Event of Default without the consent of the Required Revolving Lenders (and not, for the avoidance of doubt, the Required Lenders);

(xi) amend or modify the DIP Term Budget Covenant or waive any Event of Default arising as a result of a breach of the DIP Term Budget Covenant without the consent of the Required DIP Term Lenders (and not, for the avoidance of doubt, the Required Lenders);

(xii) increase the Revolving Commitments in excess of the Revolving Commitments as in effect as of the DIP Closing Date without the consent of the Required DIP Term Lenders (and not, for the avoidance of doubt, the Required Lenders);

(xiii) amend or modify any term applicable the Borrowing Base such that the amount of the Borrowing Base will increase by more than 10% under the relevant terms as in effect as of the DIP Closing Date without the consent of the Required DIP Term Lenders; or

(xiv) amend or modify Section 2.07(d), Section 2.09(f) or Section 10.14 without the consent of the Required DIP Term Lenders (and not, for the avoidance of doubt, the Required Lenders),

provided further that no such change, waiver, discharge or termination shall:

(1) increase the Commitments of any Lender over the amount thereof then in effect without the consent of such Lender (it being understood that waivers or modifications of conditions precedent, covenants, Defaults or Events of Default or of a mandatory reduction in the Aggregate Revolving Commitments shall not constitute an increase of the Commitment of any Lender, and that an increase in the available portion of any Commitment of any Lender shall not constitute an increase of the Commitment of such Lender);

(2) without the consent of each Agent adversely affected thereby, amend, modify or waive any provision of Article 12 or any other provision of any Loan Document as the same relates to the rights or obligations of such Agent;

(3) without the consent of Collateral Agent, amend, modify or waive any provision relating to the rights or obligations of the Collateral Agent;

(4) without the consent of an Issuing Bank or the Swingline Lender, amend, modify or waive any provision relating to the rights or obligations of such Issuing Bank or Swingline Lender;

(5) without the prior written consent of the Supermajority Lenders (and not, for the avoidance of doubt, the Required Lenders), change the definition of the terms "Aggregate Availability", "Aggregate Borrowing Base", "Availability Conditions", "U.S. Borrowing Base", "Australian Borrowing Base", "Line Cap", "Liquidity Event", "Liquidity Notice", "Liquidity Period", "Swiss Borrowing Base" or "Borrowing Base" or any component definition used therein (including, without limitation, the definitions of "Eligible Accounts", "Eligible Equipment", "Eligible Inventory", "Eligible Real Property" and "Eligible Trademarks") if, as a result thereof, the amounts available to be borrowed by the Borrowers would be increased, or increase the percentages set forth therein or add any new classes of eligible assets thereto;

(6) solely with respect to the DIP ABL Facilities, without the prior written consent of the Supermajority Lenders, add Borrowers under this Agreement that are organized under the laws of a jurisdiction other than the United States, Australia, the Netherlands or Switzerland or, in each case, any state thereof or the District of Columbia; provided further that no Lender shall be required to lend to any such Borrower without the prior written consent of such Lender;

(7) without the prior written consent of each Revolving Lender (and not, for the avoidance of doubt, the Required Lenders), reduce the Aggregate Availability required by Section 10.10;

(8) without the prior written consent of the Required Facility Lenders (and not, for the avoidance of doubt, the Required Lenders), adversely affect the rights of Lenders under such Facility in respect of payments hereunder in a manner different than such amendment affects any other Facility; or

(9) reduce the Liquidity Reserve without the prior written consent of each Revolving Lender (and not, for the avoidance of doubt, the Required Lenders);

(b) If, in connection with any proposed change, waiver, discharge or termination of any of the provisions of this Agreement or any other Loan Document as contemplated by clauses (i) through (xi), inclusive, of the first proviso to Section 13.12(a), requiring the consent of each Lender or each Lender directly and adversely affected thereby, the consent of the Required Lenders is obtained but the consent of one or more of such other Lenders whose consent is required is not obtained, then the Lead Borrower shall have the right to replace each such non-consenting Lender or Lenders with one or more Replacement Lenders pursuant to Section 3.04; provided that, in any event the Lead Borrower shall not have the right to replace a Lender, terminate its Commitments or repay its Loans solely as a result of the exercise of such Lender's rights (and the withholding of any required consent by such Lender) pursuant to the second proviso to Section 13.12(a).

(c) The applicable Loan Party or Parties and the Administrative Agent and/or Collateral Agent may (in its or their respective sole discretion, or shall, to the extent required by any Loan Document) enter into any amendment or waiver of any Loan Document, or enter into any new agreement or instrument, to 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, or as required by local law 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 and such amendment or waiver shall become effective without any further action or consent of any other person to any Loan Documents if the same is not objected to in writing by the Required Revolving Lenders or the Required DIP Term Lenders within five (5) Business Days following receipt of notice thereof.

(d) Notwithstanding anything to the contrary herein, any fee letter may be amended, or rights and privileges thereunder waived, in a writing executed only by the parties thereto.

(e) Anything herein to the contrary notwithstanding, during such period as a Lender is a Defaulting Lender, to the fullest extent permitted by applicable law, such Lender will not be entitled to vote in respect of amendments, waivers and consents hereunder and the Commitment and the outstanding Loans or other extensions of credit of such Lender hereunder will not be taken into account in determining whether the Required Lenders, Required Revolving Lenders, Required DIP Term Lenders or all of the Lenders, as required, have approved any such amendment, waiver or consent (and the definitions of "Supermajority Lenders", "Required Facility Lenders", "Required Revolving Lenders", "Required DIP Term Lenders" and "Required Lenders" will automatically be deemed modified accordingly for the duration of such period); provided that any such amendment or waiver that would increase or extend the term of the Commitment of such Defaulting Lender, extend the date fixed for the payment of principal or interest owing to such Defaulting Lender hereunder, reduce the principal amount of any obligation owing to such Defaulting Lender, reduce the amount of or the rate or amount of interest on any amount owing to such Defaulting Lender or of any fee payable to such Defaulting Lender hereunder, or alter the terms of this proviso, will require the consent of such Defaulting Lender.

(f) Further, notwithstanding anything to the contrary contained in this Section 13.12, if following the DIP Closing Date, the Administrative Agent and any Loan Party shall have jointly identified an obvious error or any error or omission of a technical or immaterial nature, in each case, in any provision

of the Loan Documents, then the Administrative Agent and the Loan Parties shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Loan Documents if the same is not objected to in writing by the Required Revolving Lenders or the Required DIP Term Lenders within five (5) Business Days following receipt of notice thereof.

(g) Notwithstanding anything set forth herein, Article 15 of this Agreement shall be solely for the benefit of the Lenders and may be amended or modified with the consent of the Required Lenders but without the consent of any Loan Party.

Section 13.13 Survival. All indemnities set forth herein including, without limitation, in Sections 3.01, 3.02, 5.01, 12.07 and 13.01 shall survive the execution, delivery and termination of this Agreement and the Notes and the making and repayment of the Obligations.

Section 13.14 [reserved].

Section 13.15 Confidentiality.

(a) Subject to the provisions of clause (b) of this Section 13.15, each Agent, each Lead Arranger, each Co-Syndication Agent, the Documentation Agent and each Lender agrees that it will not disclose any information received from or on behalf of the Lead Borrower, any other Borrower or any of their Subsidiaries relating to the Lead Borrower, any other Borrower or any of their Subsidiaries or any of their respective businesses without the prior consent of the Lead Borrower (other than to its affiliates and its and their respective directors, officers, employees, auditors, advisors, agents, representatives, counselors and credit risk insurance providers (it being understood that the disclosing Agent, Lead Arranger, Co-Syndication Agent, Documentation Agent or Lender shall be responsible for any violation of the provisions of this Section 13.15(a) by any such Person), or to another Lender if such Lender or such Lender's holding or parent company in its reasonable discretion determines that any such party should have access to such information in connection with the transactions contemplated by this Agreement and such Agent's, Lead Arranger's, Co-Syndication Agent's, Documentation Agent's or Lender's role hereunder or investment in the Loans), provided that each Agent, each Lead Arranger and each Lender may disclose any such information (i) as has become generally available to the public other than by virtue of a breach of this Section 13.15(a) by such Agent, Lead Arranger or Lender, (ii) as may be required or appropriate in any report, statement or testimony submitted to any municipal, state or Federal regulatory body or any foreign regulatory authorities and central banking authorities having or claiming to have jurisdiction over such Agent, Lead Arranger or Lender or to the Federal Reserve Board or the Federal Deposit Insurance Corporation or similar organizations (whether in the United States or elsewhere) or their successors, (iii) as may be required or appropriate in respect to any summons or subpoena or in connection with any litigation, (iv) in order to comply with any law, order, regulation or ruling applicable to such Agent, Lead Arranger or Lender, (v) in the case of any Lead Arranger or any Lender, to the Administrative Agent or the Collateral Agent, (vi) to any prospective or actual direct or indirect contractual counterparty in any swap, hedge or similar agreement (or to any such contractual counterparty's professional advisor), so long as such contractual counterparty (or such professional advisor) agrees to be bound by the provisions of this Section 13.15 (or language substantially similar to this Section 13.15(a)), (vii) in the case of any Lender, to any prospective or actual transferee, pledgee or participant in connection with any contemplated transfer, pledge or participation of any of the Notes or Commitments or any interest therein by such Lender; provided that such prospective transferee, pledgee or participant agrees to be bound by the confidentiality provisions contained in this Section 13.15 (or language substantially similar to this Section 13.15(a)), (viii) as has become available to any Agent, any Lead Arranger, any Co-Syndication Agent, the Documentation Agent, any Lender or any of their respective Affiliates on a non-confidential basis from a source other than the Lead Borrower or any of its Subsidiaries, agents or representatives and which source is not known by such

Person to be subject to a confidentiality restriction in respect thereof in favor of the Lead Borrower or any Affiliate of the Lead Borrower, (ix) for purposes of establishing a "due diligence" defense and (x) that has been independently developed by such Agent, Lead Arranger or Lender without the use of any other confidential information provided by the Lead Borrower or on the Lead Borrower's behalf; provided that, to the extent permitted pursuant to any applicable law, order, regulation or ruling, and other than in connection with credit and other bank examinations conducted in the ordinary course with respect to such Agent, Lead Arranger or Lender, in the case of any disclosure pursuant to the foregoing clauses (ii), (iii) or (iv), such Agent, Lead Arranger or Lender will use its commercially reasonable efforts to notify the Lead Borrower in advance of such disclosure so as to afford the Lead Borrower the opportunity to protect the confidentiality of the information proposed to be so disclosed. Nothing in this Agreement permits the Secured Parties to disclose any information under Section 275(4) of the Australian PPSA unless Section 275(7) of the Australian PPSA applies.

(b) The Lead Borrower hereby acknowledges and agrees that each Lender may share with any of its affiliates, and such affiliates may share with such Lender, any information related to the Lead Borrower or any of its subsidiaries (including, without limitation, any non-public customer information regarding the creditworthiness of the Lead Borrower and its subsidiaries), provided such Persons shall be subject to the provisions of this Section 13.15 to the same extent as such Lender.

(c) [reserved].

(d) If any Loan Party provides any Agent, any Lead Arranger, any Co-Syndication Agent, the Documentation Agent or any Lender with personal data of any individual as required by, pursuant to, or in connection with the Loan Documents, that Loan Party represents and warrants to the Agents, any Lead Arranger, the Co-Syndication Agents, the Documentation Agent and the Lenders that it has, to the extent required by law, (i) notified the relevant individual of the purposes for which data will be collected, processed, used or disclosed; and (ii) obtained such individual's consent for, and hereby consents on behalf of such individual to, the collection, processing, use and disclosure of his/her personal data by the Agents, the Lead Arrangers, the Co-Syndication Agents, the Documentation Agent and the Lenders, in each case, in accordance with or for the purposes of the Loan Documents, and confirms that it is authorized by such individual to provide such consent on his/her behalf.

(e) EACH LENDER ACKNOWLEDGES THAT THE INFORMATION DESCRIBED IN SECTION 13.15(a) ABOVE IS FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE LEAD BORROWER AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

(f) ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE LEAD BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWER, THE LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE LEAD BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.

Section 13.16 USA Patriot Act Notice. Each Lender hereby notifies the Borrowers that pursuant to the requirements of the Patriot Act and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" policies, regulations, laws or rules, it is required to obtain, verify, and record information that identifies the Borrowers and each Subsidiary Guarantor, which information includes the name of each Loan Party and other information that will allow such Lender to identify the Loan Party in accordance with the Patriot Act, and each Loan Party agrees to provide such information from time to time to any Lender.

Section 13.17 [reserved].

Section 13.18 Release of Liens and Guarantees.

(a) The Lenders and the other Secured Parties hereby irrevocably agree that the Liens granted to the Collateral Agent by the Loan Parties on any Collateral shall be released: (i) in full upon the occurrence of the Termination Date as set forth in Section 13.18(d) below; (ii) to the extent such Disposition does not require the consent of the Bankruptcy Court, upon the Disposition (other than any lease or license) of such Collateral by any Loan Party to a person that is not (and is not required to become) a Loan Party in a transaction permitted by this Agreement (and the Collateral Agent may rely conclusively on a certificate to that effect provided to it by any Loan Party upon its reasonable request without further inquiry), (iii) to the extent that such Collateral comprises property leased or licensed to a Loan Party, upon termination or expiration of such lease or license (and the Collateral Agent may rely conclusively on a certificate to that effect provided to it by any Loan Party upon its reasonable request without further inquiry), (iv) if the release of such Lien is approved, authorized or ratified in writing by the Required Lenders (or such other percentage of the Lenders whose consent may be required in accordance with Section 13.12), (v) to the extent that the property constituting such Collateral is owned by any Guarantor (other than the Lead Borrower or any other Borrower), upon the release of such Guarantor from its obligations under the Guarantee in accordance with clause (b) below (and the Collateral Agent may rely conclusively on a certificate to that effect provided to it by any Loan Party upon its reasonable request without further inquiry) and (vi) upon such Collateral becoming Excluded Property. Any such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those being released) upon (or obligations (other than those being released) of the Loan Parties in respect of) all interests retained by the Loan Parties, including the proceeds of any Disposition, all of which shall continue to constitute part of the Collateral except to the extent otherwise released in accordance with the provisions of the Loan Documents.

(b)

(1) In addition, the Lenders and the other Secured Parties hereby irrevocably agree that any Guarantor (other than the Lead Borrower, any other Borrower and any Guarantor on the DIP Closing Date) shall be released from its respective Guarantee (i) upon consummation of any transaction permitted hereunder (x) resulting in such Subsidiary ceasing to constitute a Subsidiary or (y) in the case of any Guarantor (other than the Lead Borrower and the Borrowers) which would not be required to be a Guarantor because it is or has become an Excluded Subsidiary, in each case following a written request by the Lead Borrower to the Administrative Agent requesting that such person no longer constitute a Guarantor and certifying its entitlement to the requested release (and the Collateral Agent may rely conclusively on a certificate to the foregoing effect without further inquiry); provided that any such release pursuant to the preceding clause (y) shall only be effective if (A) no Default or Event of Default has occurred and is continuing or would result therefrom, (B) such Subsidiary owns no assets which were previously transferred to it by another Loan Party which constituted Collateral or proceeds of Collateral (or any such transfer of any such assets would be permitted hereunder

immediately following such release) and (C) at the time of such release (and after giving effect thereto), all outstanding Indebtedness of, and Investments previously made in, such Subsidiary would then be permitted to be made in accordance with the relevant provisions of Sections 10.01 and 10.04 (for this purpose, with the Borrowers being required to reclassify any such items made in reliance upon the respective Subsidiary being a Guarantor on another basis as would be permitted by such applicable Section), and any previous Dispositions thereto pursuant to Section 10.05 shall be re-characterized and would then be permitted as if same were made to a Subsidiary that was not a Guarantor (and all items described above in this clause (C) shall thereafter be deemed recharacterized as provided above in this clause (C)) or (ii) if the release of such Guarantor is approved, authorized or ratified by the Required Lenders (or such other percentage of Lenders whose consent is required in accordance with Section 13.12).

(2) [reserved].

(c) The Lenders and the other Secured Parties hereby authorize the Administrative Agent and the Collateral Agent, as applicable, to execute and deliver any instruments, documents, and agreements necessary or desirable to evidence and confirm the release of any Guarantor or Collateral pursuant to the foregoing provisions of this Section 13.18, all without the further consent or joinder of any Lender or any other Secured Party, unless such release would require an order of the Bankruptcy Court, in which case such release shall be subject to the consent of the Required Lenders. Upon the effectiveness of any such release, any representation, warranty or covenant contained in any Loan Document relating to any such Collateral or Guarantor shall no longer be deemed to be made. In connection with any release hereunder, the Administrative Agent and the Collateral Agent shall promptly (and the Secured Parties hereby authorize the Administrative Agent and the Collateral Agent to) take such action and execute any such documents as may be reasonably requested by the Borrowers and at the Borrowers' expense in connection with the release of any Liens created by any Loan Document in respect of such Loan Party, property or asset; provided that (i) the Administrative Agent shall have received a certificate of a Responsible Officer of the Lead Borrower containing such certifications as the Administrative Agent shall reasonably request, (ii) the Administrative Agent or the Collateral Agent shall not be required to execute any such document on terms which, in the applicable Agent's reasonable opinion, would expose such Agent to liability or create any obligation or entail any consequence other than the release of such Liens without recourse or warranty, and (iii) such release shall not in any manner discharge, affect or impair the Obligations or any Liens upon (or obligations of any Loan Party in respect of) all interests retained by any Loan Party, including (without limitation) the proceeds of the sale, all of which shall continue to constitute part of the Collateral. Any execution and delivery of documents pursuant to this Section 13.18(c) shall be without recourse to or warranty by the Administrative Agent or Collateral Agent.

(d) Notwithstanding anything to the contrary contained herein or any other Loan Document, on the Termination Date, upon request of the Lead Borrower, the Administrative Agent and/or the Collateral Agent, as applicable, shall (without notice to, or vote or consent of, any Secured Party) take such actions as shall be required to release its security interest in all Collateral, and to release all obligations under any Loan Document, including, without limitation, original executed releases of the Mortgages in recordable or registerable form and any reasonable assistance as may be required to make any applicable recording, filing or registration of such releases, whether or not on the date of such release there may be any (i) obligations in respect of any Secured Bank Product Obligations (other than in connection with any application of proceeds pursuant to Section 11.02) and (ii) any contingent indemnification obligations or expense reimbursement claims not then due; provided that the Administrative Agent shall have received a certificate of a Responsible Officer of the Lead Borrower containing such certifications as the Administrative Agent shall reasonably request. Any such release of obligations shall be deemed subject to the provision that such obligations shall be reinstated if after such release any portion of any payment in

respect of the obligations guaranteed thereby shall be rescinded, avoided or must otherwise be restored or returned upon the insolvency, bankruptcy, dissolution, liquidation, administration, receivership, arrangement or reorganization of any Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, interim receiver, monitor, intervenor or conservator of, or trustee or similar officer for, any Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payment had not been made. The Lead Borrower agrees to pay all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent or the Collateral Agent (and their respective representatives) in connection with taking such actions to release security interests in all Collateral and all obligations under the Loan Documents as contemplated by this Section 13.18(d).

(e) Other than in connection with any application of proceeds pursuant to Section 11.02, Obligations of the Lead Borrower or any of its Subsidiaries under any Secured Bank Product Obligations (after giving effect to all netting arrangements relating to such Secured Bank Product Obligations) shall be secured and guaranteed pursuant to the Security Documents only to the extent that, and for so long as, the other Obligations are so secured and guaranteed. No person shall have any voting rights under any Loan Document solely as a result of the existence of obligations owed to it under any such Secured Bank Product Obligations. For the avoidance of doubt, no release of Collateral or Guarantors effected in the manner permitted by this Agreement shall require the consent of any holder of obligations under Secured Bank Product Obligations.

Section 13.19 [reserved].

Section 13.20 Waiver of Sovereign Immunity. Each of the Loan Parties, in respect of itself, its subsidiaries, its process agents, and its properties and revenues, hereby irrevocably agrees that, to the extent that the Borrowers or any of their respective subsidiaries or any of their respective properties has or may hereafter acquire any right of immunity, whether characterized as sovereign immunity or otherwise, from any legal proceedings, whether in the United States or elsewhere, to enforce or collect upon the Loans or any Loan Document or any other liability or obligation of the Borrowers or any of their respective subsidiaries related to or arising from the transactions contemplated by any of the Loan Documents, including, without limitation, immunity from service of process, immunity from jurisdiction or judgment of any court or tribunal, immunity from execution of a judgment, and immunity of any of its property from attachment prior to any entry of judgment, or from attachment in aid of execution upon a judgment, the Borrowers, for themselves and on behalf of their respective subsidiaries, hereby expressly waive, to the fullest extent permissible under applicable law, any such immunity, and agree not to assert any such right or claim in any such proceeding, whether in the United States or elsewhere. Without limiting the generality of the foregoing, the Borrowers further agree that the waivers set forth in this Section 13.20 shall have the fullest extent permitted under the Foreign Sovereign Immunities Act of 1976 of the United States and are intended to be irrevocable for purposes of such Act.

Section 13.21 Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Contracts or any other agreement or instrument that is a QFC (such support, "QFC Credit Support" and each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

Section 13.22 Absence of Fiduciary Relationship. Notwithstanding any other provision of this Agreement or any provision of any other Loan Document, (i) none of the Lead Arrangers, the Co-Syndication Agents, the Documentation Agent or any Lender shall, solely by reason of this Agreement or any other Loan Document, have any fiduciary, advisory or agency relationship or duty in respect of any Lender or any other Person and (ii) the Borrowers hereby waive, to the fullest extent permitted by law, any claims they may have against the Lead Arrangers, the Co-Syndication Agents, the Documentation Agent or any Lender for breach of fiduciary duty or alleged breach of fiduciary duty.

Section 13.23 Judgment Currency. If, for purposes of obtaining judgment in any court, it is necessary to convert a sum from the currency provided under a Loan Document ("Agreement Currency") into another currency, the rate of exchange used shall be the Spot Rate for conversion into U.S. Dollars or, for conversion into another currency, the spot rate for the purchase of the Agreement Currency with such other currency through the Administrative Agent's principal foreign exchange trading office for the other currency during such office's preceding Business Day. Notwithstanding any judgment in a currency ("Judgment Currency") other than the Agreement Currency, a Borrower shall discharge its obligation in respect of any sum due under a Loan Document only if, on the Business Day following receipt by the Administrative Agent of payment in the Judgment Currency, the Administrative Agent can use the amount paid to purchase the sum originally due in the Agreement Currency. If the purchased amount is less than the sum originally due, such Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent and Lenders against such loss. If the purchased amount is greater than the sum originally due, the Administrative Agent shall return the excess amount to such Borrower (or to the Person legally entitled thereto).

Section 13.24 [reserved].

Section 13.25 Entire Agreement. This Agreement and the other Loan Documents represent the final agreement among the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements among the parties.

Section 13.26 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document 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 entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

To the extent not prohibited by applicable law, rule or regulation, each Lender shall notify the Lead Borrower and the Administrative Agent if it has become the subject of a Bail-In Action (or any case or other proceeding in which a Bail-In Action could reasonably be expected to be asserted against such Lender).

Section 13.27 Confirmation of Lender's Status as a Swiss Qualifying Lender.

(a) Each Revolving Lender represents and warrants to the Loan Parties that, as of the DIP Closing Date (or, if later, the date such Lender becomes a party hereto), unless notified in writing to the Administrative Agent and the Lead Borrower prior to the DIP Closing Date (or such later date), such Lender is a Swiss Qualifying Lender and has not entered into a participation arrangement with respect to this Agreement with any Person that is a Swiss Non-Qualifying Lender.

(b) Without limitation to any consent or other rights provided for in this Agreement (including Section 13.04), any Person that shall become a successor, an assignee, a Participant or a sub-participant with respect to any Revolving Lender or Participant in the DIP ABL Facilities pursuant to this Agreement shall confirm in writing to the Administrative Agent and the Lead Borrower prior to the date such Person becomes a Lender, Participant or sub-participant, that:

(i) it is a Swiss Qualifying Lender and has not entered into a participation (including sub-participation) arrangement with respect to this Agreement with any Person that is a Swiss Non-Qualifying Lender; or

(ii) if it is a Swiss Non-Qualifying Lender, it counts as one single creditor for purposes of the Swiss Non-Bank Rules (taking into account any participations and sub-participations).

(c) Each Revolving Lender or Participant (including sub-participants) in the DIP ABL Facilities shall promptly notify the Lead Borrower and the Administrative Agent if for any reason it ceases to be a Swiss Qualifying Lender and/or it enters into a participation (including sub-participation) arrangement with respect to this Agreement with any Person that is a Swiss Non-Qualifying Lender.

ARTICLE 14 PREPETITION CREDIT AGREEMENT MATTERS

Each capitalized term used but not otherwise defined in this Article 14 , shall have the meaning given to such term in the Prepetition Credit Agreement.

Section 14.01 Forbearance under Prepetition Credit Agreement.

(a) [Reserved.]

(b) Each party hereto that is a Lender under the Prepetition Credit Agreement (a "Lender Party") has agreed that, solely during the Forbearance Period (as hereinafter defined), such Lender Parties will forbear from exercising their default-related rights and remedies against the Foreign Loan Parties and the Foreign Collateral solely with respect to any Default or Event of Default under the Prepetition Credit Agreement and the other Prepetition Loan Documents. Notwithstanding anything to the contrary in this Agreement, nothing herein shall restrict, impair or otherwise affect any Lender Party's rights and remedies against any Person under any agreements containing subordination or other intercreditor provisions in favor of any or all of the Lender Parties (including any rights or remedies available to the Lender Parties as a result of the occurrence or continuation of any Default or Event of Default under the Prepetition Credit Agreement or the other Prepetition Loan Documents), or amend or modify any provision of any such subordination or intercreditor agreement.

(c) As used herein, the term "Forbearance Period" shall mean the period beginning on the DIP Closing Date and ending on the earliest to occur of the following (the occurrence of any of clause (i) through (v), a "Termination Event"): (i) the repayment in full in cash of all then-outstanding Prepetition Obligations, (ii) the date the Bankruptcy Court denies the Debtors' motion for entry of the Final Order, (iii) one (1) Business Day following the Final Order Deadline, (iv) the occurrence of any Event of Default under this Agreement (for the avoidance of doubt, this Agreement refers to this Senior Secured Debtor-in-Possession Revolving and Term Credit Agreement) and (v) the occurrence of any Event of Default under any of clauses (b), (c) or (m) of Section 11.01 of the Prepetition Credit Agreement in respect of any Foreign Loan Party (assuming for purposes of this clause (v) that the Swiss Revolving Commitments were not terminated and the Swiss Revolving Loans together with accrued interest thereon and any unpaid accrued fees were not accelerated).

(d) Upon the occurrence of any Termination Event and the delivery of a written notice thereof by the Administrative Agent, in its discretion or at the discretion of the Required Lenders, the agreement of the Lender Parties hereunder to forbear from exercising their respective default-related rights and remedies against the Foreign Loan Parties and their assets shall immediately terminate (i) with respect to any Termination Event pursuant to clause (c) above, without the requirement of any further demand, presentment, protest, or notice of any kind, all of which the Foreign Loan Parties each waive, and (ii) with respect to any other Termination Event. Each Foreign Loan Party agrees that any or all of the Lender Parties may at any time thereafter proceed to exercise any and all of their respective rights and remedies under, and in accordance with, any or all of the Prepetition Credit Agreement, any other Loan Document and/or applicable law, including their respective rights and remedies with respect to any Default or Event of Default under the Prepetition Credit Agreement or the other Prepetition Loan Documents. Without limiting the generality of the foregoing, upon the occurrence of any Termination Event, the Foreign Loan Parties acknowledge and agree that the Lender Parties may, in their sole discretion and without the requirement of any demand, presentment, protest, or notice of any kind, take any one or more of, or all of, the following actions: (i) suspend or terminate any commitment to provide Loans or other extensions of credit under the Prepetition Credit Agreement and other Loan Documents, (ii) charge, accrue and/or demand payment of, as applicable, interest on any or all of the Obligations not paid when due at the default rate in accordance with Section 2.06(b) of the Prepetition Credit Agreement, (iii) commence any legal or other action to collect

any or all of the Obligations from any Foreign Loan Party and/or any Foreign Collateral, (iv) foreclose or otherwise realize on any or all of the Foreign Collateral, and/or appropriate, setoff or apply to the payment of any or all of the Obligations, any or all of the Foreign Collateral, in each case in compliance with the Prepetition Credit Agreement, the other Loan Documents and/or applicable law, or (v) take any other enforcement action or otherwise exercise any or all rights and remedies provided for by any or all of the Prepetition Credit Agreement, any other Loan Documents and/or applicable law, all of which rights and remedies set forth in the immediately preceding clauses (i) through (v) are hereby fully reserved by the Lender Parties.

(e) Any agreement by the Lender Parties to extend the Forbearance Period, if any, must be set forth in writing and signed by a duly authorized signatory of each of the Administrative Agent and Lenders constituting "Required Lenders" under the Prepetition Credit Agreement.

(f) The Foreign Loan Parties each acknowledge that the Lender Parties have not made any assurances concerning (i) any possibility of an extension of the Forbearance Period, (ii) the manner in which or whether any Default or Event of Default under the Prepetition Credit Agreement and the other Prepetition Loan Documents may be resolved or (iii) any additional forbearance, waiver, restructuring or other accommodations.

(g) The Foreign Loan Parties party hereto agree that the running of all statutes of limitation or doctrine of laches applicable to all claims or causes of action that any Lender Party may be entitled to take or bring in order to enforce its rights and remedies against any Foreign Loan Party is, to the fullest extent permitted by law, tolled and suspended during the Forbearance Period.

Section 14.02 General Release under Prepetition Credit Agreement.

(a) In consideration of, among other things, the Administrative Agent's and the other Lender Parties' execution and delivery of this Agreement, each of the Foreign Loan Parties, on behalf of itself and its agents, representatives, officers, directors, advisors, employees, subsidiaries, controlled affiliates, successors and assigns, and any other Person asserting any right or Claim (as defined below) by or through any Foreign Loan Party (in each case, other than the Debtors) (collectively, "Releasors"), hereby forever waives, releases and discharges each Releasee from, any and all claims (including cross-claims, counterclaims, rights of set-off and recoupment), actions, causes of action, suits, debts, accounts, interests, liens, promises, warranties, damages and consequential damages, demands, agreements, bonds, bills, specialties, covenants, controversies, variances, trespasses, judgments, executions, costs, expenses or claims whatsoever, that such Releasor now has or hereafter may have, of whatsoever nature and kind, whether known or unknown, whether now existing or hereafter arising, whether arising at law or in equity (collectively, the "Claims"), against any or all of the Lender Parties and their respective affiliates, subsidiaries, shareholders and "controlling persons" (within the meaning of the federal securities laws), and their respective permitted successors and assigns, and each and all of the officers, directors, employees, agents, attorneys, advisors and other representatives of each of the foregoing Persons (collectively, the "Releasees"), in each case based in whole or in part on facts, whether or not now known, existing on or before the DIP Closing Date, that relate to, arise out of or otherwise are in connection with: (i) any or all of the Loan Documents or transactions contemplated thereby or any actions or omissions in connection therewith, (ii) any aspect of the dealings or relationships between or among the Foreign Loan Parties, on the one hand, and any or all of the Administrative Agent and Lenders, on the other hand, relating to any or all of the documents, transactions, actions or omissions referenced in clause (i) hereof, or (iii) any aspect of the dealings or relationships between or among any or all of Sponsor, on the one hand, and the Agent and Lenders, on the other hand, but only to the extent such dealings or relationships relate to any or all of the documents, transactions, actions or omissions referenced in clause (i) hereof. The receipt by any Foreign Loan Party of any Loans or other financial accommodations made or permitted, as applicable, by any

Lender Party after the DIP Closing Date shall constitute a ratification, adoption, and confirmation by such party of the foregoing general release of all Claims against the Releasees that are based in whole or in part on facts, whether or not now known or unknown, existing on or prior to the date of receipt of any such Loans or other financial accommodations. In entering into this Agreement, each Foreign Loan Party had the opportunity to consult with, and has been represented by, legal counsel and expressly disclaims any reliance on any representations, acts or omissions by any of the Releasees and hereby agrees and acknowledges that the validity and effectiveness of the releases set forth above do not depend in any way on any such representations, acts and/or omissions or the accuracy, completeness or validity thereof. The provisions of this Section shall survive the termination of this Agreement, the Prepetition Credit Agreement, the other Loan Documents and payment in full of the Obligations.

(b) Each of the Foreign Loan Parties, on behalf of itself and the other Releasors, hereby absolutely, unconditionally and irrevocably, covenants and agrees with and in favor of each Releasee that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Releasee on the basis of any Claim released, remised and discharged by Foreign Loan Party pursuant to Section 14.01 hereof. If any Foreign Loan Party or any of other Releasor violates the foregoing covenant, the Foreign Loan Parties, each for itself and the other Releasors, agrees to pay, in addition to such other damages as any Releasee may sustain as a result of such violation, all reasonable out-of-pocket attorneys' and other advisor fees, costs and expenses incurred by any Releasee as a result of such violation.

(c) Each of the Foreign Loan Parties agrees and acknowledges that the Claims it is releasing and covenanting not to sue, as applicable, pursuant to the provisions of clause (a) above include any Claims which such Foreign Loan Party does not know or suspect to exist in its favor at the time of the giving of the foregoing releases and covenants not to sue which, if known by it, might affect its decision regarding the releases and covenants not to sue set forth herein. Each of the Foreign Loan Parties further agrees and acknowledges that it might hereafter discover facts or documents in addition to or different from those which it now knows or believes to be true or exist with respect to the subject matter of any Claims it is releasing pursuant to clause (a) above, but no Releasee shall have any duty to disclose or provide any such facts or documents (whether material or immaterial, known or unknown, suspected or unsuspected) to any Foreign Loan Party or other Releasor.

(d) Each Foreign Loan Party and other Releasor shall be deemed to have fully, finally and forever settled and released any and all Claims released pursuant to clause (a) above, whether known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future. Notwithstanding anything to the contrary herein, nothing contained herein is intended to impair or otherwise derogate from any of the representations, warranties, covenants and other terms expressly set forth in this Agreement.

(e) Each Foreign Loan Party agrees to indemnify, hold harmless and defend the Releasees in connection with this Agreement and the other documents and transactions contemplated hereby or related hereto, including fees, costs and expenses of attorneys and other advisors, all as provided in, and to the extent required by, Section 13.01 of the Prepetition Credit Agreement; provided, however, the Foreign Loan Parties agree that the Administrative Agent's and Lender Parties' entering into and complying with the terms of this Agreement shall not constitute bad faith, gross negligence or willful misconduct.

Section 14.03 Stipulations under Prepetition Credit Agreement. The Loan Parties each admit, stipulate, and agree as follows:

(a) Prepetition Obligations. As of the Petition Date, the Loan Parties hereby stipulate and agree that they were truly and justly indebted and liable to the Prepetition Secured Parties, without defense,

counterclaim, or offset of any kind, in the aggregate principal amount of not less than $325,897,815.58 in respect of loans, other extensions of credit made, letters of credit issued and other financial accommodations made, in each case pursuant to the Loan Documents, plus accrued and unpaid interest thereon and any fees and expenses (including fees and expenses of attorneys) related thereto as provided in the Loan Documents, plus all other outstanding amounts that would constitute "Obligations" (collectively, the "Prepetition ABL Obligations"). No portion of the Prepetition ABL Obligations shall be subject to avoidance, recharacterization, recovery, or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law.

(b) Prepetition Secured Liens Granted by the Loan Parties. The liens and security interests granted by the Loan Parties to the Administrative Agent (for the ratable benefit of the Secured Parties) to secure the Prepetition ABL Obligations are (i) valid, binding, perfected, enforceable, first priority (subject to permitted exceptions under the Prepetition Credit Agreement) liens on and security interests in the Loan Parties' real and personal property constituting Collateral (all such Collateral, the "Prepetition ABL Collateral," and such Collateral, including, Cash Collateral, in which the Loan Parties have an interest, the "Prepetition Collateral"); (ii) not subject to avoidance, recharacterization, or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law; and (iii) subject and subordinate only to other valid and unavoidable liens on the Prepetition ABL Collateral perfected prior to the Petition Date (or perfected after the Petition Date to the extent permitted by section 546(b) of the Bankruptcy Code) to the extent such liens are senior to the liens securing the Prepetition ABL Obligations.

(c) Prepetition ABL Collateral Value. As of the Petition Date, (i) the aggregate value of the Prepetition ABL Collateral securing the Prepetition ABL Obligations exceeds the aggregate amount of the Prepetition ABL Obligations; and (ii) the aggregate value of the Prepetition Collateral securing the Prepetition ABL Obligations owed by the Loan Parties exceeds the aggregate amount of the Prepetition ABL Obligations owed by the Loan Parties.

(d) Cash Collateral. All of the Loan Parties' cash and cash equivalents (including without limitation, all cash, securities and other amounts on deposit or maintained by the Loan Parties in any account or accounts with any Secured Party and any cash proceeds of the disposition of any Prepetition Collateral) other than the Excluded Property constitute proceeds of the Prepetition Collateral and, therefore, are cash collateral of the Secured Parties, within the meaning of section 363(a) of the Bankruptcy Code.

Section 14.04 Amendment to the Prepetition Credit Agreement. Each Lender agrees that, on the DIP Closing Date, Section 11.02(c) of the Prepetition Credit Agreement shall be deemed amended to reflect the application of proceeds described in Section 11.02(c) (the "Foreign Priority Waterfall").

ARTICLE 15 AGREEMENT AMONG LENDERS

Section 15.01 Purchase Option.

(a) For so long as any Event of Default has occurred and is continuing or if all or a substantial portion of the Collateral is being sold on a non-going concern basis, the DIP Term Lenders shall collectively, after the DIP Term Loan Closing Date, have the right (the "Purchase Option"), by giving an irrevocable written notice (a "Committed Buy-Out Notice"; it being understood that no DIP Term Lender has any obligation to send a Committed Buy-Out Notice) to the Administrative Agent, to purchase all (but not less than all) of the Purchase Obligations at par, without warranty or representation or recourse (except as set forth in clause (b) below), on a pro rata basis across Participating Term Lenders. In exercising its rights under this Section, each DIP Term Lender shall have the option to purchase its pro rata share of the Purchase Obligations upon delivery of a Committed Buy-Out Notice. If any DIP Term Lender determines not to commit to the purchase of its full pro rata share of the Purchase Obligations, then any other DIP Term

Lender who has committed to purchase its pro rata share may be offered an opportunity to purchase additional portions of the Purchase Obligations (offered ratably to the remaining Term Lenders) (the Term Lenders participating in such purchase being the "Participating Term Lenders").

(b) Upon the receipt by the Administrative Agent of one or more Committed Buy-Out Notices from one or more Participating Term Lenders resulting in commitments to purchase all (but not less than all) of the Purchase Obligations at par, the Participating Term Lenders irrevocably shall be committed to acquire (and each Revolving Lender irrevocably shall be required to sell), within ten (10) days following such receipt, from the Revolving Lenders all (but not less than all) of the Purchase Obligations by paying to the Administrative Agent, for the benefit of the Revolving Lenders, in cash in an amount equal to the Purchase Price. Upon payment of the Purchase Price to the Revolving Lenders, each Revolving Lender shall assign to the Participating Term Lenders or their Affiliates, its right, title and interest with respect to the Purchase Obligations pursuant to an Assignment and Assumption, without any representation, recourse, or warranty whatsoever (except that each Revolving Lender shall severally (and not jointly) warrant to the Participating Term Lenders to the effect that (i) the amount quoted by such Revolving Lender as its portion of the Purchase Price represents the amount shown as owing with respect to the claims transferred as reflected on its books and records, (ii) it owns, or has the right to transfer to the Participating Term Lenders, the Purchase Obligations and (iii) the Purchase Obligations being transferred by it will be free and clear as of the date of transfer of all Liens created by such Revolving Lender. Each Revolving Lender will retain all rights to indemnification provided in the relevant Loan Documents for all claims and other amounts relating to periods prior to the purchase of the Purchase Obligations pursuant to this Section 15.01.

Section 15.02 Insolvency Proceedings.

(a) The Borrowers, each Revolving Lender and each DIP Term Lender acknowledge and agree that, because of, among other things, the differing rights of the Revolving Lenders and DIP Term Lenders in the Collateral and application of funds pursuant to Section 11.02 hereof, the Revolving Loans and DIP Term Loans are each fundamentally different from the other and must be separately classified in any plan proposed, adopted or supported by any Revolving Lender or DIP Term Lender in an proceeding under Debtor Relief Laws.

(b) After the occurrence and during the continuance of an Event of Default, unless a Committed Buy-Out Notice to purchase all of the Purchase Obligations has been delivered or unless the DIP Term Lenders have made a credit bid of its DIP Term Obligations in compliance with the provisions set forth in Section 12.09, no DIP Term Lender, in its capacity as such, shall object to or oppose any Qualified Sale (and each DIP Term Lender shall be deemed to have consented to such Qualified Sale for the purposes of Section 363(f) of the Bankruptcy Code (or any similar provision in any other applicable Debtor Relief Law or any order of a court of competent jurisdiction)) if the Administrative Agent (based upon the instructions of the Required Revolving Lenders) has consented to such Qualified Sale and so long as (i) any Lien of the Administrative Agent on such Collateral attaches to the proceeds of such sale or disposition and (ii) all proceeds of such sale or disposition received by the Revolving Lenders will be applied in accordance with the waterfall set forth in Section 11.02. Notwithstanding the foregoing, any DIP Term Lender may at any time raise any objections to any such sale or disposition of assets that could be raised by any other creditor of any Loan Party whose claims are not secured by any Liens on the applicable Collateral; provided that such objections are not based on their status as secured creditors and are not otherwise in contravention of this Agreement.

(c) No Lender shall be deemed to have consented or agreed in advance to waive (i) except as expressly set forth in clause (d) below with respect to the DIP Term Lenders, the right to object to the sale of Collateral in accordance with Section 363 or other related Sections of the Bankruptcy Code or any Debtor Relief Laws or (ii) the right to request adequate protection.

(d) Each DIP Term Lender agrees not to oppose any request by Required Revolving Lenders to seek relief from the automatic stay or any other stay in any insolvency proceeding in respect of the Collateral unless such relief is sought in connection with the disposition of such Collateral on a going concern basis; provided that DIP Term Lenders shall not oppose any disposition on a going concern basis or any request for relief from the automatic stay related thereto if (i) the disposition will provide for sources of funds sufficient to cause the Termination Date to occur upon the consummation thereof or (ii) the Required DIP Term Lenders have consented to such disposition in their commercially reasonable judgment (provided that, in the case of this clause (ii), no such consent shall be required (A) if the Sellers (as defined in the Stalking Horse APA) have validly terminated the Stalking Horse APA pursuant to Section 8.1(d) of the Stalking Horse APA or pursuant to Section 8.1(b)(ii) of the Stalking Horse APA as a result of the conditions set forth in Sections 7.1(f) or 7.2(d) of the Stalking Horse APA failing to be satisfied, (B) if the Stalking Horse Bidder has validly terminated the Stalking Horse APA as a result of the conditions set forth in Sections 7.1(f) or 7.2(d) of the Stalking Horse APA failing to be satisfied; or (C) if Stalking Horse Bidder has validly terminated the Stalking Horse APA pursuant to 8.1(b)(ii) of the Stalking Horse APA as a result of the conditions set forth in Sections 7.1(f) or 7.2(d) of the Stalking Horse APA failing to be satisfied. Notwithstanding anything set forth above, the Lien over such Collateral continues to be attached to such Collateral and all proceeds of any sale or disposition of such Collateral will be applied in accordance with the waterfall set forth in Section 11.02

Section 15.03 Stalking Horse Bidder

Each Lender acknowledges and agrees that:

(a) One or more of the DIP Term Lenders may be the Stalking Horse Bidder or an Affiliate of the Stalking Horse Bidder and nothing set forth herein or in any other Loan Document shall limit in any way the right of such Person in its capacity as the Stalking Horse Bidder under the Stalking Horse APA.

(b) The Stalking Horse Bidder shall be entitled to credit bid its DIP Term Obligations pursuant to the terms of the Stalking Horse APA as in effect on the date hereof, in each case, without the consent of any Person party hereto. Notwithstanding the foregoing, any credit bid of the DIP Term Obligations by any Stalking Horse Bidder, any DIP Term Lender that is the Stalking Horse Bidder or an Affiliate of the Stalking Horse Bidder shall, in each case, be subject to compliance with the last paragraph of Section 12.09.

Section 15.04 Intercreditor Terms.

Notwithstanding anything to the contrary contained in this Agreement, in the event that any provision of this Agreement or the other Loan Documents is deemed to conflict with the provisions in this Article 15, the provisions of this Article 15 shall control.

* * *

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute and deliver this Agreement as of the date first above written.

BRIGGS & STRATTON CORPORATION,
as Lead Borrower

By:_____
Name: Mark A. Schwertfeger
Title: Senior Vice President and Chief Financial Officer

BRIGGS & STRATTON AG,
as Swiss Borrower

By:_____
Name: Mark A. Schwertfeger
Title: Member of the Board of Directors

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent, Collateral Agent, Australian Security Trustee, a Revolving Lender and an Issuing Bank

By: _____
Name: John Morrone
Title: Authorized Signer

JPMORGAN CHASE BANK, N.A., LONDON BRANCH, as a Revolving Lender

By: _____
Name: Kennedy Capin
Title: Authorized Officer

BANK OF AMERICA, N.A.,
as Co-Syndication Agent, an Issuing Bank and
individually as a Revolving Lender

By: Brian conole
Name: Brian Conole
Title: Senior Vice President

BANK OF MONTREAL, as Co-Syndication Agent, an Issuing Bank and individually as a Revolving Lender

By:_____
Name: Sarah E. Fyffe
Title: Vice President

BANK OF MONTREAL, LONDON BRANCH, as Co-Syndication Agent, an Issuing Bank and individually as a Revolving Lender

By:_____
Name: Tom Woolgar
Title: MD

By:_____
Name: Sylvain Martinez
Title: MD, CRO EMEA

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Co-Syndication Agent, an Issuing Bank and
individually as a Revolving Lender

By: Nykole Hanna
Name: Nykole Hanna
Title: Authorized Signatory

WELLS FARGO BANK, NATIONAL ASSOCIATION,
LONDON BRANCH, as an Issuing Bank and
individually as a Revolving Lender

By:_____
Name:
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Co-Syndication Agent, an Issuing Bank and
individually as a Revolving Lender

By:_____
Name:
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
LONDON BRANCH, as an Issuing Bank and
individually as a Revolving Lender

By: Alison Powell
Name: ALISON POWELL
Title: AUTHORISED SIGNATORY

U.S. BANK NATIONAL ASSOCIATION,
as Documentation Agent and a Revolving Lender

By: _____
Name: ANDREW STREDDE
Title: VICE PRESIDENT

CIBC BANK USA,
as a Revolving Lender

By: _____
Name: THOMAS E. BUSH
Title: MANAGING DIRECTOR, MID CORP. BANKING

KEYBANK NATIONAL ASSOCIATION,
as a Revolving Lender

By: _____
Name: JOHN P. HUSCHEK
Title: SENIOR VICE PRESIDENT

FIRST MIDWEST BANK,
as a Revolving Lender

By: _____
Name: Thomas J. Brennan
Title: Vice President

BUCEPHALUS CREDIT, LLC,
as a DIP Term Lender

By:_____
Name: Ryan Baker
Title: President

SCHEDULE 1.01(A)
DESIGNATED ACCOUNT DEBTORS

None.

SCHEDULE 1.01(B)
MORTGAGED PROPERTY

1. 150 Technology Pkwy, Auburn, AL 36830-8137
2. 110 Main St, Murray, KY 42071-2147
3. 3300 N 124th St, Wauwatosa, WI 53222-3106
4. 12301 W Wirth St/3550 North 124th St, Wauwatosa, WI 53222-2110
5. 5375 N Main St, Munnsville, NY 13409-4003
6. 7251 Zell Miller Pkwy, Statesboro, GA 30458-3487
7. 46 Holland Industrial Park, Statesboro, GA 30461
8. 1502 West 4th Avenue, Holdrege, NE 68949

SCHEDULE 1.01(C)
EXISTING LETTERS OF CREDIT

Issuer	Issuing Bank	Initial Principal Amount	Date of Issuance	Maturity Date
Briggs & Stratton Corporation	Bank of America, N.A.	$1,000,000.00	11/20/2018	3/24/2021
Briggs & Stratton Corporation	Bank of America, N.A.	$540,000.00	4/9/2010	3/31/2021
Briggs & Stratton Corporation	JPMorgan Chase Bank, N.A.	$15,000,000.00	3/13/2020	3/12/2021
Briggs & Stratton Corporation	JPMorgan Chase Bank, N.A.	$33,226,635.00	10/31/2019	10/30/2020
Briggs & Stratton Corporation	JPMorgan Chase Bank, N.A.	$3,000,000.00	11/8/2019	11/1/2020
Briggs & Stratton Corporation and Billy Goat Industries, Inc.	JPMorgan Chase Bank, N.A.	$233,365.00	6/4/2020	5/28/2021
Briggs & Stratton AG	JPMorgan Chase Bank, N.A.	$100,000.00	7/8/2020	7/3/2021

SCHEDULE 1.01(i)
DEBTORS

- Briggs & Stratton Corporation, a Wisconsin corporation
- Allmand Bros., Inc., a Nebraska corporation
- Billy Goat Industries, Inc., a Missouri corporation
- Briggs & Stratton International, Inc., a Wisconsin corporation
- Briggs & Stratton Tech, LLC, a Wisconsin limited liability company

Schedule 2.01

Revolving Commitments as of the DIP Closing Date

Lender	North American Revolving Commitment	Swiss Revolving Commitment	Aggregate Revolving Commitments
JPMorgan Chase Bank, N.A.	$66,536,262.25	$5,080,975.61	$71,617,237.86
Bank of America, N.A.	$66,536,262.25	$5,080,975.61	$71,617,237.86
Bank of Montreal	$66,536,262.25	$5,080,975.61	$71,617,237.86
Wells Fargo Bank, National Association	$66,536,262.25	$0.00	$66,536,262.25
Wells Fargo Bank, National Association (London Branch)	$0.00	$5,080,975.61	$5,080,975.61
U.S. Bank National Association	$49,672,232.64	$3,793,170.74	$53,465,403.38
CIBC Bank USA	$45,992,808.00	$3,512,195.12	$49,505,003.12
KeyBank National Association	$15,330,936.00	$1,170,731.70	$16,501,667.70
First Midwest Bank	$6,558,974.36	$0.00	$6,558,974.36
TOTAL	**$ 383,700,000.00**	**$28,800,000.00**	**$412,500,000.00**

Revolving Commitments as of the DIP Term Loan Closing Date

Lender	North American Revolving Commitment	Swiss Revolving Commitment	Aggregate Revolving Commitments
JPMorgan Chase Bank, N.A.	$55,698,325.35	$5,080,975.60	$60,779,300.95
Bank of America, N.A.	$55,698,325.34	$5,080,975.61	$60,779,300.95
Bank of Montreal	$55,698,325.34	$5,080,975.61	$60,779,300.95
Wells Fargo Bank, National Association	$55,698,325.34	$0.00	$55,698,325.34
Wells Fargo Bank, National Association (London Branch)	$0.00	$5,080,975.61	$5,080,975.61
U.S. Bank National Association	$41,581,238.27	$3,793,170.74	$45,374,409.01
CIBC Bank USA	$38,501,146.55	$3,512,195.12	$42,013,341.67
KeyBank National Association	$12,833,715.52	$1,170,731.71	$14,004,447.23
First Midwest Bank	$5,490,598.29	$0.00	$5,490,598.29
TOTAL	**$321,200,000.00**	**$28,800,000.00**	**$350,000,000.00**

DIP Term Commitments

Lender	**DIP Term Commitment**
BUCEPHALUS Credit, LLC	$265,000,000.00
TOTAL	**$265,000,000.00**

SCHEDULE 8.04
GOVERNMENT APPROVALS

None.

SCHEDULE 8.05
FINANCIAL STATEMENTS

[See attached.]

Using the year-end exchange rates, the total amount invested in non-U.S. subsidiaries on July 2, 2017 was approximately $244.8 million.

Commodity Prices

The Company is exposed to fluctuating market prices for commodities, including steel, natural gas, copper and aluminum. The Company has established programs to manage commodity price fluctuations through financial and physical contracts. The maturities of these contracts coincide with the expected usage of the commodities for periods up to the next thirty-six months.

At July 2, 2017 the Company had the following outstanding commodity derivative contracts with the fair value (gains) losses shown (in thousands):

Hedge Commodity	Notional Value	Fair Value	(Gain) Loss at Fair Value
Natural Gas (Therms)	11,307	$ 3,392	$ (8)

Interest Rates

The Company is exposed to interest rate fluctuations on its borrowings, depending on general economic conditions. On July 2, 2017, long-term loans consisted of the following (in thousands):

Description	Amount	Maturity	Interest Rate
6.875% Senior Notes	$ 223,149	December 2020	6.875%

The Senior Notes carry a fixed rate of interest and are therefore not subject to market fluctuation.

The Company is also exposed to interest rate risk associated with programs under which the Company shares the expense of financing certain dealer and distributor inventories through third party financing sources. The Company enters into interest rate swaps to manage a portion of this interest rate risk. The swaps are designated as cash flow hedges and are used to effectively fix the interest payments to a third party financing source, exclusive of lender spreads, ranging from 0.98% to 1.81% for a notional principal amount of $95 million with expiration dates ranging from May 2019 to July 2021.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS **Page**

Consolidated Balance Sheets

AS OF JULY 2, 2017 AND JULY 3, 2016
(in thousands)

ASSETS	2017	2016
CURRENT ASSETS:		
Cash and Cash Equivalents	**$ 61,707**	$ 89,839
Receivables, Less Reserves of $2,645 and $2,806, Respectively	**230,011**	191,678
Inventories:		
Finished Products	**265,720**	271,718
Work in Process	**102,187**	104,468
Raw Materials	**6,972**	9,879
Total Inventories	**374,879**	386,065
Prepaid Expenses and Other Current Assets	**22,844**	28,419
Total Current Assets	**689,441**	696,001
GOODWILL	**161,649**	161,568
INVESTMENTS	**51,677**	52,757
OTHER INTANGIBLE ASSETS, Net	**100,595**	104,164
LONG-TERM DEFERRED INCOME TAX ASSET	**64,412**	98,203
OTHER LONG-TERM ASSETS, Net	**18,325**	17,701
PLANT AND EQUIPMENT:		
Land and Land Improvements	**15,179**	14,871
Buildings	**135,226**	128,218
Machinery and Equipment	**867,445**	862,312
Construction in Progress	**86,733**	51,492
	1,104,583	1,056,893
Less - Accumulated Depreciation	**739,703**	730,620
Total Plant and Equipment, Net	**364,880**	326,273
	$ 1,450,979	$ 1,456,667

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

AS OF JULY 2, 2017 AND JULY 3, 2016
(in thousands, except per share data)

LIABILITIES AND SHAREHOLDERS' INVESTMENT	2017	2016
CURRENT LIABILITIES:		
Accounts Payable	**$ 193,677**	$ 181,152
Accrued Liabilities:		
Wages and Salaries	**43,061**	45,149
Warranty	**28,640**	26,313
Accrued Postretirement Health Care Obligation	**9,755**	9,394
Other	**55,245**	56,293
Total Accrued Liabilities	**136,701**	137,149
Total Current Liabilities	**330,378**	318,301
ACCRUED PENSION COST	**242,908**	310,378
ACCRUED EMPLOYEE BENEFITS	**21,897**	23,483
ACCRUED POSTRETIREMENT HEALTH CARE OBLIGATION	**35,132**	38,441
ACCRUED WARRANTY	**14,468**	18,054
OTHER LONG-TERM LIABILITIES	**25,069**	33,045
LONG-TERM DEBT	**221,793**	221,339
COMMITMENTS AND CONTINGENCIES (Note 13)		
SHAREHOLDERS' INVESTMENT:		
Common Stock - Authorized 120,000 Shares $.01 Par Value, Issued 57,854 Shares	**579**	579
Additional Paid-In Capital	**73,562**	72,020
Retained Earnings	**1,107,033**	1,074,437
Accumulated Other Comprehensive Loss	**(300,026)**	(338,450)
Treasury Stock at Cost, 15,074 and 14,675 Shares, Respectively	**(321,814)**	(314,960)
Total Shareholders' Investment	**559,334**	493,626
	$ 1,450,979	$ 1,456,667

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statements of Operations

FOR THE FISCAL YEARS ENDED JULY 2, 2017, JULY 3, 2016 AND JUNE 28, 2015
(in thousands, except per share data)

	2017	2016	2015
NET SALES	**$ 1,786,103**	$ 1,808,778	$ 1,894,750
COST OF GOODS SOLD	**1,402,274**	1,438,166	1,511,363
RESTRUCTURING CHARGES	**—**	8,157	24,288
Gross Profit	**383,829**	362,455	359,099
ENGINEERING, SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	**297,538**	305,482	289,916
RESTRUCTURING CHARGES	**—**	2,038	3,000
GOODWILL IMPAIRMENT	**—**	7,651	—
TRADENAME IMPAIRMENT	**—**	2,683	—
EQUITY IN EARNINGS OF UNCONSOLIDATED AFFILIATES	**11,056**	1,760	—
Income from Operations	**97,347**	46,361	66,183
INTEREST EXPENSE	**(20,293)**	(20,033)	(19,532)
OTHER INCOME, Net	**2,607**	9,028	10,307
Income Before Income Taxes	**79,661**	35,356	56,958
PROVISION FOR INCOME TAXES	**23,011**	8,795	11,271
NET INCOME	**$ 56,650**	$ 26,561	$ 45,687
EARNINGS PER SHARE			
Basic	**$ 1.31**	$ 0.61	$ 1.00
Diluted	**$ 1.31**	$ 0.60	$ 1.00
WEIGHTED AVERAGE SHARES OUTSTANDING			
Basic	**42,178**	43,019	44,392
Diluted	**42,263**	43,200	44,442

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statements of Comprehensive Income (Loss)

FOR THE FISCAL YEARS ENDED JULY 2, 2017, JULY 3, 2016 AND JUNE 28, 2015
(in thousands)

	2017	2016	2015
Net Income	**$ 56,650**	$ 26,561	$ 45,687
Other Comprehensive Income (Loss):			
Cumulative Translation Adjustments	**(881)**	(4,746)	(32,170)
Unrealized Gain (Loss) on Derivative Instruments, Net of Tax Provision (Benefit) of $886, ($1,659), and $1,435, respectively	**1,476**	(2,764)	2,296
Unrecognized Pension & Postretirement Obligation, Net of Tax Provision (Benefit) of $22,697, ($31,098), and ($33,737), respectively	**37,829**	(51,830)	(53,979)
Other Comprehensive Income (Loss)	**38,424**	(59,340)	(83,853)
Total Comprehensive Income (Loss)	**$ 95,074**	$ (32,779)	$ (38,166)

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statements of Shareholders' Investment

FOR THE FISCAL YEARS ENDED JULY 2, 2017, JULY 3, 2016 AND JUNE 28, 2015
(in thousands, except per share data)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Shareholders' Investment
BALANCES, JUNE 29, 2014	$ 579	$ 78,466	$ 1,048,466	$ (195,257)	$ (259,820)	672,434
Net Income	—	—	45,687	—	—	45,687
Total Other Comprehensive Loss, Net of Tax	—	—	—	(83,853)	—	(83,853)
Cash Dividends Paid ($0.50 per share)	—	—	(22,660)	—	—	(22,660)
Stock Option Activity, Net of Tax	—	3,025	—	—	5,793	8,818
Restricted Stock	—	(3,482)	—	—	1,868	(1,614)
Amortization of Unearned Compensation	—	2,625	—	—	—	2,625
Deferred Stock	—	(3,287)	—	—	2,368	(919)
Deferred Stock - Directors	—	(75)	—	—	852	777
Treasury Stock Purchases	—	—	—	—	(47,045)	(47,045)
BALANCES, JUNE 28, 2015	$ 579	$ 77,272	$ 1,071,493	$ (279,110)	$ (295,984)	$ 574,250
Net Income	—	—	26,561	—	—	26,561
Total Other Comprehensive Loss, Net of Tax	—	—	—	(59,340)	—	(59,340)
Cash Dividends Paid ($0.54 per share)	—	—	(23,617)	—	—	(23,617)
Stock Option Activity, Net of Tax	—	(1,955)	—	—	15,111	13,156
Restricted Stock	—	(3,058)	—	—	584	(2,474)
Amortization of Unearned Compensation	—	3,255	—	—	—	3,255
Deferred Stock	—	(3,461)	—	—	2,495	(966)
Deferred Stock - Directors	—	(33)	—	—	275	242
Treasury Stock Purchases	—	—	—	—	(37,441)	(37,441)
BALANCES, JULY 3, 2016	**$ 579**	**$ 72,020**	**$ 1,074,437**	**$ (338,450)**	**$ (314,960)**	**$ 493,626**
Net Income	**—**	**—**	**56,650**	**—**	**—**	**56,650**
Total Other Comprehensive Income, Net of Tax	**—**	**—**	**—**	**38,424**	**—**	**38,424**
Cash Dividends Paid ($0.56 per share)	**—**	**—**	**(24,054)**	**—**	**—**	**(24,054)**
Stock Option Activity, Net of Tax	**—**	**(1,628)**	**—**	**—**	**8,551**	**6,923**
Restricted Stock	**—**	**(3,439)**	**—**	**—**	**2,506**	**(933)**
Amortization of Unearned Compensation	**—**	**3,336**	**—**	**—**	**—**	**3,336**
Deferred Stock	**—**	**(655)**	**—**	**—**	**1,675**	**1,020**
Deferred Stock - Directors (1)	**—**	**3,928**	**—**	**—**	**94**	**4,022**
Treasury Stock Purchases	**—**	**—**	**—**	**—**	**(19,680)**	**(19,680)**
BALANCES, JULY 2, 2017	**$ 579**	**$ 73,562**	**$ 1,107,033**	**$ (300,026)**	**$ (321,814)**	**$ 559,334**

(1) See Note 14 for additional discussion.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statements of Cash Flows

FOR THE FISCAL YEARS ENDED JULY 2, 2017, JULY 3, 2016 AND JUNE 28, 2015
(in thousands)

	2017	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income	**$ 56,650**	$ 26,561	$ 45,687
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	**56,183**	54,400	52,260
Stock Compensation Expense	**4,923**	5,109	6,227
Goodwill and Tradename Impairment	**—**	10,334	—
Pension Settlement Expense	**—**	20,245	—
Equity in Earnings of Unconsolidated Affiliates	**(11,056)**	(4,947)	(7,303)
Dividends Received from Unconsolidated Affiliates	**9,067**	6,119	4,628
Loss on Disposition of Plant and Equipment	**857**	751	265
Provision for Deferred Income Taxes	**10,316**	2,194	7,648
Non-Cash Restructuring Charges	**—**	3,903	11,257
Change in Operating Assets and Liabilities:			
Accounts Receivable	**(41,655)**	23,917	21,461
Inventories	**11,204**	(7,933)	12,079
Other Current Assets	**(1,759)**	1,231	5,444
Accounts Payable, Accrued Liabilities and Income Taxes	**8,152**	(14,016)	291
Other, Net	**(12,538)**	(12,941)	(9,049)
Net Cash Provided by Operating Activities	**90,344**	114,927	150,895
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital Expenditures (1)	**(83,141)**	(64,161)	(71,710)
Cash Paid for Acquisitions, Net of Cash Acquired	**—**	(3,074)	(88,144)
Cash Paid for Investment in Unconsolidated Affiliates	**—**	(19,100)	—
Proceeds Received on Disposition of Plant and Equipment	**1,027**	1,359	2,117
Proceeds on Sale of Investment in Marketable Securities	**3,343**	—	—
Other, Net	**—**	(860)	(250)
Net Cash Used in Investing Activities	**(78,771)**	(85,836)	(157,987)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayments on Long-Term Debt	**—**	(1,851)	—
Debt Issuance Costs	**—**	(932)	—
Cash Dividends Paid	**(24,054)**	(23,617)	(22,559)
Stock Option Exercise Proceeds	**7,770**	12,389	5,126
Payment of Acquisition Contingent Liability	**(1,625)**	—	—
Payments Related to Shares Withheld for Taxes for Stock Compensation	**(1,750)**	(3,104)	(2,799)
Treasury Stock Purchases	**(19,680)**	(37,441)	(47,045)
Net Cash Used in Financing Activities	**(39,339)**	(54,556)	(67,277)
EFFECT OF FOREIGN CURRENCY EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(366)**	(3,086)	(1,909)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(28,132)**	(28,551)	(76,278)
CASH AND CASH EQUIVALENTS:			
Beginning of Year	**89,839**	118,390	194,668
End of Year	**$ 61,707**	$ 89,839	$ 118,390
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Interest Paid	**$ 19,422**	$ 18,804	$ 18,535
Income Taxes Paid	**$ 4,683**	$ 5,980	$ 4,122

(1) Non-cash investing activity: The change in the balance of unpaid purchases of property, plant, and equipment included in accounts payable is $8.4 million for fiscal year 2017, and is not material for fiscal year 2016 and 2015.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

FOR THE FISCAL YEARS ENDED JULY 2, 2017, JULY 3, 2016 AND JUNE 28, 2015

(1) Nature of Operations:

Briggs & Stratton Corporation (the "Company") is a U.S. based producer of gasoline engines and outdoor power equipment. The Company's Engines segment sells engines worldwide, primarily to original equipment manufacturers of lawn & garden equipment and other gasoline engine powered equipment. The Company's Products segment designs, manufacturers and markets a wide range of outdoor power equipment, job site products, and related accessories.

(2) Summary of Significant Accounting Policies:

Fiscal Year: The Company's fiscal year consists of 52 or 53 weeks, ending on the Sunday nearest the last day of June in each year. The 2017 and 2015 fiscal years were each 52 weeks long, and the 2016 fiscal year was 53 weeks long. All references to years relate to fiscal years rather than calendar years.

Principles of Consolidation: The consolidated financial statements include the accounts of the Company and its majority owned domestic and foreign subsidiaries after elimination of intercompany accounts and transactions. Investments in companies for which we have significant influence are accounted for by the equity method.

Accounting Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Cash and Cash Equivalents: This caption includes cash, commercial paper and certificates of deposit. The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Receivables: Receivables are recorded at their original carrying value less reserves for estimated uncollectible accounts. The Company estimates and records an allowance for doubtful accounts based on specific identification and historical experience. The Company writes off uncollectible accounts against the allowance for doubtful accounts after all collection efforts have been exhausted.

Inventories: Inventories are stated at cost, which does not exceed market. The last-in, first-out (LIFO) method was used for determining the cost of approximately 51% of total inventories at July 2, 2017 and 49% at July 3, 2016. The cost for the remaining inventories was determined using the first-in, first-out (FIFO) method. If the FIFO inventory valuation method had been used exclusively, inventories would have been $63.0 million and $61.5 million higher at the end of fiscal 2017 and 2016, respectively. The LIFO inventory adjustment was determined on an overall basis, and accordingly, each class of inventory reflects an allocation based on the FIFO amounts.

Goodwill and Other Intangible Assets: Goodwill reflects the cost of acquisitions in excess of the fair values assigned to identifiable net assets acquired. Goodwill is assigned to reporting units based upon the expected benefit of the synergies of the acquisition.

Other Intangible Assets reflect identifiable intangible assets that arose from purchase acquisitions. Other Intangible Assets are primarily comprised of tradenames, patents and customer relationships. Goodwill and tradenames, which are considered to have indefinite lives, are not amortized; however, both must be tested for impairment at least annually. Amortization is recorded on a straight-line basis for other intangible assets with finite lives. Patents have been assigned an estimated useful life of 15 years. The customer relationships have been assigned an estimated useful life of 14 to 25 years.

The Company performed the required impairment tests in fiscal 2017, 2016 and 2015. There were no goodwill impairment charges or other intangible asset impairment charges recorded in fiscal 2017 or fiscal 2015. The Company recorded non-cash goodwill impairment charges and non-cash intangible asset impairment charges

in fiscal 2016. Refer to Note 7 for a discussion of the non-cash goodwill impairment charges and the non-cash intangible asset impairment charges recorded in fiscal 2016.

Investments: Investments represent the Company's investments in unconsolidated affiliated companies.

Financial information of the unconsolidated affiliated companies are accounted for by the equity method, generally on a lag of one month or less. Combined results of operations of unconsolidated affiliated companies for the fiscal year (in thousands):

	2017	2016	2015
Results of Operations:			
Sales	**$ 321,938**	$ 287,728	$ 219,904
Cost of Goods Sold	**244,346**	222,426	173,603
Gross Profit	**$ 77,592**	$ 65,302	$ 46,301
Net Income	**$ 22,217**	$ 20,258	$ 14,957

Combined balance sheets of unconsolidated affiliated companies as of fiscal year-end (in thousands):

	2017	2016
Financial Position:		
Assets:		
Current Assets	**$ 157,117**	$ 139,673
Noncurrent Assets	**54,748**	59,837
	211,865	199,510
Liabilities:		
Current Liabilities	**$ 61,346**	$ 43,442
Noncurrent Liabilities	**25,399**	29,178
	86,745	72,620
Equity	**$ 125,120**	$ 126,890

Net sales to equity method investees were approximately $113.6 million, $98.9 million and $60.1 million in 2017, 2016 and 2015, respectively. Purchases of finished products from equity method investees were approximately $94.9 million, $112.2 million and $104.7 million in 2017, 2016 and 2015, respectively.

Beginning in fiscal 2014, the Company joined with one of its independent distributors to form Power Distributors, LLC (the venture) to distribute service parts in the United States. During fiscal years 2014 through 2016, the venture acquired other independent distributors. During fiscal 2016, the Company contributed $19.1 million in cash as well as non-cash assets in exchange for receiving an additional ownership interest in the venture. Also during fiscal 2016, the venture achieved a national distribution network. The Company uses the equity method to account for this investment, and the earnings of the unconsolidated affiliate are allocated between the Engines and Products segments. As of July 2, 2017 and July 3, 2016, the Company's total investment in the venture was $27.4 million and $29.5 million, respectively, and its ownership percentage was 38.0%. The Company's equity method investments also include entities that are suppliers for the Engines segment.

The Company concluded that its equity method investments are integral to its business. The equity method investments provide manufacturing and distribution functions, which are important parts of its operations. Beginning with the third quarter of fiscal 2016, the Company is prospectively classifying its equity in earnings of unconsolidated affiliates as a separate line item within Income from Operations. For periods prior to the third quarter of fiscal 2016, equity in earnings from unconsolidated affiliates is classified in Other Income, Net in the Consolidated Statements of Operations.

During fiscal 2016, the Company had an investment in marketable securities, which related to its ownership of common stock of a publicly-traded company. The Company classified its investment as available-for-sale

securities, and it was reported at fair value. Unrealized gains and losses, net of the related tax effects, were reported as a separate component of Accumulated Other Comprehensive Income (Loss). During the fourth quarter of fiscal 2016, the Company sold its investment in marketable securities and recognized a gain of $3.3 million, which is recorded in Other Income, Net in the Consolidated Statements of Operations. The Company received proceeds related to the sale in the first quarter of fiscal 2017.

Debt Issuance Costs: Direct and incremental costs incurred in obtaining loans or in connection with the issuance of long-term debt are capitalized and amortized to interest expense over the terms of the related credit agreements. The debt issuance costs are recorded as a direct deduction from the carrying value of the debt liability; however, the Company classifies debt issuance costs related to the revolving credit facility as an asset, regardless of whether it has any outstanding borrowings on the line of credit arrangements. Approximately $0.9 million, $0.9 million and $1.0 million of debt issuance costs and original issue discounts were amortized to interest expense during fiscal years 2017, 2016 and 2015, respectively.

Plant and Equipment and Depreciation: Plant and equipment are stated at historical cost. For financial reporting purposes, plant and equipment are depreciated primarily by the straight line method over the estimated useful lives of the assets which generally range from 3 to 10 years for software, from 20 to 40 years for land improvements, from 20 to 50 years for buildings, and 3 to 20 years for machinery and equipment. Expenditures for repairs and maintenance are charged to expense as incurred. Expenditures for major renewals and betterments, which significantly extend the useful lives of existing plant and equipment, are capitalized and depreciated. Upon retirement or disposition of plant and equipment, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in cost of goods sold or engineering, selling, general and administrative expenses.

Depreciation expense was approximately $51.9 million, $50.0 million and $48.5 million during fiscal years 2017, 2016 and 2015, respectively.

Impairment of Property, Plant and Equipment: Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the sum of the expected undiscounted cash flows is less than the carrying value of the related asset or group of assets, a loss is recognized for the difference between the fair value and carrying value of the asset or group of assets. Refer to Note 17 for impairments associated with restructuring actions.

Warranty: The Company recognizes the cost associated with its standard warranty on engines and products at the time of sale. The general warranty period begins at the time of sale and typically covers two years, but may vary due to product type and geographic location. The amount recognized is based on historical failure rates and current claim cost experience. The following is a reconciliation of the changes in accrued warranty costs for the reporting period (in thousands):

	2017	2016
Balance, Beginning of Period	**$ 44,367**	$ 48,007
Payments	**(27,336)**	(27,874)
Provision for Current Year Warranties	**25,513**	24,262
Changes in Estimates	**564**	(28)
Balance, End of Period	**$ 43,108**	$ 44,367

Revenue Recognition: Net sales include sales of engines, products, and related service parts and accessories, net of allowances for cash discounts, customer volume rebates and discounts, floor plan interest and advertising allowances. The Company recognizes revenue when all of the following criteria are met: persuasive evidence of an arrangement exists, delivery has occurred, the price is fixed or determinable, and collectibility is reasonably assured. This is generally upon shipment. Prior to fiscal 2017, revenue for certain international shipments was recognized when the customer received the product.

Included in net sales are costs associated with programs under which the Company shares the expense of financing certain dealer and distributor inventories, referred to as floor plan expense. This represents interest for a pre-established length of time based on a variable rate (LIBOR) plus a fixed percentage from a contract with a third party financing source for dealer and distributor inventory purchases. Sharing the cost of these

financing arrangements is used by the Company as a marketing incentive for customers to purchase the Company's products to have floor stock for end users to purchase. The Company enters into interest rate swaps to hedge cash flows for a portion of its interest rate risk. The financing costs, net of the related gain or loss on interest rate swaps, are recorded at the time of sale as a reduction of net sales. Included in net sales in fiscal 2017, 2016 and 2015 were financing costs, net of the related gain or loss on interest rate swaps, of $7.3 million, $6.6 million and $6.0 million, respectively.

The Company also offers a variety of customer rebates and sales incentives. The Company records estimates for rebates and incentives at the time of sale, as a reduction in net sales.

Income Taxes: The provision for income taxes includes federal, state and foreign income taxes currently payable and those deferred because of temporary differences between the financial statement and tax bases of assets and liabilities. The deferred income tax asset and liability represent temporary differences relating to assets and liabilities. A valuation allowance is recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized.

Retirement Plans: The Company has noncontributory, defined benefit retirement plans and postretirement benefit plans covering certain employees. Retirement benefits represent a form of deferred compensation, which are subject to change due to changes in assumptions. Management reviews underlying assumptions on an annual basis. Refer to Note 16.

Research and Development Costs: Expenditures relating to the development of new products and processes, including significant improvements and refinements to existing products, are expensed as incurred and recorded in engineering, selling, general and administrative expenses within the Consolidated Statements of Operations. The amounts charged against income were $23.0 million, $20.0 million and $19.9 million in fiscal 2017, 2016 and 2015, respectively.

Advertising Costs: Advertising costs, included in engineering, selling, general and administrative expenses within the Consolidated Statements of Operations, are expensed as incurred. These expenses totaled $19.0 million in fiscal 2017, $18.0 million in fiscal 2016 and $17.5 million in fiscal 2015.

Shipping and Handling Fees: Revenue received from shipping and handling fees is reflected in net sales and related shipping costs are recorded in cost of goods sold. Shipping fee revenue for fiscal 2017, 2016 and 2015 was $5.0 million, $5.2 million and $6.6 million, respectively.

Foreign Currency Translation: Foreign currency balance sheet accounts are translated into dollars at the rates of exchange in effect at fiscal year-end. Income and expenses incurred in a foreign currency are translated at the average rates of exchange in effect during the year. The related translation adjustments are made directly to a separate component of Shareholders’ Investment. Foreign currency transaction gains and losses are included in the results of operations in the period incurred. The Company recorded pre-tax foreign currency transaction gains of $0.8 million, $2.6 million, and $3.7 million during fiscal 2017, 2016, and 2015, respectively.

Earnings Per Share: The Company computes earnings per share using the two-class method, an earnings allocation formula that determines earnings per share for each class of common stock and participating security according to dividends declared and participation rights in undistributed earnings. The Company’s unvested grants of restricted stock, restricted stock units, and deferred stock awards contain non-forfeitable rights to dividends (whether paid or unpaid), which are required to be treated as participating securities and included in the computation of basic earnings per share.

Information on earnings per share is as follows (in thousands except per share data):

	Fiscal Year Ended		
	July 2, 2017	July 3, 2016	June 28, 2015
Net Income	**$ 56,650**	$ 26,561	$ 45,687
Less: Earnings Allocated to Participating Securities	**(1,274)**	(497)	(1,154)
Net Income available to Common Shareholders	**$ 55,376**	$ 26,064	$ 44,533
Average Shares of Common Stock Outstanding	**42,178**	43,019	44,392
Incremental Common Shares Applicable to Common Stock Options and Performance Shares Based on the Common Stock Average Market Price During the Period	**85**	181	50
Shares Used in Calculating Diluted Earnings Per Share	**42,263**	43,200	44,442
Adjustment for Participating Securities	**792**	722	953
Diluted Average Shares, Including Participating Securities	**43,055**	43,922	45,395
Basic Earnings Per Share	**$ 1.31**	$ 0.61	$ 1.00
Diluted Earnings Per Share	**$ 1.31**	$ 0.60	$ 1.00

The dilutive effect of the potential exercise of outstanding stock-based awards to acquire common shares is calculated using the treasury stock method. The following options to purchase shares of common stock were excluded from the calculation of diluted earnings per share as the exercise prices were greater than the average market price of the common shares, and their inclusion in the computation would be antidilutive:

	Fiscal Year Ended		
	July 2, 2017	July 3, 2016	June 28, 2015
Options to Purchase Shares of Common Stock (in thousands)	**—**	408	784
Weighted Average Exercise Price of Options Excluded	**$ —**	$ 20.82	$ 20.37

Derivative Instruments & Hedging Activity: The Company enters into derivative contracts designated as cash flow hedges to manage certain interest rate, foreign currency and commodity exposures. Company policy allows derivatives to be used only for identifiable exposures and, therefore, the Company does not enter into derivative instruments for trading purposes where the sole objective is to generate profits.

The Company formally designates the financial instrument as a hedge of a specific underlying exposure and documents both the risk management objectives and strategies for undertaking the hedge. The Company formally assesses, both at the inception and at least quarterly thereafter, whether the financial instruments that are used in hedging transactions are effective at offsetting changes in the forecasted cash flows of the related underlying exposure. Because of the high degree of effectiveness between the hedging instrument and the underlying exposure being hedged, fluctuations in the value of the derivative instruments are generally offset by changes in the forecasted cash flows of the underlying exposures being hedged. Derivative financial instruments are recorded on the Consolidated Balance Sheets as assets or liabilities, measured at fair value. The effective portion of gains or losses on derivatives designated as cash flow hedges are reported as a component of Accumulated Other Comprehensive Income (Loss) (AOCI) and reclassified into earnings in the same periods during which the hedged transaction affects earnings. Any ineffective portion of a financial instrument's change in fair value is immediately recognized in earnings.

The Company discontinues hedge accounting prospectively when it determines that the derivative is no longer effective in offsetting cash flows attributable to the hedged risk, the derivative expires or is sold, terminated, or exercised, the cash flow hedge is dedesignated because a forecasted transaction is not probable of occurring, or management determines to remove the designation of the cash flow hedge.

In all situations in which hedge accounting is discontinued and the derivative remains outstanding, the Company continues to carry the derivative at its fair value on the balance sheet and recognizes any subsequent changes in its fair value in earnings. When it is probable that a forecasted transaction will not

occur, the Company discontinues hedge accounting and recognizes immediately in earnings gains and losses that were accumulated in other comprehensive income related to the hedging relationship.

(3) New Accounting Pronouncements:

In January 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2017-04, Simplifying the Test for Goodwill Impairment, which simplifies how an entity is required to test goodwill for impairment by eliminating Step 2 from the goodwill impairment test. Step 2 measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. Under the amendments in ASU 2017-04, an entity should recognize an impairment charge for the amount by which the carrying amount of a reporting unit exceeds its fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. The updated guidance requires a prospective adoption. The guidance is effective beginning fiscal year 2021. Early adoption is permitted. The Company is currently assessing the impact of this new accounting pronouncement on its results of operations and financial position.

In March 2016, the FASB issued ASU No. 2016-09, Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting. The ASU was issued as part of the FASB Simplification Initiative and involves several aspects of accounting for share-based payment transactions, including the income tax consequences and classification on the statement of cash flows. The guidance is effective beginning fiscal year 2018. Early adoption is permitted. The Company early adopted this ASU as of July 2, 2017. Prior to the adoption of the ASU, excess tax benefits or expense related to stock-based compensation transactions were recognized in "Additional paid-in capital" on the Condensed Consolidated Balance Sheets. Following the adoption of the ASU, all excess tax benefits or expense related to stock-based compensation transactions are recognized prospectively, including for the entire year of adoption, as income tax benefits or expense in the Condensed Consolidated Statements of Operations and are prospectively included in cash flows from operating activities on the Condensed Consolidated Statements of Cash Flows as a component of "Net Income." In addition, the Company retrospectively adopted the presentation requirements for cash flows related to employee taxes paid for withheld shares as a financing activity on the Condensed Consolidated Statements of Cash Flows. The adoption of this ASU did not have a material impact on the Company's Condensed Consolidated Financial Statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which is intended to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Certain qualitative and quantitative disclosures are required, as well as a modified retrospective recognition and measurement of impacted leases. The guidance is effective beginning fiscal year 2020, with early adoption permitted. The Company is currently assessing the impact of this new accounting pronouncement on its results of operations, financial position, and cash flows.

In January 2016, the FASB issued ASU No. 2016-01, Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities (ASU No. 2016-01). ASU No. 2016-01 enhances the existing financial instruments reporting model by modifying fair value measurement tools, simplifying impairment assessments for certain equity instruments, and modifying overall presentation and disclosure requirements. The guidance is effective beginning fiscal year 2019, with early adoption permitted. The Company does not expect the impact of adoption to have a material impact on the Company's results of operations, financial position, and cash flows.

In November 2015, the FASB issued ASU No. 2015-17, Balance Sheet Classification of Deferred Taxes (Topic 740). Prior guidance required an entity to separate deferred income tax liabilities and assets into current and noncurrent amounts in a classified statement of financial position; however, the new guidance requires that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. This guidance is effective beginning fiscal year 2018. Early adoption is permitted. The Company early adopted this ASU as of July 2, 2017. As discussed in Note 8, the Company retrospectively reclassified current "Deferred Income Tax Assets" to "Long-term Deferred Income Tax Assets" on the accompanying Condensed

Consolidated Balance Sheet as of July 3, 2016. The adoption of this ASU did not have a material impact on the company's Condensed Consolidated Financial Statements.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Topic 606 also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to fulfill a contract. This guidance is effective beginning fiscal year 2019 under either full or modified retrospective adoption. The Company has begun its assessment of Topic 606 and has developed a comprehensive project plan that includes representatives from across the Company's business. The project plan includes analyzing the standard's impact on the Company's various revenue streams, comparing its historical accounting policies and practices to the requirements of the new standard, and identifying potential differences from applying the requirements of the new standard to its contracts. The Company is in the process of identifying and implementing appropriate changes to its business processes, systems and controls to support revenue recognition and disclosures under Topic 606. As of July 2, 2017, and subject to the potential effects of any new related ASUs issued by the FASB, as well as the Company's ongoing evaluation of transactions and contracts, the Company does not anticipate that the adoption of this standard will have a material impact on the company's consolidated financial statements. The Company anticipates adopting Topic 606 at the beginning of fiscal year 2019 using the modified retrospective approach.

(4) Accumulated Other Comprehensive Income (Loss):

The following tables set forth the changes in accumulated other comprehensive income (loss) (in thousands):

	Fiscal Year Ended July 2, 2017			
	Cumulative Translation Adjustments	Derivative Financial Instruments	Pension and Postretirement Benefit Plans	Total
Beginning Balance	$ (23,863)	$ (1,552)	$ (313,035)	$ (338,450)
Other Comprehensive Income (Loss) Before Reclassification	(881)	1,003	43,947	44,069
Income Tax Benefit (Expense)	—	(376)	(16,480)	(16,856)
Net Other Comprehensive Income (Loss) Before Reclassifications	(881)	627	27,467	27,213
Reclassifications:				
Realized (Gains) Losses - Foreign Currency Contracts (1)	—	357	—	357
Realized (Gains) Losses - Commodity Contracts (1)	—	258	—	258
Realized (Gains) Losses - Interest Rate Swaps (1)	—	743	—	743
Amortization of Prior Service Costs (Credits) (2)	—	—	(2,474)	(2,474)
Amortization of Actuarial Losses (2)	—	—	19,053	19,053
Total Reclassifications Before Tax	—	1,358	16,579	17,937
Income Tax Expense (Benefit)	—	(509)	(6,217)	(6,726)
Net Reclassifications	—	849	10,362	11,211
Other Comprehensive Income (Loss)	(881)	1,476	37,829	38,424
Ending Balance	$ (24,744)	$ (76)	$ (275,206)	$ (300,026)

(1) Amounts reclassified to net income are included in net sales or cost of goods sold. See Note 15 for information related to derivative financial instruments.
(2) Amounts reclassified to net income are included in the computation of net periodic expense, which is presented in cost of goods sold or engineering, selling, general and administrative expenses. See Note 16 for information related to pension and postretirement benefit plans.

	Fiscal Year Ended July 3, 2016			
	Cumulative Translation Adjustments	Derivative Financial Instruments	Pension and Postretirement Benefit Plans	Total
Beginning Balance	$ (19,117)	$ 1,212	$ (261,205)	$ (279,110)
Other Comprehensive Income (Loss) Before Reclassification	(4,746)	1,147	(117,745)	(121,344)
Income Tax Benefit (Expense)	—	(430)	44,154	43,724
Net Other Comprehensive Income (Loss) Before Reclassifications	(4,746)	717	(73,591)	(77,620)
Reclassifications:				
Realized (Gains) Losses - Foreign Currency Contracts (1)	—	(7,584)	—	(7,584)
Realized (Gains) Losses - Commodity Contracts (1)	—	901	—	901
Realized (Gains) Losses - Interest Rate Swaps (1)	—	1,113	—	1,113
Amortization of Prior Service Costs (Credits) (2)	—	—	(2,479)	(2,479)
Amortization of Actuarial Losses (2)	—	—	17,051	17,051
Plan Settlement (2)	—	—	20,245	20,245
Total Reclassifications Before Tax	—	(5,570)	34,817	29,247
Income Tax Expense (Benefit)	—	2,089	(13,056)	(10,967)
Net Reclassifications	—	(3,481)	21,761	18,280
Other Comprehensive Income (Loss)	(4,746)	(2,764)	(51,830)	(59,340)
Ending Balance	$ (23,863)	$ (1,552)	$ (313,035)	$ (338,450)

(1) Amounts reclassified to net income are included in net sales or cost of goods sold. See Note 15 for information related to derivative financial instruments.
(2) Amounts reclassified to net income are included in the computation of net periodic expense, which is presented in cost of goods sold or engineering, selling, general and administrative expenses. See Note 16 for information related to pension and postretirement benefit plans.

	Fiscal Year Ended June 28, 2015			
	Cumulative Translation Adjustments	Derivative Financial Instruments	Pension and Postretirement Benefit Plans	Total
Beginning Balance	$ 13,053	$ (1,084)	$ (207,226)	$ (195,257)
Other Comprehensive Income (Loss) Before Reclassification	(32,170)	13,280	(101,366)	(120,256)
Income Tax Benefit (Expense)	—	(4,980)	38,012	33,032
Net Other Comprehensive Income (Loss) Before Reclassifications	(32,170)	8,300	(63,354)	(87,224)
Reclassifications:				
Realized (Gains) Losses - Foreign Currency Contracts (1)	—	(11,350)	—	(11,350)
Realized (Gains) Losses - Commodity Contracts (1)	—	521	—	521
Realized (Gains) Losses - Interest Rate Swaps (1)	—	1,222	—	1,222
Amortization of Prior Service Costs (Credits) (2)	—	—	(2,578)	(2,578)
Amortization of Actuarial Losses (2)	—	—	17,578	17,578
Total Reclassifications Before Tax	—	(9,607)	15,000	5,393
Income Tax Expense (Benefit)	—	3,603	(5,625)	(2,022)
Net Reclassifications	—	(6,004)	9,375	3,371
Other Comprehensive Income (Loss)	(32,170)	2,296	(53,979)	(83,853)
Ending Balance	$ (19,117)	$ 1,212	$ (261,205)	$ (279,110)

(1) Amounts reclassified to net income are included in net sales or cost of goods sold. See Note 15 for information related to derivative financial instruments.
(2) Amounts reclassified to net income are included in the computation of net periodic expense, which is presented in cost of goods sold or engineering, selling, general and administrative expenses. See Note 16 for information related to pension and postretirement benefit plans.

(5) Acquisitions:

On August 29, 2014, the Company acquired all of the outstanding shares of Allmand Bros., Inc. ("Allmand") of Holdrege, Nebraska for total cash consideration of $59.9 million, net of cash acquired. Allmand is a leading designer and manufacturer of high quality towable light towers, industrial heaters, and solar LED arrow boards. Its products are used in a variety of industries, including construction, roadway, oil and gas, mining, and sporting and special events. Allmand's products are generally powered by diesel engines, and distributed through equipment rental companies, equipment dealers and distributors. During fiscal 2015, the Company recorded a purchase price allocation based on its estimates of fair value. The purchase price allocation resulted in the recognition of $15.6 million of goodwill, which was allocated to the Products segment, and $24.1 million of intangible assets, including $15.7 million of customer relationships, $8.1 million of tradenames, and $0.3 million of other intangible assets.

On May 20, 2015, the Company acquired all of the outstanding shares of Billy Goat Industries, Inc. ("Billy Goat") of Lee's Summit, Missouri for total cash consideration of $28.3 million, net of cash acquired. Billy Goat is a leading manufacturer of specialty turf equipment, which includes aerators, sod cutters, overseeders, power rakes, brush cutters, walk behind blowers, lawn vacuums, and debris loaders. During fiscal 2015, the Company recorded a purchase price allocation based on its estimates of fair value.The purchase price allocation resulted in the recognition of $9.2 million of goodwill, which was allocated to the Products segment, and $16.4 million of intangible assets, including $12.0 million of customer relationships, $4.0 million of tradenames, and $0.4 million of other intangible assets.

The results of operations of the acquisitions have been included in the Consolidated Condensed Statements of Operations since the date of acquisition. Pro forma financial information and allocation of the purchase

price are not presented as the effects of the acquisitions are not material to the Company's consolidated results of operations or financial position.

(6) Fair Value:

Assets and Liabilities Measured at Fair Value:

The following guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1: Quoted prices for identical instruments in active markets.

Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-driven valuations whose inputs are observable or whose significant value drivers are observable.

Level 3: Significant inputs to the valuation model are unobservable.

The following table presents information about the Company's financial assets and liabilities measured at fair value on a recurring basis as of July 2, 2017 and July 3, 2016 (in thousands):

		Fair Value Measurement Using		
	July 2, 2017	Level 1	Level 2	Level 3
Assets:				
Derivatives	$ 2,081	**$ —**	**$ 2,081**	**$ —**
Liabilities:				
Derivatives	$ 3,213	**$ —**	**$ 3,213**	**$ —**

		Fair Value Measurement Using		
	July 3, 2016	Level 1	Level 2	Level 3
Assets:				
Derivatives	$ 1,422	$ —	$ 1,422	$ —
Liabilities:				
Derivatives	$ 4,359	$ —	$ 4,359	$ —

The fair value for Level 2 measurements are based upon the respective quoted market prices for comparable instruments in active markets, which include current market pricing for forward purchases of commodities, foreign currency forwards, and current interest rates.

The Company has currently chosen not to elect the fair value option for any items that are not already required to be measured at fair value in accordance with accounting principles generally accepted in the United States.

Fair Value of Financial Instruments:

The Company believes that the carrying values of cash and cash equivalents, trade receivables and accounts payable are reasonable estimates of their fair values at July 2, 2017 and July 3, 2016 due to the short-term nature of these instruments. The estimated fair value of the 6.875% Senior Notes due December 2020 is based on quoted market prices for similar instruments and is, therefore, classified as Level 2 within the valuation hierarchy.

The estimated fair market values of the Company's indebtedness is (in thousands):

	2017		2016	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
6.875% Senior Notes	**$ 223,149**	**$ 245,888**	$ 223,149	$ 240,164
Borrowings on Revolver	**$ —**	**$ —**	$ —	$ —

(7) Goodwill and Other Intangible Assets:

The changes in the carrying amount of goodwill by reportable segment for the fiscal years ended July 2, 2017 and July 3, 2016 are as follows (in thousands):

	Engines	Products	Total
Goodwill Balance at June 28, 2015	$ 138,281	$ 27,241	$ 165,522
Impairment Loss	—	(7,651)	(7,651)
Acquisition	—	4,104	4,104
Effect of Translation	(338)	(69)	(407)
Goodwill Balance at July 3, 2016	$ 137,943	$ 23,625	$ 161,568
Effect of Translation	131	(50)	81
Goodwill Balance at July 2, 2017	$ 138,074	$ 23,575	$ 161,649

At July 2, 2017, July 3, 2016 and June 28, 2015, accumulated goodwill impairment losses, as recorded in the Products segment, were $131.4 million, $131.4 million and $123.7 million respectively.

The Company evaluates goodwill for impairment at least annually as of the fiscal year-end and more frequently if events or circumstances indicate that the assets may be impaired. For the goodwill evaluation for one reporting unit, the Company first determines based on a qualitative assessment whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. For other reporting units or if the Company's qualitative assessment conclusion is that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the Company will test goodwill using a two-step process. The first step of the goodwill impairment test is to identify a potential impairment by comparing the carrying values of each of the Company's reporting units to their estimated fair values as of the test dates. The estimates of fair value of the reporting units are computed using either an income approach, a market approach, or a combination of both. The income approach utilizes a multi-year forecast of estimated cash flows and a terminal value at the end of the cash flow period. The forecast period assumptions consist of internal projections that are based on the Company's budget and long-range strategic plan. The discount rate used at the test date is the weighted-average cost of capital which reflects the overall level of inherent risk of the reporting unit and the rate of return an outside investor would expect to earn. Valuations using the market approach are derived from metrics of publicly traded companies or historically completed transactions of comparable businesses. The selection of comparable businesses is based on the markets in which the reporting units operate giving consideration to risk profiles, size, geography, and diversity of products and services.

If the fair value of a reporting unit exceeds its book value, goodwill of the reporting unit is not deemed impaired and the second step of the impairment test is not performed. If the book value of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss, if any. The second step of the goodwill impairment test compares the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. The implied fair value of goodwill is determined by allocating the estimated fair value of the reporting unit to the estimated fair value of its existing tangible assets and liabilities as well as existing identified intangible assets and previously unrecognized intangible assets in a manner similar to a purchase price allocation. The unallocated portion of the estimated fair value of the reporting unit is the implied fair value of goodwill. If the carrying amount of the reporting unit's

goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess.

In fiscal 2016, the Company recorded a non-cash goodwill impairment charge of $7.7 million related to its Job Site reporting unit, which was determined by comparing the carrying value of the reporting unit's goodwill with the implied fair value of goodwill for the reporting unit. The Company reached this conclusion because it determined that its forecasted cash flow estimates used in the goodwill assessment for its Job Site reporting unit were adversely impacted by elevated channel inventories. The inventory channel for job site products, particularly portable light towers and portable heaters, was elevated due to the rapid and significant change in market demand following the reduction in North American oil production and was compounded by the mild winter. The impairment charge was a non-cash expense that was recorded as a separate component of operating expenses. The goodwill impairment was not deductible for income tax purposes. The impairment charge did not adversely affect the Company's debt position, cash flow, liquidity or compliance with financial covenants under its revolving credit facility.

The Company's other intangible assets as of July 2, 2017 and July 3, 2016 are as follows (in thousands) in the table below. After an intangible asset has been fully amortized, it is removed from the table in the subsequent year.

	2017			2016		
	Gross Carrying Amount	**Accumulated Amortization**	**Net**	Gross Carrying Amount	Accumulated Amortization	Net
Amortized Intangible Assets:						
Patents	**$ 7,300**	**$ (6,327)**	**$ 973**	$ 7,300	$ (5,840)	$ 1,460
Customer Relationships	**60,182**	**(16,304)**	**43,878**	60,182	(13,507)	46,675
Other Intangible Assets	**839**	**(626)**	**213**	739	(337)	402
Effect of Translation	**(5,576)**	**637**	**(4,939)**	(5,325)	489	(4,836)
Total Amortized Intangible Assets	**62,745**	**(22,620)**	**40,125**	62,896	(19,195)	43,701
Unamortized Intangible Assets:						
Tradenames	**63,967**	**—**	**63,967**	63,967	—	63,967
Effect of Translation	**(3,497)**	**—**	**(3,497)**	(3,504)	—	(3,504)
Total Unamortized Intangible Assets	**60,470**	**—**	**60,470**	60,463	—	60,463
Total Intangible Assets	**$ 123,215**	**$ (22,620)**	**$ 100,595**	$ 123,359	$ (19,195)	$ 104,164

The Company also performs an impairment test of its indefinite-lived intangible assets as of the fiscal year-end and more frequently if events or circumstances indicate that the assets may be impaired. For purposes of the indefinite-lived intangible asset impairment analysis, the Company performs its assessment of fair value based on an income approach using the relief-from-royalty method. The Company determines the fair value of each tradename by applying a royalty rate to a projection of net sales discounted using a risk adjusted cost of capital. Sales growth rates are determined after considering current and future economic conditions, recent sales trends, discussions with customers, planned timing of new product launches and many other variables. Each royalty rate is based on profitability of the business to which it relates and observed market royalty rates.

In fiscal 2016, the Company recorded a non-cash intangible asset impairment charge of $2.7 million. The impairment charge did not adversely affect the Company's debt position, cash flow, liquidity or compliance with financial covenants under its revolving credit facility.

Amortization expense of other intangible assets amounted to approximately $3.5 million in 2017, $3.4 million in 2016, and $2.8 million in 2015.

The estimated amortization expense of other intangible assets for the next five years is (in thousands):

2018	$ 3,363
2019	3,241
2020	2,754
2021	2,754
2022	2,754
	$ 14,866

(8) Income Taxes:

Components of income before income taxes consists of the following (in thousands):

	2017	2016	2015
U.S.	**$ 66,555**	$ 22,203	$ 38,615
Foreign	**13,106**	13,153	18,343
Total	**$ 79,661**	$ 35,356	$ 56,958

The provision for income taxes consists of the following (in thousands):

	2017	2016	2015
Current			
Federal	**$ 7,333**	$ 2,649	$ (659)
State	**933**	670	859
Foreign	**4,429**	3,282	3,423
	12,695	6,601	3,623
Deferred			
Federal	**$ 8,156**	$ 2,702	$ 6,928
State	**583**	193	495
Foreign	**1,577**	(701)	225
	10,316	2,194	7,648
Total	**$ 23,011**	$ 8,795	$ 11,271

A reconciliation of the U.S. statutory tax rates to the effective tax rates on income follows:

	2017	2016	2015
U.S. Statutory Rate	**35.0 %**	35.0 %	35.0 %
State Taxes, Net of Federal Tax Benefit	**1.5 %**	2.0 %	2.0 %
Impact of Foreign Operations and Tax Rates	**(2.1)%**	(9.7)%	(2.7)%
Valuation Allowance	**5.3 %**	3.3 %	1.9 %
Changes to Unrecognized Tax Benefits	**(4.5)%**	2.8 %	4.3 %
U.S. Manufacturers Deduction	**(2.4)%**	(3.7)%	(2.5)%
Research & Development Credit (1)	**(3.1)%**	(10.6)%	(18.1)%
Goodwill Impairment	**— %**	7.6 %	— %
Other, Net	**(0.8)%**	(1.8)%	(0.1)%
Effective Tax Rate	**28.9 %**	24.9 %	19.8 %

(1) "Research & Development Credit" in fiscal 2016 includes fiscal 2016 and fiscal 2015 federal research & development credit due to the reenactment of the credit during fiscal 2016. In fiscal 2015, this item primarily relates to federal research & development tax credits associated with the completion of a research & development tax credit analysis of prior fiscal years.

The components of deferred income taxes were as follows (in thousands):

Long-Term Asset (Liability):	2017	2016
Difference Between Book and Tax Related to:		
Pension Cost	**$ 64,216**	$ 90,016
Accumulated Depreciation	**(48,679)**	(41,319)
Intangibles	**(54,360)**	(56,755)
Accrued Employee Benefits	**38,477**	39,083
Postretirement Health Care Obligation	**12,865**	14,107
Inventory	**15,969**	13,360
Warranty	**16,008**	16,517
Payroll & Workers Compensation Accruals	**7,087**	7,620
Valuation Allowance	**(23,461)**	(19,371)
Net Operating Loss/State Credit Carryforwards	**26,436**	24,942
Other Accrued Liabilities	**13,709**	10,117
Miscellaneous	**(3,904)**	(119)
Deferred Income Tax Asset (Liability)	**$ 64,363**	$ 98,198

Total deferred tax assets were $171.3 million and $200.3 million as of July 2, 2017 and July 3, 2016, respectively. Total deferred tax liabilities were $106.9 million and $102.1 million as of July 2, 2017 and July 3, 2016, respectively. During fiscal 2017, the total valuation allowance increased by $4.1 million. The Company early adopted ASU No. 2015-17, Balance Sheet Classification of Deferred Taxes (see Note 3) as of July 2, 2017. The Company retrospectively reclassified $44.7 million of current “Deferred Income Tax Assets" to "Long-term Deferred Income Tax Assets” on the accompanying Condensed Consolidated Balance Sheet as of July 3, 2016.

Deferred tax assets were generated during the current year as a result of foreign income tax loss carryforwards in the amount of $1.9 million. At July 2, 2017, there are $7.5 million of foreign income tax loss carryforwards, consisting of $5.3 million that have no expiration date, and $2.2 million that will expire within the next 5 to 10 years. A deferred tax asset of $18.9 million exists at July 2, 2017 related to state income tax losses and state tax credit carryforwards. If not utilized against future taxable income, this amount will expire from 2018 through 2028. Realization of the deferred tax assets are contingent upon generating sufficient taxable income prior to expiration of these carryforwards. At July 2, 2017, a valuation allowance of $7.5 million is recorded for the foreign losses which the Company believes are unlikely to be realized in the future. In addition, a valuation allowance of $15.9 million is recorded related to state tax credits that are unlikely to be realized.

The Company does not record deferred income taxes applicable to undistributed earnings of foreign subsidiaries for which the Company intends to reinvest such earnings indefinitely outside of the U.S. The undistributed earnings that the Company intends to reinvest amounted to approximately $88.6 million at July 2, 2017. If the Company were to distribute these earnings, foreign tax credits may become available under current law to reduce the resulting U.S. income tax. Determination of the amount of unrecognized deferred tax liability related to these earnings is not practicable.

The change to the gross unrecognized tax benefits of the Company during the fiscal years ended July 2, 2017, July 3, 2016, and June 28, 2015 is reconciled as follows:

Unrecognized Tax Benefits (in thousands):

	2017	2016	2015
Beginning Balance	**$ 10,922**	$ 10,551	$ 7,657
Changes based on tax positions related to prior year	**(861)**	(208)	4,573
Additions based on tax positions related to current year	**461**	579	691
Settlements with taxing authorities	**(4,437)**	—	(2,120)
Lapse of statute of limitations	**(99)**	—	(250)
Ending Balance	**$ 5,986**	$ 10,922	$ 10,551

As of July 2, 2017, gross unrecognized tax benefits that, if recognized, would impact the effective tax rate were $4.7 million. There is a reasonable possibility that approximately $1.0 million of the liability for uncertain tax positions may be settled within the next twelve months due to the resolution of audits or expiration of statutes of limitations.

The Company recognizes interest and penalties related to unrecognized tax benefits in income tax expense. The total expense (income) recognized for fiscal years 2017, 2016 and 2015 was $(0.2) million, $0.2 million, and $0.1 million, respectively.

As of July 2, 2017 and July 3, 2016, the Company had $1.2 million and $1.4 million, respectively, accrued for the payment of interest and penalties.

At July 2, 2017 and July 3, 2016, the liability for uncertain tax positions, inclusive of interest and penalties, was $7.2 million and $12.3 million, respectively, which is recorded as an other long-term liability within the Consolidated Balance Sheets.

Income tax returns are filed in the U.S., state, and foreign jurisdictions and related audits occur on a regular basis. In the U.S., the Company is no longer subject to U.S. federal income tax examinations before fiscal 2013. The Company is currently under audit by various state and foreign jurisdictions. The Company is no longer subject to tax examinations before fiscal 2007 in its major foreign jurisdictions.

(9) Segment and Geographic Information and Significant Customers:

The Company aggregates operating segments that have similar economic characteristics, products, production processes, types or classes of customers and distribution methods into reportable segments. The Company concluded that it operates two reportable segments: Engines and Products. The Company uses "segment income (loss)" as the primary measure to evaluate operating performance and allocate capital resources for the Engines and Products segments. The Company defines segment income (loss) as income from operations plus equity in earnings of unconsolidated affiliates. Summarized segment data is as follows (in thousands):

	2017	2016	2015
NET SALES:			
Engines	**$ 1,098,809**	$ 1,142,815	$ 1,208,914
Products	**778,378**	772,154	788,564
Eliminations	**(91,084)**	(106,191)	(102,728)
	$ 1,786,103	$ 1,808,778	$ 1,894,750
GROSS PROFIT:			
Engines	**$ 262,036**	$ 252,833	$ 267,778
Products	**121,141**	110,944	89,268
Eliminations	**652**	(1,322)	2,053
	$ 383,829	$ 362,455	$ 359,099
SEGMENT INCOME (LOSS) (1)			
Engines	**$ 84,165**	$ 60,645	$ 93,880
Products	**12,530**	(9,775)	(22,447)
Eliminations	**652**	(1,322)	2,053
	$ 97,347	$ 49,548	$ 73,486
Reconciliation from Segment Income (Loss) to Income Before Income Taxes:			
Equity in Earnings of Unconsolidated Affiliates(1)	**—**	3,187	7,303
Income from Operations	**$ 97,347**	$ 46,361	$ 66,183
INTEREST EXPENSE	**(20,293)**	(20,033)	(19,532)
OTHER INCOME, Net	**2,607**	9,028	10,307
Income Before Income Taxes	**79,661**	35,356	56,958
PROVISION FOR INCOME TAXES	**23,011**	8,795	11,271
Net Income	**$ 56,650**	$ 26,561	$ 45,687
ASSETS:			
Engines	**$ 987,943**	$ 984,119	$ 978,983
Products	**551,207**	546,104	565,048
Eliminations	**(88,171)**	(73,556)	(87,384)
	$ 1,450,979	$ 1,456,667	$ 1,456,647
CAPITAL EXPENDITURES:			
Engines	**$ 67,218**	$ 58,186	$ 59,997
Products	**15,923**	5,975	11,713
	$ 83,141	$ 64,161	$ 71,710
DEPRECIATION & AMORTIZATION:			
Engines	**$ 44,384**	$ 44,480	$ 42,240
Products	**11,799**	9,920	10,020
	$ 56,183	$ 54,400	$ 52,260

(1) The Company concluded that its equity method investments are integral to its business. Beginning with the third quarter of fiscal 2016, the Company is prospectively classifying its equity in earnings of unconsolidated affiliates as a separate line item within Income

from Operations. For periods prior to the third quarter of fiscal 2016, equity in earnings from unconsolidated affiliates is classified in Other Income, Net. For all periods presented, equity in earnings from unconsolidated affiliates is included in segment income (loss).

Pre-tax restructuring charges, acquisition-related charges, and pension settlement charges impact on gross profit is as follows (in thousands):

	2017	2016	2015
Engines	**$ —**	$ 11,599	$ —
Products	**—**	7,943	25,710
Total	**$ —**	$ 19,542	$ 25,710

Pre-tax restructuring charges, acquisition-related charges, goodwill and tradename impairment, pension settlement charges, and litigation charges impact on segment income (loss) is as follows (in thousands):

	2017	2016	2015
Engines	**$ —**	$ 24,424	$ —
Products	**—**	19,451	29,403
Total	**$ —**	$ 43,875	$ 29,403

Information regarding the Company's geographic sales based on product shipment destination (in thousands):

	2017	2016	2015
United States	**$ 1,246,015**	$ 1,299,003	$ 1,312,485
All Other Countries	**540,088**	509,775	582,265
Total	**$ 1,786,103**	$ 1,808,778	$ 1,894,750

Information regarding the Company's net plant and equipment based on geographic location (in thousands):

	2017	2016	2015
United States	**$ 347,664**	$ 309,089	$ 296,124
All Other Countries	**17,216**	17,184	18,714
Total	**$ 364,880**	$ 326,273	$ 314,838

Sales to the following customers in the Company's Engines segment amount to greater than or equal to 10% of consolidated net sales (in thousands):

	2017		2016		2015	
Customer:	**Net Sales**	**%**	Net Sales	%	Net Sales	%
HOP	**$ 207,882**	**12%**	$ 229,899	13%	$ 266,038	14%
MTD	**205,339**	**11%**	235,220	13%	228,430	12%
	$ 413,221	**23%**	$ 465,119	26%	$ 494,468	26%

(10) Leases:

The Company leases certain facilities, vehicles, and equipment under operating leases. Operating leases are not capitalized and lease payments are expensed over the life of the lease. Terms of the leases, including purchase options, renewals, and maintenance costs, vary by lease. Rental expense for fiscal 2017, 2016 and 2015 was $19.3 million, $19.3 million and $19.5 million, respectively.

Future minimum lease commitments for all non-cancelable operating leases as of July 2, 2017 are as follows (in thousands):

Fiscal Year	Commitments
2018	$ 13,910
2019	9,946
2020	7,151
2021	4,902
2022	4,341
Thereafter	43,016
Total future minimum lease commitments	$ 83,266

(11) Indebtedness:

The following is a summary of the Company's indebtedness (in thousands):

	2017	2016
Multicurrency Credit Agreement	$ —	$ —
Total Short-Term Debt	$ —	$ —
6.875% Senior Notes	$ 223,149	$ 223,149
Unamortized Debt Issuance Costs associated with 6.875% Senior Notes	1,356	1,810
Total Long-Term Debt	$ 221,793	$ 221,339

6.875% Senior Notes

On December 20, 2010, the Company issued $225 million of 6.875% Senior Notes ("Senior Notes") due December 15, 2020. During fiscal 2016, the Company repurchased $1.9 million of the Senior Notes after receiving unsolicited offers from bondholders.

Multicurrency Credit Agreement

On March 25, 2016, the Company entered into a $500 million amended and restated multicurrency credit agreement (the "Revolver") that matures on March 25, 2021. The Revolver amended and restated the Company's $500 million multicurrency credit agreement dated as of October 13, 2011 (as previously amended), which would have matured on October 21, 2018. The initial maximum availability under the Revolver is $500 million. Availability under the Revolver is reduced by outstanding letters of credit. The Company may from time to time increase the maximum availability under the revolving credit facility by up to $250 million if certain conditions are satisfied. In connection with the amendment to the Revolver in fiscal 2016, the Company incurred approximately $0.9 million in new debt issuance costs, which are being amortized over the life of the Revolver using the straight-line method. The Company classifies debt issuance costs related to the Revolver as an asset, regardless of whether it has any outstanding borrowings on the line of credit arrangements. There were no borrowings under the revolving credit facility as of July 2, 2017 and July 3, 2016.

Borrowings under the Revolver by the Company bear interest at a rate per annum equal to, at its option, either:

(1) a 1, 2, 3 or 6 month LIBOR rate plus a margin varying from 1.25% to 2.25%, depending on the Company's average net leverage ratio; or

(2) the higher of (a) the federal funds rate plus 0.50%; (b) the bank's prime rate; or (c) the adjusted LIBO rate for a one-month interest period plus 1.00% plus a margin varying from 0.25% to 1.25%. In addition, the Company is subject to a 0.18% to 0.35% commitment fee and a 1.25% to 2.25% letter of credit fee, depending on the Company's average net leverage ratio.

The Revolver contains covenants that the Company considers usual and customary for an agreement of this type, including a maximum average leverage ratio and minimum interest coverage ratio.

The Senior Notes and the Revolver contain restrictive covenants. These covenants include restrictions on the ability of the Company and/or certain subsidiaries to pay dividends, repurchase equity interests of the Company and certain subsidiaries, incur indebtedness, create liens, consolidate and merge and dispose of assets, and enter into transactions with affiliates. The Revolver contains financial covenants that require the Company to maintain a minimum interest coverage ratio and impose on the Company a maximum average leverage ratio.

(12) Other Income, Net:

The components of Other Income, Net are as follows (in thousands):

	2017	2016	2015
Interest Income	**$ 1,203**	$ 695	$ 1,317
Equity in Earnings of Unconsolidated Affiliates	**—**	3,187	7,303
Gain on Sale of Investment in Marketable Securities	**—**	3,343	—
Other Items	**1,404**	1,803	1,687
Total	**$ 2,607**	$ 9,028	$ 10,307

The Company concluded that its equity method investments are integral to its business. Beginning with the third quarter of fiscal 2016, the Company is prospectively classifying its equity in earnings of unconsolidated affiliates as a separate line item within Income from Operations. For periods prior to the third quarter of fiscal 2016, equity in earnings from unconsolidated affiliates is classified in Other Income, Net.

(13) Commitments and Contingencies:

The Company is subject to various unresolved legal actions that arise in the normal course of its business. These actions typically relate to product liability (including asbestos-related liability), patent and trademark matters, and disputes with customers, suppliers, distributors and dealers, competitors and employees.

On May 14, 2010, the Company notified retirees and certain retirement eligible employees of various amendments to the Company-sponsored retiree medical plans intended to better align the plans offered to both hourly and salaried retirees. On August 16, 2010, a putative class of retirees who retired prior to August 1, 2006 and the United Steel Workers filed a complaint in the U.S. District Court for the Eastern District of Wisconsin (Merrill, Weber, Carpenter, et al.; United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO/CLC v. Briggs & Stratton Corporation; Group Insurance Plan of Briggs & Stratton Corporation; and Does 1 through 20, Docket No. 10-C-0700), contesting the Company's right to make these changes. In mid-December 2015, the parties agreed in principle to settle this case for an aggregate payment of $3.95 million covering both claimed benefits and plaintiffs' attorneys fees, which resulted in a contribution of $1.975 million from the Company and $1.975 million from a third party insurance provider. The Company recorded a total charge of $1.975 million as Engineering, Selling, General and Administrative Expense on the Condensed Consolidated Statements of Operations in the second quarter of fiscal 2016 related to this matter. The parties filed a signed Stipulation of Settlement with the court on April 12, 2016 and the court held a hearing on the fairness, reasonableness and adequacy of the terms and conditions of the settlement and on the fee petition of the plaintiffs' counsel on August 11, 2016. The court approved the settlement following that hearing.

On May 12, 2010, Exmark Manufacturing Company, Inc. filed suit against Briggs & Stratton Power Products Group, LLC ("BSPPG"), a wholly owned subsidiary of the Company that was subsequently merged with and into the Company on January 1, 2017 (Case No. 8:10CV187, U.S. District Court for the District of Nebraska), alleging that certain Ferris® and Snapper Pro® mower decks infringed an Exmark mower deck patent.

Exmark sought damages relating to sales since May 2004, attorneys' fees, and enhanced damages. As a result of a reexamination proceeding in 2012, the United States Patent and Trademark Office ("USPTO") initially rejected the asserted Exmark claims as invalid. However, in 2014, that decision was reversed by the USPTO on appeal by Exmark. Following discovery, each of BSPPG and Exmark filed several motions for summary judgment in the Nebraska district court, which were decided on July 28, 2015. The court concluded that older mower deck designs infringed Exmark's patent, leaving for trial the issues of whether current designs infringed, the amount of damages, and whether any infringement was willful.

The trial began on September 8, 2015, and on September 18, 2015, the jury returned its verdict, finding that BSPPG's current mower deck designs do not infringe the Exmark patent. As to the older designs, the jury awarded Exmark $24.3 million in damages and found that the infringement was willful, allowing the judge to enhance the jury's damages award post-trial by up to three times. Also on September 18, 2015, the U.S. Court of Appeals for the Federal Circuit issued its decision in an unrelated case, SCA Hygiene Products Aktiebolag SCA Personal Care, Inc. v. First Quality Baby Products, LLC, et al. (Case No. 2013-1564) ("SCA"), confirming the availability of laches as a defense to patent infringement claims. Laches is an equitable doctrine that may bar a patent owner from obtaining damages prior to commencing suit, in circumstances in which the owner knows or should have known its patent was being infringed for more than six years. Although the court in the Exmark case ruled before trial that BSPPG could not rely on the defense of laches, as a result of the subsequent SCA decision, the court held a bench trial on that defense on October 21 and 22, 2015. On May 2, 2016, the United States Supreme Court agreed to review the SCA decision.

The parties submitted post-trial motions and briefing related to: damages; willfulness; laches; attorney fees; enhanced damages; and prejudgment/post-judgment interest and costs. All post-trial motions and briefing were completed on December 18, 2015. On May 11, 2016, the court ruled on those post-trial motions and entered judgment against BSPPG and in favor of Exmark in the amount of $24.3 million in compensatory damages, an additional $24.3 million in enhanced damages, and $1.5 million in pre-judgment interest along with post-judgment interest and costs to be determined. The Company strongly disagrees with the jury verdict, certain rulings made before and during trial, and the May 11, 2016 post-trial rulings. BSPPG appealed to the U.S. Court of Appeals for the Federal Circuit on several bases, including the issues of obviousness and invalidity of Exmark's patent, the damages calculation, willfulness and laches.

Following briefing of the appeal and prior to oral argument, the United States Supreme Court overturned the SCA decision, ruling that laches is not available in a patent infringement case for damages. That ruling eliminated laches as one basis for BSPPG's appeal of the Exmark case. The U.S. Court of Appeals for the Federal Circuit held a hearing on the remainder of BSPPG's appeal on April 5, 2017 and has not yet issued its decision.

In assessing whether the Company should accrue a liability in its financial statements as a result of the May 11, 2016 post-trial rulings and related matters, the Company considered various factors, including the legal and factual circumstances of the case, the trial record, the post-trial orders, the current status of the proceedings, applicable law, the views of legal counsel, and the likelihood of successful appeals. As a result of this review, the Company has concluded that a loss from this case is not probable and reasonably estimable at this time and, therefore, a liability has not been recorded with respect to this case as of July 2, 2017.

Although it is not possible to predict with certainty the outcome of these and other unresolved legal actions or the range of possible loss, the Company believes the unresolved legal actions will not have a material adverse effect on its results of operations, financial position or cash flows.

(14) Stock Incentives:

Effective October 20, 2004, a total of 8,000,000 shares of common stock (as adjusted for the fiscal 2005 2-for-1 stock split) were originally reserved for future issuance pursuant to the Company's Incentive Compensation Plan, and as a result of an amendment approved by shareholders on October 21, 2009 an additional 2,481,494 shares were reserved. On October 15, 2014, the Company's shareholders approved the 2014 Omnibus Incentive Plan, which constituted a complete amendment and restatement of the Company's Incentive Compensation Plan and under which 3,760,000 shares of common stock were reserved for future issuance (plus any shares remaining available for issuance under the Incentive Compensation Plan as of that date). Similar to the Incentive Compensation Plan, in accordance with the 2014 Omnibus Incentive Plan, the

Company can issue to eligible participants stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units and other stock-based and cash bonus awards subject to certain annual limitations. The plans also allow participants to defer the payment of awards and the Company to issue directors' fees in stock. Stock-based compensation vests in accordance with the applicable plan and award agreements but can become immediately exercisable upon eligible recipients' departure from the Company or upon reaching retirement age, subject to approval of the Compensation Committee.

Stock-based compensation expense is calculated by estimating the fair value of incentive stock awards granted and amortizing the estimated value over the awards' vesting periods. During fiscal 2017, 2016 and 2015, the Company recognized stock-based compensation expense of approximately $4.9 million, $5.1 million and $6.2 million, respectively.

Beginning for fiscal 2015 grants, the exercise price of each stock option is equal to the market value of the stock on the grant date. The exercise price of each stock option issued prior to fiscal 2015 exceeded the market value of the stock on the date of grant by 10%. The fair value of each option is estimated using the Black-Scholes option pricing model, and the assumptions are based on historical data and industry valuation practices and methodology. The assumptions used to determine fair value are as follows:

Options Granted During	**2017**	2016	2015
Grant Date Fair Value	**$ 3.84**	$ 3.72	$ 3.81
(Since options are only granted once per year, the grant date fair value equals the weighted average grant date fair value.)			
Assumptions:			
Risk-free Interest Rate	**1.2%**	1.7%	1.6%
Expected Volatility	**29.3%**	25.1%	27.9%
Expected Dividend Yield	**2.9%**	2.5%	2.7%
Expected Term (in Years)	**5.5**	5.5	5.5

Information on the options outstanding is as follows:

	Options	Wtd. Avg. Exercise Price	Wtd. Avg. Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Balance, June 29, 2014	2,417,366	$ 22.71		
Granted During the Year	557,170	18.83		
Exercised During the Year	(260,726)	19.66		
Expired During the Year	(536,960)	35.78		
Balance, June 28, 2015	2,176,850	$ 18.86		
Granted During the Year	501,990	19.90		
Exercised During the Year	(697,309)	17.77		
Expired During the Year	(136,988)	19.88		
Balance, July 3, 2016	**1,844,543**	**$ 19.48**		
Granted During the Year	**496,880**	**19.15**		
Exercised During the Year	**(414,176)**	**18.76**		
Expired During the Year	**—**	**—**		
Balance, July 2, 2017	**1,927,247**	**$ 19.55**	**6.80**	**$ 8,764**
Exercisable, July 2, 2017	**371,207**	**$ 20.71**	**1.11**	**$ 1,259**

The total intrinsic value of options exercised during fiscal year 2017 was $1.5 million. The exercise of options resulted in cash receipts of $7.8 million in fiscal 2017. The total intrinsic value of options exercised during fiscal 2016 was $2.0 million. The exercise of options resulted in cash receipts of $12.4 million in fiscal 2016. The total intrinsic value of options exercised during fiscal 2015 was $0.2 million. The exercise of options resulted in cash receipts of $5.1 million in fiscal 2015.

Options Outstanding (as of July 2, 2017)					
Fiscal Year	Grant Date	Date Exercisable	Expiration Date	Exercise Price	Options Outstanding
2013	8/14/2012	8/14/2015	8/31/2017	$ 18.85	21,730
2014	8/20/2013	8/20/2016	8/31/2018	$ 20.82	349,477
2015	10/21/2014	10/21/2017	10/21/2024	$ 18.83	557,170
2016	8/18/2015	8/18/2018	8/18/2025	$ 19.90	501,990
2017	**8/22/2016**	**8/22/2019**	**8/22/2026**	**$ 19.15**	**496,880**

Below is a summary of the status of the Company's nonvested shares as of July 2, 2017, and changes during the year then ended:

	Deferred Stock / RSU		Restricted Stock		Stock Options		Performance Shares	
	Shares	Wtd. Avg. Grant Date Fair Value	Shares	Wtd. Avg. Grant Date Fair Value	Shares	Wtd. Avg. Grant Date Fair Value	Shares	Wtd. Avg. Grant Date Fair Value
Nonvested shares/units, July 3, 2016	**134,215**	**$ 19.56**	**650,445**	**$ 18.76**	**1,467,020**	**$ 4.16**	**342,713**	**$ 19.29**
Granted	**60,438**	**19.50**	**160,130**	**19.18**	**496,880**	**3.84**	**5,601**	**21.70**
Cancelled	**—**	**—**	**(2,050)**	**22.33**	**—**	**—**	**(14,249)**	**19.19**
Vested	**(88,679)**	**19.81**	**(108,890)**	**14.77**	**(407,860)**	**5.19**	**(113,684)**	**19.05**
Nonvested shares/units, July 2, 2017	**105,974**	**$ 19.32**	**699,635**	**$ 19.47**	**1,556,040**	**$ 3.79**	**220,381**	**$ 19.48**

As of July 2, 2017, there was $6.6 million of total unrecognized compensation cost related to nonvested stock-based compensation. That cost is expected to be recognized over a weighted average period of 1.4 years. The total fair value of shares vested during fiscal 2017 and 2016 was $7.4 million and $13.2 million, respectively.

During fiscal years 2017, 2016 and 2015, the Company issued 160,130, 143,760 and 158,280 shares of restricted stock, respectively. For restricted stock issued prior to October 15, 2014, the restricted stock vests on the fifth anniversary date of the grant provided the recipient is still employed by the Company. For restricted stock issued after October 15, 2014, the restricted stock vests on the third anniversary date of the grant provided the recipient is still employed by the Company. The aggregate market value on the date of issue was approximately $3.1 million, $2.9 million and $3.3 million in fiscal 2017, 2016 and 2015, respectively, and has been recorded within the Shareholders' Investment section of the Consolidated Balance Sheets, and is being amortized over the five-year vesting period (issuances prior to October 15, 2014) or the three-year vesting period (issuances after October 15, 2014).

The Company issued 45,307, 39,049 and 36,975 deferred shares to its directors in lieu of directors' fees in fiscal 2017, 2016 and 2015, respectively, under this provision of the plans. Historically, the Company accounted for certain deferred shares issued to directors as liability classified awards, rather than equity classified awards. At January 1, 2017, the liability balance was $4.8 million. During the third quarter of fiscal 2017, the Company determined that equity classification is appropriate and recorded correcting entries to adjust the deferred shares balance and reclassify it from Accrued Liabilities to Additional Paid-In Capital. The correcting entries did not have a material impact on the Consolidated Financial Statements.

The Company issued 15,131, 20,177 and 25,181 shares of deferred shares / RSU to its officers and key employees in fiscal 2017, 2016 and 2015, respectively. The aggregate market value on the date of grant was approximately $0.3 million, $0.4 million and $0.5 million, respectively. For deferred stock issued prior to October 15, 2014, the deferred stock vests on the fifth anniversary date of the grant provided the recipient is still employed by the Company. For restricted stock units (RSU) issued after October 15, 2014, the restricted stock units vest on the third anniversary date of the grant provided the recipient is still employed by the Company.

The Company granted 120,451 and 125,853 performance share units in fiscal 2016 and 2015, respectively. A maximum of two shares of Briggs & Stratton common stock per performance share unit may be awarded to recipients if certain performance targets are met at the end of the vesting period. The aggregate market value on the date of grant was approximately $2.4 million and $2.4 million in fiscal 2016 and 2015, respectively. The performance share units vest based on Company-specific performance goals. The performance share units are valued at the Company's share price on the date of grant multiplied by the probability of achieving payout. Expense for each of the awards granted is recognized ratably over the three-year vesting period.

The following table summarizes the components of the Company's stock-based compensation programs recorded as expense:

	2017	2016	2015
Stock Options:			
Pretax compensation expense	**$ 1,862**	$ 1,763	$ 1,680
Tax benefit	**(698)**	(661)	(638)
Stock option expense, net of tax	**$ 1,164**	$ 1,102	$ 1,042
Restricted Stock:			
Pretax compensation expense	**$ 3,291**	$ 2,750	$ 2,416
Tax benefit	**(1,234)**	(1,031)	(918)
Restricted stock expense, net of tax	**$ 2,057**	$ 1,719	$ 1,498
Deferred Stock:			
Pretax compensation expense	**$ 585**	$ 102	$ 339
Tax benefit	**(220)**	(38)	(129)
Deferred stock expense, net of tax	**$ 365**	$ 64	$ 210
Performance Shares:			
Pretax compensation expense	**$ (815)**	$ 494	$ 1,792
Tax expense (benefit)	**306**	(185)	(681)
Performance Share expense, net of tax	**$ (509)**	$ 309	$ 1,111
Total Stock-Based Compensation:			
Pretax compensation expense	**$ 4,923**	$ 5,109	$ 6,227
Tax benefit	**(1,846)**	(1,915)	(2,366)
Total stock-based compensation, net of tax	**$ 3,077**	$ 3,194	$ 3,861

(15) Derivative Instruments & Hedging Activities:

The Company enters into interest rate swaps to manage a portion of its interest rate risk from financing certain dealer and distributor inventories through third party financing sources. The swaps are designated as cash flow hedges and are used to effectively fix the interest payments to a third party financing source, exclusive of lender spreads, ranging from 0.98% to 1.81% for a notional principal amount of $95 million with expiration dates ranging from May 2019 to July 2021.

The Company periodically enters into forward foreign currency contracts to hedge the risk from forecasted third party and intercompany sales or payments denominated in foreign currencies. Our primary foreign currency exchange rate exposures are with the Australian Dollar, the Brazilian Real, the Canadian Dollar, the Chinese Renminbi, the Euro, and the Japanese Yen against the U.S. Dollar. These contracts generally do not have a maturity of more than twenty-four months.

The Company uses raw materials that are subject to price volatility. The Company hedges a portion of its exposure to the variability of cash flows associated with commodities used in the manufacturing process by entering into forward purchase contracts or commodity swaps. Derivative contracts designated as cash flow hedges are used by the Company to reduce exposure to variability in cash flows associated with future purchases of natural gas. These contracts generally do not have a maturity of more than thirty-six months.

The Company has considered the counterparty credit risk related to all its interest rate, foreign currency, and commodity derivative contracts and does not deem any counterparty credit risk material at this time.

The notional amount of derivative contracts outstanding at the end of the period is indicative of the level of the Company's derivative activity during the period. As of July 2, 2017 and July 3, 2016, the Company had the following outstanding derivative contracts (in thousands):

Contract		Notional Amount	
		July 2, 2017	July 3, 2016
Interest Rate:			
LIBOR Interest Rate (U.S. Dollars)	Fixed	**95,000**	145,000
Foreign Currency:			
Australian Dollar	Sell	**39,196**	39,935
Brazilian Real	Buy	**28,137**	16,436
Canadian Dollar	Sell	**14,725**	8,675
Chinese Renminbi	Buy	**74,950**	171,475
Euro	Sell	**31,240**	41,730
Japanese Yen	Buy	**570,000**	587,000
Mexican Peso	Sell	**—**	3,500
Commodity:			
Natural Gas (Therms)	Buy	**11,307**	11,771

The location and fair value of derivative instruments reported in the Consolidated Balance Sheets are as follows (in thousands):

Balance Sheet Location	Asset (Liability) Fair Value	
	July 2, 2017	July 3, 2016
Interest rate contracts:		
Other Long-Term Assets, Net	**$ 1,852**	$ —
Accrued Liabilities	**(23)**	—
Other Long-Term Liabilities	**(39)**	(1,367)
Foreign currency contracts:		
Other Current Assets	**157**	1,356
Other Long-Term Assets, Net	**31**	2
Accrued Liabilities	**(3,050)**	(2,601)
Other Long-Term Liabilities	**(68)**	(185)
Commodity contracts:		
Other Current Assets	**40**	—
Other Long-Term Assets, Net	**1**	64
Accrued Liabilities	**(22)**	(190)
Other Long-Term Liabilities	**(11)**	(16)
	$ (1,132)	$ (2,937)

The effect of derivatives designated as hedging instruments on the Consolidated Statements of Operations and Comprehensive Income (Loss) is as follows (in thousands):

	Twelve months ended July 2, 2017			
	Amount of Gain (Loss) Recognized in Other Comprehensive Income (Loss) on Derivatives, Net of Taxes (Effective Portion)	Classification of Gain (Loss)	Amount of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Recognized in Earnings (Ineffective Portion)
Interest rate contracts	$ 1,973	Net Sales	$ (743)	$ —
Foreign currency contracts – sell	(887)	Net Sales	1,785	—
Foreign currency contracts – buy	297	Cost of Goods Sold	(2,142)	—
Commodity contracts	93	Cost of Goods Sold	(258)	—
	$ 1,476		$ (1,358)	$ —

	Twelve months ended July 3, 2016			
	Amount of Gain (Loss) Recognized in Other Comprehensive Income (Loss) on Derivatives, Net of Taxes (Effective Portion)	Classification of Gain (Loss)	Amount of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Recognized in Earnings (Ineffective Portion)
Interest rate contracts	$ (213)	Net Sales	$ (1,113)	$ —
Foreign currency contracts – sell	(2,187)	Net Sales	5,554	—
Foreign currency contracts – buy	(664)	Cost of Goods Sold	2,030	—
Commodity contracts	300	Cost of Goods Sold	(901)	—
	$ (2,764)		$ 5,570	$ —

	Twelve months ended June 28, 2015			
	Amount of Gain (Loss) Recognized in Other Comprehensive Income (Loss) on Derivatives, Net of Taxes (Effective Portion)	Classification of Gain (Loss)	Amount of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Recognized in Earnings (Ineffective Portion)
Interest rate contracts	$ 79	Net Sales	$ (1,222)	$ —
Foreign currency contracts – sell	2,086	Net Sales	12,353	—
Foreign currency contracts – buy	228	Cost of Goods Sold	(1,003)	—
Commodity contracts	(97)	Cost of Goods Sold	(521)	—
	$ 2,296		$ 9,607	$ —

During the next twelve months, the amount of the July 2, 2017 Accumulated Other Comprehensive Income (Loss) balance that is expected to be reclassified into losses is $1.6 million.

The Company enters into forward exchange contracts to hedge purchases and sales that are denominated in foreign currencies. The terms of these currency derivatives generally do not exceed twenty-four months, and the purpose is to protect the Company from the risk that the eventual dollars being transferred will be adversely affected by changes in exchange rates.

The Company has forward foreign exchange contracts to sell foreign currency, with the Euro as the most significant. These contracts are used to hedge foreign currency collections on sales of inventory. The Company also has forward contracts to purchase foreign currencies. The Company's foreign currency forward contracts are carried at fair value based on current exchange rates.

The Company had the following forward currency contracts outstanding at the end of fiscal 2017 with the notional value shown in local currency and the contract value, fair value, and (gain) loss at fair value shown in U.S. dollars:

Hedge		In Thousands					
Currency	Contract	Notional Value	Contract Value	Fair Value	(Gain) Loss at Fair Value	Conversion Currency	Latest Expiration Date
Australian Dollar	**Sell**	**39,196**	**29,360**	**30,081**	**721**	**U.S.**	**August 2018**
Brazilian Real	**Buy**	**28,137**	**9,140**	**8,799**	**341**	**U.S.**	**June 2018**
Canadian Dollar	**Sell**	**14,725**	**11,044**	**11,386**	**342**	**U.S.**	**May 2018**
Chinese Renminbi	**Buy**	**74,950**	**10,916**	**10,894**	**22**	**U.S.**	**September 2018**
Euro	**Sell**	**31,240**	**34,801**	**36,119**	**1,318**	**U.S.**	**August 2018**
Japanese Yen	**Buy**	**570,000**	**5,271**	**5,085**	**186**	**U.S.**	**May 2018**

The Company had the following forward currency contracts outstanding at the end of fiscal 2016 with the notional value shown in local currency and the contract value, fair value, and (gain) loss at fair value shown in U.S. dollars:

Hedge		In Thousands					
Currency	Contract	Notional Value	Contract Value	Fair Value	(Gain) Loss at Fair Value	Conversion Currency	Latest Expiration Date
Australian Dollar	Sell	39,935	28,937	29,772	835	U.S.	August 2017
Brazilian Real	Buy	16,436	6,391	5,335	1,056	U.S.	March 2017
Canadian Dollar	Sell	8,675	6,660	6,720	60	U.S.	August 2017
Chinese Renminbi	Buy	171,475	25,874	25,402	472	U.S.	September 2017
Euro	Sell	41,730	47,145	46,906	(239)	U.S.	November 2017
Japanese Yen	Buy	587,000	4,998	5,749	(751)	U.S.	January 2017
Mexican Peso	Sell	3,500	195	190	(5)	U.S.	August 2016

The Company continuously evaluates the effectiveness of its hedging program by evaluating its foreign exchange contracts compared to the anticipated underlying transactions. The Company did not have any ineffective currency hedges in fiscal 2017, 2016, or 2015.

(16) Employee Benefit Costs:

Retirement Plan and Other Postretirement Benefits

The Company has noncontributory, defined benefit retirement plans and other postretirement benefit plans covering certain employees. In October 2012, the Board of Directors of the Company authorized an amendment to the Company's defined benefit retirement plans for U.S., non-bargaining employees. The amendment freezes accruals for all non-bargaining employees within the pension plan effective January 1, 2014. The Company uses a June 30 measurement date for all of its plans. The following provides a reconciliation of obligations, plan assets and funded status of the plans for the two years indicated (in thousands):

	Pension Benefits		Other Postretirement Benefits	
Actuarial Assumptions:	**2017**	2016	**2017**	2016
Discounted Rate Used to Determine Present Value of Projected Benefit Obligation	**4.00%**	3.75%	**3.85%**	3.60%
Weighted Average Expected Long-Term Rate of Return on Plan Assets	**7.10%**	7.25%	**n/a**	n/a
Change in Benefit Obligations:				
Projected Benefit Obligation at Beginning of Year	**$ 1,196,925**	$ 1,186,777	**$ 70,494**	$ 81,290
Service Cost	**6,757**	3,532	**191**	262
Interest Cost	**43,357**	52,110	**2,382**	3,170
Plan Settlements	**—**	(47,102)	**—**	—
Plan Participant Contributions	**—**	—	**1,918**	1,572
Actuarial (Gain) Loss	**(55,237)**	75,135	**5,681**	(1,909)
Benefits Paid	**(75,097)**	(73,527)	**(13,973)**	(13,891)
Projected Benefit Obligation at End of Year	**$ 1,116,705**	$ 1,196,925	**$ 66,693**	$ 70,494
Change in Plan Assets:				
Fair Value of Plan Assets at Beginning of Year	**$ 883,585**	$ 974,926	**$ —**	$ —
Actual Return on Plan Assets	**58,837**	26,059	**—**	—
Plan Participant Contributions	**—**	—	**1,918**	1,572
Employer Contributions	**3,281**	3,229	**12,055**	12,319
Benefits Paid	**(75,097)**	(73,527)	**(13,973)**	(13,891)
Plan Settlements	**—**	(47,102)	**—**	—
Fair Value of Plan Assets at End of Year	**$ 870,606**	$ 883,585	**$ —**	$ —
Funded Status:				
Plan Assets (Less Than) in Excess of Projected Benefit Obligation	**$ (246,099)**	$ (313,340)	**$ (66,693)**	$ (70,494)
Amounts Recognized on the Balance Sheets:				
Accrued Pension Cost	**$ (242,908)**	$ (310,378)	**$ —**	$ —
Accrued Wages and Salaries	**(3,191)**	(2,962)	**—**	—
Accrued Postretirement Health Care Obligation	**—**	—	**(35,132)**	(38,441)
Accrued Liabilities	**—**	—	**(9,755)**	(9,125)
Accrued Employee Benefits	**—**	—	**(21,806)**	(22,928)
Net Amount Recognized at End of Year	**$ (246,099)**	$ (313,340)	**$ (66,693)**	$ (70,494)
Amounts Recognized in Accumulated Other Comprehensive Income (Loss), Net of Tax:				
Net Actuarial Loss	**$ (261,835)**	$ (303,714)	**$ (14,197)**	$ (12,301)
Prior Service Credit (Cost)	**(223)**	(334)	**1,306**	2,873
Net Amount Recognized at End of Year	**$ (262,058)**	$ (304,048)	**$ (12,891)**	$ (9,428)

The accumulated benefit obligation for all defined benefit pension plans was $1,117 million and $1,196 million at July 2, 2017 and July 3, 2016, respectively.

The Company recognizes the funded status of its pension plan in the Consolidated Balance Sheets. The funded status is the difference between the projected benefit obligation and the fair value of its plan assets. The projected benefit obligation is the actuarial present value of all benefits expected to be earned by the employees' service adjusted for future potential wage increases. Pension plan liabilities are revalued annually, or when an event occurs that requires remeasurement, based on updated assumptions and information about the individuals covered by the plan.

The pension benefit obligation and related pension expense or income are impacted by certain actuarial assumptions, including the discount rate, mortality tables, and the expected rate of return on plan assets. The discount rate is selected using a methodology that matches plan cash flows with a selection of Standard and Poor's AA or higher rated bonds, resulting in a discount rate that is consistent with a bond yield curve with comparable cash flows. In estimating the expected return on plan assets, the Company considers the historical returns on plan assets, adjusted for forward looking considerations, including inflation assumptions and active management of the plan's invested assets. These rates are evaluated on an annual basis considering such factors as market interest rates and historical asset performance.

For pension and other postretirement plans, accumulated actuarial gains and losses in excess of a 10 percent corridor are amortized on a straight-line basis from the date recognized over the average remaining life expectancy of all participants. Any prior service costs are amortized on a straight-line basis over the average remaining service of impacted employees at the time the unrecognized prior service cost was established. Approximately half of the costs related to defined pension benefit and other postretirement plans are included in cost of sales; the remainder is included in selling, general and administrative expenses.

The following table summarizes the plans' income and expense for the three years indicated (in thousands):

	Pension Benefits			Other Postretirement Benefits		
	2017	2016	2015	**2017**	2016	2015
Components of Net Periodic (Income) Expense:						
Service Cost-Benefits Earned During the Year	**$ 6,757**	$ 3,532	$ 3,432	**$ 191**	$ 262	$ 295
Interest Cost on Projected Benefit Obligation	**43,357**	52,110	49,782	**2,382**	3,170	3,568
Expected Return on Plan Assets	**(64,427)**	(71,202)	(74,638)	**—**	—	—
Amortization of:						
Prior Service Cost (Credit)	**180**	180	180	**(2,654)**	(2,659)	(2,758)
Actuarial Loss	**16,957**	13,007	13,262	**2,796**	3,234	4,316
Plan Settlements	**—**	20,245	—	**—**	—	—
Net Periodic Expense (Income)	**$ 2,824**	$ 17,872	$ (7,982)	**$ 2,715**	$ 4,007	$ 5,421

Significant assumptions used in determining net periodic expense for the fiscal years indicated are as follows:

	Pension Benefits			Other Postretirement Benefits		
	2017	2016	2015	**2017**	2016	2015
Discount Rate	**3.75%**	4.55%	4.40%	**3.60%**	4.20%	3.95%
Expected Return on Plan Assets	**7.25%**	7.50%	8.00%	**n/a**	n/a	n/a
Compensation Increase Rate	**n/a**	n/a	n/a	**n/a**	n/a	n/a

The amounts in Accumulated Other Comprehensive Income (Loss) that are expected to be recognized as components of net periodic (income) expense during the next fiscal year are as follows (in thousands):

	Pension Plans	Other Postretirement Plans
Prior Service Cost (Credit)	$ 179	$ (1,434)
Net Actuarial Loss	15,178	3,482

The "Other Postretirement Benefit" plans are unfunded.

On May 14, 2010, the Company notified retirees and certain retirement eligible employees of various amendments to the Company-sponsored retiree medical plans intended to better align the plans offered to both hourly and salaried retirees. On August 16, 2010, a putative class of retirees who retired prior to August 1, 2006 and the United Steel Workers filed a complaint in the U.S. District Court for the Eastern District of Wisconsin (Merrill, Weber, Carpenter, et al.; United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO/CLC v. Briggs & Stratton Corporation; Group Insurance Plan of Briggs & Stratton Corporation; and Does 1 through 20, Docket No. 10-C-0700), contesting the Company's right to make these changes. In mid-December 2015, the parties agreed in principle to settle this case for an aggregate payment of $3.95 million covering both claimed benefits and plaintiffs' attorneys fees, which resulted in a contribution of $1.975 million from the Company and $1.975 million from a third party insurance provider. The Company recorded a total charge of $1.975 million as Engineering, Selling, General and Administrative Expense on the Condensed Consolidated Statements of Operations in the second quarter of fiscal 2016 related to this matter. The parties filed a signed Stipulation of Settlement with the court on April 12, 2016 and the court held a hearing on the fairness, reasonableness and adequacy of the terms and conditions of the settlement and on the fee petition of the plaintiffs' counsel on August 11, 2016. The court approved the settlement following that hearing.

For measurement purposes a 6.1% annual rate of increase in the per capita cost of covered health care claims was assumed for the Company for the fiscal year 2017 decreasing gradually to 4.5% for the fiscal year 2038. The health care cost trend rate assumptions have a significant effect on the amounts reported. An increase of one percentage point would increase the accumulated postretirement benefit by $1.2 million and would increase the service and interest cost by $40 thousand for fiscal 2017. A corresponding decrease of one percentage point would decrease the accumulated postretirement benefit by $1.2 million and decrease the service and interest cost by $40 thousand for the fiscal year 2017.

In the third quarter of fiscal 2016, the Company initiated a limited offer for former employees with vested benefits to elect to receive a lump sum payout of their benefits. This program reduced the size of the pension plan while allowing former employees who accepted the offer to control the investment of their retirement funds. The Company completed this program during the fourth quarter of fiscal 2016. As a result of this program, the Company recognized pension settlement expense of $20.2 million ($13.2 million after tax) during fiscal 2016.

Plan Assets

A Board of Directors appointed Investment Committee ("Committee") manages the investment of the pension plan assets. The Committee has established and operates under an Investment Policy. It determines the asset allocation and target ranges based upon periodic asset/liability studies and capital market projections. The Committee retains external investment managers to invest the assets. The Investment Policy prohibits certain investment transactions, such as lettered stock, commodity contracts, margin transactions and short selling, unless the Committee gives prior approval.

The Company's pension plan's current target and asset allocations at July 2, 2017 and July 3, 2016, by asset category are as follows:

		Plan Assets at Year-end	
Asset Category	Target %	**2017**	2016
Domestic Equities	23%-30%	**23%**	23%
International Equities	15%-20%	**16%**	14%
Alternatives	0%-10%	**8%**	10%
Fixed Income	49%-53%	**50%**	50%
Cash Equivalents	0%-2%	**3%**	3%
		100%	100%

The plan's investment strategy is based on an expectation that, over time, equity securities will provide higher total returns than debt securities, but with greater risk. The plan primarily minimizes the risk of large losses through diversification of investments by asset class, by investing in different types of styles within the classes and by using a number of different managers. The Committee monitors the asset allocation and investment performance monthly, with a more comprehensive quarterly review with its consultant. Beginning in fiscal

2014, the Committee revised the target asset allocation to shift to more fixed income and less alternative investments as a percentage of total plan assets. This revision to the target asset allocation was made to better match future cash flows from plan assets with the future cash flows of the projected benefit obligation.

The plan's expected return on assets is based on management's and the Committee's expectations of long-term average rates of return to be achieved by the plan's investments. These expectations are based on the plan's historical returns and expected returns for the asset classes in which the plan is invested.

The Company has adopted the fair value provisions for the plan assets of its pension plans. The Company categorizes plan assets within a three level fair value hierarchy, as described in Note 6.

Investments stated at fair value as determined by quoted market prices (Level 1) include:

Short-Term Investments: Short-Term Investments include cash and money market mutual funds that invest in short-term securities and are valued based on cost, which approximates fair value.

Equity Securities: U.S. Common Stocks and International Mutual Funds are valued at the last reported sales price on the last business day of the fiscal year.

Investments stated at estimated fair value using significant observable inputs (Level 2) include:

Fixed Income Securities: Fixed Income Securities include investments in domestic bond collective trusts that are not traded publicly, but the underlying assets held in these funds are traded on active markets and the prices are readily observable. The investment in the trusts is valued at the last quoted price on the last business day of the fiscal year. Fixed Income Securities also include corporate and government bonds that are valued using a bid evaluation process with data provided by independent pricing sources.

Investments stated at estimated fair value using net asset value per share as the practical expedient include:

Other Investments: Other Investments include investments in limited partnerships and are valued at estimated fair value, as determined with the assistance of each respective limited partnership, based on the net asset value of the investment as of the balance sheet date, which is subject to judgment.

The fair value of the major categories of the pension plans' investments are presented below (in thousands):

		July 2, 2017			
Category		Total	Level 1	Level 2	Level 3
Short-Term Investments:		$ 25,563	$ 25,563	$ —	$ —
Fixed Income Securities:		433,372	—	433,372	—
Equity Securities:					
U.S. common stocks		204,736	204,736	—	—
International mutual funds		141,565	141,565	—	—
Other Investments:					
Venture capital funds	(A) (E)	31,060	—	—	—
Debt funds	(B) (E)	5,469	—	—	—
Real estate funds	(C) (E)	1,621	—	—	—
Private equity funds	(D) (E)	27,220	—	—	—
Fair Value of Plan Assets at End of Year		$ 870,606	$ 371,864	$ 433,372	$ —

Category		July 3, 2016 Total	Level 1	Level 2	Level 3
Short-Term Investments:		$ 26,558	$ 26,558	$ —	$ —
Fixed Income Securities:		441,869	—	441,869	—
Equity Securities:					
U.S. common stocks		205,343	205,343	—	—
International mutual funds		126,589	126,589	—	—
Other Investments:					
Venture capital funds	(A) (E)	40,470	—	—	—
Debt funds	(B) (E)	7,227	—	—	—
Real estate funds	(C) (E)	2,608	—	—	—
Private equity funds	(D) (E)	32,921	—	—	—
Fair Value of Plan Assets at End of Year		$ 883,585	$ 358,490	$ 441,869	$ —

(A) This category invests in a combination of public and private securities of companies in financial distress, spin-offs, or new projects focused on technology and manufacturing.
(B) This fund primarily invests in the debt of various entities including corporations and governments in emerging markets, mezzanine financing, or entities that are undergoing, are considered likely to undergo or have undergone a reorganization.
(C) This category invests primarily in real estate related investments, including real estate properties, securities of real estate companies and other companies with significant real estate assets as well as real estate related debt and equity securities.
(D) Primarily represents investments in all sizes of mostly privately held operating companies in the following core industry sectors: healthcare, energy, financial services, technology-media-telecommunications and industrial and consumer.
(E) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

Contributions

During fiscal 2017, the Company made no cash contributions to the qualified pension plan. Based upon current regulations and actuarial studies the Company is required to make no minimum contributions to the qualified pension plan in fiscal 2018 but the Company may choose to make discretionary contributions. The Company does anticipate making a voluntary contribution to the qualified pension plan of $20 million to $30 million in fiscal 2018. The Company may be required to make further required contributions in future years or the future expected funding requirements may change depending on a variety of factors including the actual return on plan assets, the funded status of the plan in future periods, and changes in actuarial assumptions or regulations.

Estimated Future Benefit Payments

Projected benefit payments from the plans as of July 2, 2017 are estimated as follows (in thousands):

Year Ending	Pension Benefits Qualified	Pension Benefits Non-Qualified	Other Postretirement Benefits Retiree Medical	Other Postretirement Benefits Retiree Life
2018	$ 72,837	$ 3,191	$ 8,338	$ 1,417
2019	72,795	3,356	6,832	1,428
2020	72,427	3,396	5,737	1,437
2021	72,024	3,451	4,737	1,443
2022	71,413	3,544	4,002	1,446
2023-2026	340,133	18,333	10,894	7,154

Defined Contribution Plans

Employees of the Company may participate in a defined contribution savings plan that allows participants to contribute a portion of their earnings in accordance with plan specifications. A maximum of 1.5% to 4.0% of each participant's salary, depending upon the participant's group, is matched by the Company. Additionally, all domestic non-bargaining employees receive a Company non-elective contribution of 3.0% of the employee's pay.

The Company contributions totaled $14.5 million in 2017, $14.5 million in 2016 and $14.2 million in 2015.

Postemployment Benefits

The Company accrues the expected cost of postemployment benefits over the years that the employees render service. These benefits apply only to employees who become disabled while actively employed, or who terminate with at least thirty years of service and retire prior to age sixty-five. The items include disability payments, life insurance and medical benefits. These amounts were discounted using a 3.85% interest rate for fiscal 2017 and 3.60% interest rate for fiscal 2016. Amounts are included in Accrued Employee Benefits in the Consolidated Balance Sheets.

(17) Restructuring Actions:

In fiscal 2015, the Company announced and began implementing restructuring actions to narrow its assortment of lower-priced Snapper consumer lawn and garden equipment and consolidate its Products segment manufacturing facilities in order to further reduce costs. The Company continues to focus on premium residential products through its Snapper and Simplicity brands and commercial products through its Snapper Pro and Ferris brands. The Company closed its McDonough, Georgia location in the fourth quarter of fiscal 2015 and consolidated production into existing facilities. Production of pressure washers, riding mowers, and snow throwers was moved to the Company's Wauwatosa, Wisconsin facility. At July 2, 2017 and July 3, 2016, the Company had $1.4 million and $2.5 million, respectively, classified as assets held for sale, which is included in Prepaid Expenses and Other Current Assets within the Consolidated Balance Sheets, related to the McDonough location. These changes affected approximately 475 employees during fiscal 2015. The Company's dealer product offerings under the Snapper Pro, Simplicity and Ferris brands as well as sales of Snapper and Murray branded lawn and garden products at Walmart were unaffected by these actions.

As of July 3, 2016, the restructuring actions announced in fiscal 2015 were completed as planned. As of July 3, 2016, the cumulative pre-tax restructuring costs associated with the 2015 restructuring actions were $36.1 million, which represented the total cost expected to be incurred under these restructuring actions.

During the first quarter of fiscal 2016, the Company implemented restructuring actions within the Engines segment. These actions, which were completed in the first quarter of fiscal 2016, included a headcount reduction at its plant in Chongqing, China to offset lower production of engines used on snow throwers as well as changes in salaried personnel in the United States. The Engines segment recorded pre-tax charges of $1.4 million during the first quarter of fiscal 2016, which represented the cumulative pre-tax restructuring costs and the total costs expected to be incurred under these restructuring actions.

The Company reports restructuring charges associated with manufacturing and related initiatives as costs of goods sold within the Condensed Consolidated Statements of Operations. Restructuring charges reflected as costs of goods sold include, but are not limited to, termination and related costs associated with manufacturing employees, asset impairments and accelerated depreciation relating to manufacturing initiatives, and other costs directly related to the restructuring initiatives implemented. The Company reports all other non-manufacturing related restructuring charges as engineering, selling, general and administrative expenses on the Condensed Consolidated Statements of Operations.

The Company recorded pre-tax charges of $10.2 million ($6.7 million after tax or $0.15 per diluted share) during fiscal 2016 related to restructuring actions. The Engines segment recorded $1.4 million of pre-tax restructuring charges during fiscal 2016. The Products segment recorded $8.8 million of pre-tax restructuring charges during fiscal 2016.

The following is a rollforward of the restructuring reserve (included in Accrued Liabilities within the Consolidated Condensed Balance Sheets) attributable to all Engines segment restructuring activities for fiscal 2016 and 2017 (in thousands):

Engines segment	Termination Benefits	Other Costs	Total
Reserve Balance at June 28, 2015	$ —	$ —	$ —
Provisions	1,354	—	1,354
Cash Expenditures	(877)	—	(877)
Other Adjustments	(182)	—	(182)
Reserve Balance at July 3, 2016	$ 295	$ —	$ 295
Cash Expenditures	(295)	—	(295)
Reserve Balance at July 2, 2017	$ —	$ —	$ —

The following is a rollforward of the restructuring reserve (included in Accrued Liabilities within the Consolidated Condensed Balance Sheets) attributable to all Products segment restructuring activities for fiscal 2016 and 2017 (in thousands):

Products segment	Termination Benefits	Other Costs	Total
Reserve Balance at June 28, 2015	$ 2,107	$ —	$ 2,107
Provisions	300	8,541	8,841
Cash Expenditures	(2,101)	(4,820)	(6,921)
Other Adjustments (1)	—	(3,721)	(3,721)
Reserve Balance at July 3, 2016	$ 306	$ —	$ 306
Cash Expenditures	(306)	—	(306)
Reserve Balance at July 2, 2017	$ —	$ —	$ —

(1) Other adjustments in fiscal 2016 includes $3.7 million of asset impairments.

(18) Equity:

Share Repurchases

On August 13, 2014, the Board of Directors of the Company authorized up to $50 million in funds associated with the common share repurchase program with an expiration date of June 30, 2016. On April 21, 2016, the Board of Directors authorized up to an additional $50 million in funds for use in the common share repurchase program with an expiration date of June 29, 2018. As of July 2, 2017, the total remaining authorization was approximately $30.5 million. Share repurchases, among other things, allow the Company to offset any potentially dilutive impacts of share-based compensation. The common share repurchase program authorizes the purchase of shares of the Company's common stock on the open market or in private transactions from time to time, depending on market conditions and certain governing debt covenants. In fiscal 2017, the Company repurchased 995,655 shares on the open market at a total cost of $19.7 million, or $19.77 per share. There were 2,034,146 shares repurchased in fiscal 2016 at a total cost of $37.4 million, or $18.41 per share.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Briggs & Stratton Corporation
Wauwatosa, Wisconsin

We have audited the accompanying consolidated balance sheets of Briggs & Stratton Corporation and subsidiaries (the "Company") as of July 2, 2017 and July 3, 2016, and the related consolidated statements of operations, comprehensive income (loss), shareholders' investment, and cash flows for each of the three years in the period ended July 2, 2017. Our audits also included the financial statement schedule listed in the Index at Item 15(a)(2). These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Briggs & Stratton Corporation and subsidiaries as of July 2, 2017 and July 3, 2016, and the results of their operations and their cash flows for each of the three years in the period ended July 2, 2017, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of July 2, 2017, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated August 29, 2017 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP

Milwaukee, Wisconsin
August 29, 2017

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Briggs & Stratton Corporation
Wauwatosa, Wisconsin

We have audited the internal control over financial reporting of Briggs & Stratton Corporation and subsidiaries (the "Company") as of July 2, 2017 based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of July 2, 2017, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule listed in the Index at Item 15(a)(2) as of and for the year ended July 2, 2017 of the Company and our report dated August 29, 2017 expressed an unqualified opinion on those financial statements and financial statement schedule.

/s/ Deloitte & Touche LLP

Milwaukee, Wisconsin
August 29, 2017

Quarterly Financial Data, Dividend and Market Information (Unaudited)

Quarter Ended	In Thousands		
	Net Sales	Gross Profit	Net Income (Loss)
Fiscal 2017			
September	**$ 286,797**	**$ 52,521**	**$ (14,148)**
December	**428,236**	**95,406**	**15,251**
March	**596,965**	**134,771**	**35,819**
June	**474,105**	**101,130**	**19,727**
Total (5)	**$ 1,786,103**	**$ 383,829**	**$ 56,650**
Fiscal 2016			
September (1)	$ 289,458	$ 49,712	$ (18,171)
December (2)	413,379	91,696	12,560
March (3)	603,750	127,095	26,823
June (4)	502,191	93,952	5,349
Total (5)	$ 1,808,778	$ 362,455	$ 26,561

Quarter Ended	Per Share of Common Stock			
			Market Price Range on New York Stock Exchange	
	Net Income (Loss)	Dividends Declared	High	Low
Fiscal 2017				
September	**$ (0.34)**	**$ 0.14**	**$ 23.39**	**$ 17.98**
December	**0.35**	**0.14**	**23.21**	**17.90**
March	**0.83**	**0.14**	**23.73**	**20.39**
June	**0.46**	**0.14**	**25.92**	**20.76**
Total (5)	**$ 1.31**	**$ 0.56**		
Fiscal 2016				
September (1)	$ (0.42)	$ 0.135	$ 20.59	$ 17.72
December (2)	0.28	0.135	21.24	16.08
March (3)	0.62	0.135	24.48	15.47
June (4)	0.12	0.135	24.19	19.64
Total (5)	$ 0.60	$ 0.54		

The number of shareholders of record of Briggs & Stratton Corporation Common Stock on July 2, 2017 was 2,431.

(1) The first quarter of fiscal 2016 included restructuring charges of $3.4 million ($2.2 million after tax or $0.05 per diluted share), litigation charges of $0.9 million ($0.6 million after tax or $0.01 per diluted share), and acquisition-related charges of $0.3 million ($0.2 million after tax or $0.01 per diluted share).

(2) The second quarter of fiscal 2016 included restructuring charges of $3.0 million ($2.0 million after tax or $0.05 per diluted share), litigation charges of $2.0 million ($1.3 million after tax or $0.03 per diluted share), and a tax benefit of $0.7 million or ($0.02) per diluted share) for the reinstatement of a deferred tax asset related to an investment in marketable securities.

(3) The third quarter of fiscal 2016 included restructuring charges of $0.7 million ($0.5 million after tax or $0.01 per diluted share) and a goodwill impairment charge of $7.7 million, which is not deductible for income tax purposes ($7.7 million after tax or $0.18 per diluted share).

(4) The fourth quarter of fiscal 2016 included restructuring charges of $3.1 million ($2.0 million after tax or $0.05 per diluted share), tradename impairment charges of $2.7 million ($1.8 million after tax or $0.04 per diluted share), pension settlement charges of $20.2 million ($13.2 million after tax or $0.31 per diluted share, and a gain on sale of investment in marketable securities of $3.3 million ($2.2 million after tax or ($0.05) per diluted share).

(5) Amounts may not total due to rounding.

At July 1, 2018 the Company had the following outstanding commodity derivative contracts with the fair value (gains) losses shown (in thousands):

Hedge Commodity	Notional Value	Fair Value	(Gain) Loss at Fair Value
Natural Gas (Therms)	10,553	$ 3,392	$ (8)

Interest Rates

The Company is exposed to interest rate fluctuations on its borrowings, depending on general economic conditions. On July 1, 2018, long-term loans consisted of the following (in thousands):

Description	Amount	Maturity	Interest Rate
6.875% Senior Notes	$ 200,888	December 2020	6.875%

The Senior Notes carry a fixed rate of interest and are therefore not subject to market fluctuation.

The Company is also exposed to interest rate risk associated with programs under which the Company shares the expense of financing certain dealer and distributor inventories through third party financing sources. The Company enters into interest rate swaps to manage a portion of this interest rate risk. The swaps are designated as cash flow hedges and are used to effectively fix the interest payments to a third party financing source, exclusive of lender spreads, ranging from 0.98% to 2.00% for a notional principal amount of $110 million with expiration dates ranging from May 2019 to December 2021.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS **Page**

AS OF JULY 1, 2018 AND JULY 2, 2017
(in thousands)

ASSETS	2018	2017
CURRENT ASSETS:		
Cash and Cash Equivalents	**$ 44,923**	$ 61,707
Receivables, Less Reserves of $2,608 and $2,645, Respectively	**182,801**	230,011
Inventories:		
Finished Products	**290,108**	265,720
Work in Process	**111,409**	102,187
Raw Materials	**10,314**	6,972
Total Inventories	**411,831**	374,879
Prepaid Expenses and Other Current Assets	**39,651**	22,844
Total Current Assets	**679,206**	689,441
GOODWILL	**163,200**	161,649
INVESTMENTS	**50,960**	51,677
OTHER INTANGIBLE ASSETS, Net	**95,864**	100,595
LONG-TERM DEFERRED INCOME TAX ASSET	**12,149**	64,412
OTHER LONG-TERM ASSETS, Net	**20,507**	18,325
PLANT AND EQUIPMENT:		
Land and Land Improvements	**15,188**	15,179
Buildings	**134,896**	135,226
Machinery and Equipment	**879,535**	867,445
Construction in Progress	**145,546**	86,733
	1,175,165	1,104,583
Less - Accumulated Depreciation	**753,085**	739,703
Total Plant and Equipment, Net	**422,080**	364,880
	$ 1,443,966	$ 1,450,979

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

AS OF JULY 1, 2018 AND JULY 2, 2017
(in thousands, except per share data)

LIABILITIES AND SHAREHOLDERS' INVESTMENT	2018	2017
CURRENT LIABILITIES:		
Accounts Payable	**$ 204,173**	$ 193,677
Short-Term Debt	**48,036**	—
Accrued Liabilities:		
Wages and Salaries	**41,136**	43,061
Warranty	**29,546**	28,640
Accrued Postretirement Health Care Obligation	**8,418**	9,755
Other	**52,797**	55,245
Total Accrued Liabilities	**131,897**	136,701
Total Current Liabilities	**384,106**	330,378
ACCRUED PENSION COST	**189,872**	242,908
ACCRUED EMPLOYEE BENEFITS	**20,196**	21,897
ACCRUED POSTRETIREMENT HEALTH CARE OBLIGATION	**30,186**	35,132
ACCRUED WARRANTY	**15,781**	14,468
OTHER LONG-TERM LIABILITIES	**33,447**	25,069
LONG-TERM DEBT	**199,954**	221,793
COMMITMENTS AND CONTINGENCIES (Note 12)		
SHAREHOLDERS' INVESTMENT:		
Common Stock - Authorized 120,000 Shares $.01 Par Value, Issued 57,854 Shares	**579**	579
Additional Paid-In Capital	**76,408**	73,562
Retained Earnings	**1,071,480**	1,107,033
Accumulated Other Comprehensive Loss	**(252,272)**	(300,026)
Treasury Stock at Cost, 15,237 and 15,074 Shares, Respectively	**(325,771)**	(321,814)
Total Shareholders' Investment	**570,424**	559,334
	$ 1,443,966	$ 1,450,979

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

FOR THE FISCAL YEARS ENDED JULY 1, 2018, JULY 2, 2017 AND JULY 3, 2016
(in thousands, except per share data)

	2018	2017	2016
NET SALES	**$ 1,881,294**	$ 1,786,103	$ 1,808,778
COST OF GOODS SOLD	**1,483,212**	1,402,274	1,438,166
RESTRUCTURING CHARGES	**—**	—	8,157
Gross Profit	**398,082**	383,829	362,455
ENGINEERING, SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	**374,145**	297,538	305,482
RESTRUCTURING CHARGES	**—**	—	2,038
GOODWILL IMPAIRMENT	**—**	—	7,651
TRADENAME IMPAIRMENT	**—**	—	2,683
EQUITY IN EARNINGS OF UNCONSOLIDATED AFFILIATES	**9,257**	11,056	1,760
Income from Operations	**33,194**	97,347	46,361
INTEREST EXPENSE	**(25,320)**	(20,293)	(20,033)
OTHER INCOME, Net	**3,227**	2,607	9,028
Income Before Income Taxes	**11,101**	79,661	35,356
PROVISION FOR INCOME TAXES	**22,421**	23,011	8,795
NET INCOME (LOSS)	**$ (11,320)**	$ 56,650	$ 26,561
EARNINGS (LOSS) PER SHARE			
Basic	**$ (0.28)**	$ 1.31	$ 0.61
Diluted	**$ (0.28)**	$ 1.31	$ 0.60
WEIGHTED AVERAGE SHARES OUTSTANDING			
Basic	**42,068**	42,178	43,019
Diluted	**42,068**	42,263	43,200

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statements of Comprehensive Income (Loss)

FOR THE FISCAL YEARS ENDED JULY 1, 2018, JULY 2, 2017 AND JULY 3, 2016
(in thousands)

	2018	2017	2016
Net Income (Loss)	**$ (11,320)**	$ 56,650	$ 26,561
Other Comprehensive Income (Loss):			
Cumulative Translation Adjustments	**(4,184)**	(881)	(4,746)
Unrealized Gain (Loss) on Derivative Instruments, Net of Tax Provision (Benefit) of $2,552, $886, and ($1,659), respectively	**6,562**	1,476	(2,764)
Unrecognized Pension & Postretirement Obligation, Net of Tax Provision (Benefit) of $17,646, $22,697, and ($31,098), respectively	**45,376**	37,829	(51,830)
Other Comprehensive Income (Loss)	**47,754**	38,424	(59,340)
Total Comprehensive Income (Loss)	**$ 36,434**	$ 95,074	$ (32,779)

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statements of Shareholders' Investment

FOR THE FISCAL YEARS ENDED JULY 1, 2018, JULY 2, 2017 AND JULY 3, 2016
(in thousands, except per share data)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Shareholders' Investment
BALANCES, JUNE 28, 2015	$ 579	$ 77,272	$ 1,071,493	$ (279,110)	$ (295,984)	574,250
Net Income	—	—	26,561	—	—	26,561
Total Other Comprehensive Loss, Net of Tax	—	—	—	(59,340)	—	(59,340)
Cash Dividends Paid ($0.54 per share)	—	—	(23,617)	—	—	(23,617)
Stock Option Activity, Net of Tax	—	(1,955)	—	—	15,111	13,156
Restricted Stock	—	(3,058)	—	—	584	(2,474)
Amortization of Unearned Compensation	—	3,255	—	—	—	3,255
Deferred Stock	—	(3,461)	—	—	2,495	(966)
Deferred Stock - Directors	—	(33)	—	—	275	242
Treasury Stock Purchases	—	—	—	—	(37,441)	(37,441)
BALANCES, JULY 3, 2016	$ 579	$ 72,020	$ 1,074,437	$ (338,450)	$ (314,960)	$ 493,626
Net Income	—	—	56,650	—	—	56,650
Total Other Comprehensive Loss, Net of Tax	—	—	—	38,424	—	38,424
Cash Dividends Paid ($0.56 per share)	—	—	(24,054)	—	—	(24,054)
Stock Option Activity, Net of Tax	—	(1,628)	—	—	8,551	6,923
Restricted Stock	—	(3,439)	—	—	2,506	(933)
Amortization of Unearned Compensation	—	3,336	—	—	—	3,336
Deferred Stock	—	(655)	—	—	1,675	1,020
Deferred Stock - Directors (1)	—	3,928	—	—	94	4,022
Treasury Stock Purchases	—	—	—	—	(19,680)	(19,680)
BALANCES, JULY 2, 2017	**$ 579**	**$ 73,562**	**$ 1,107,033**	**$ (300,026)**	**$ (321,814)**	**$ 559,334**
Net Loss	**—**	**—**	**(11,320)**	**—**	**—**	**(11,320)**
Total Other Comprehensive Income, Net of Tax	**—**	**—**		**47,754**	**—**	**47,754**
Cash Dividends Paid ($0.56 per share)	**—**	**—**	**(23,951)**	**—**	**—**	**(23,951)**
Stock Option Activity, Net of Tax	**—**	**1,889**	**—**	**—**	**3,943**	**5,832**
Restricted Stock	**—**	**(3,119)**	**—**	**—**	**1,763**	**(1,356)**
Amortization of Unearned Compensation	**—**	**3,770**	**—**	**—**	**—**	**3,770**
Deferred Stock	**—**	**(489)**	**—**	**—**	**649**	**160**
Deferred Stock - Directors	**—**	**795**	**(282)**	**—**	**—**	**513**
Treasury Stock Purchases	**—**	**—**		**—**	**(10,312)**	**(10,312)**
BALANCES, JULY 1, 2018	**$ 579**	**$ 76,408**	**$ 1,071,480**	**$ (252,272)**	**$ (325,771)**	**$ 570,424**

(1) See Note 13 for additional discussion.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

FOR THE FISCAL YEARS ENDED JULY 1, 2018, JULY 2, 2017 AND JULY 3, 2016
(in thousands)

	2018	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income (Loss)	**$ (11,320)**	$ 56,650	$ 26,561
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	**58,258**	56,183	54,400
Stock Compensation Expense	**6,675**	4,923	5,109
Goodwill and Tradename Impairment	**—**	—	10,334
Pension Settlement Expense	**41,157**	—	20,245
Equity in Earnings of Unconsolidated Affiliates	**(12,230)**	(11,056)	(4,947)
Dividends Received from Unconsolidated Affiliates	**10,911**	9,067	6,119
Loss on Disposition of Plant and Equipment	**1,915**	857	751
Provision for Deferred Income Taxes	**35,351**	10,316	2,194
Cash Contributions to Qualified Pension Plans	**(30,000)**	—	—
Non-Cash Restructuring Charges	**—**	—	3,903
Change in Operating Assets and Liabilities:			
Accounts Receivable	**47,180**	(41,655)	23,917
Inventories	**(37,446)**	11,204	(7,933)
Other Current Assets	**(4,759)**	(1,759)	1,231
Accounts Payable, Accrued Liabilities and Income Taxes	**(10,345)**	8,152	(14,016)
Other, Net	**(2,624)**	(12,538)	(12,941)
Net Cash Provided by Operating Activities	**92,723**	90,344	114,927
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital Expenditures (1)	**(103,203)**	(83,141)	(64,161)
Cash Paid for Acquisitions, Net of Cash Acquired	**(1,800)**	—	(3,074)
Cash Paid for Investment in Unconsolidated Affiliates	**—**	—	(19,100)
Proceeds Received on Disposition of Plant and Equipment	**339**	1,027	1,359
Proceeds on Sale of Investment in Marketable Securities	**—**	3,343	—
Increase to Restricted Cash	**(4,295)**	—	—
Other, Net	**—**	—	(860)
Net Cash Used in Investing Activities	**(108,959)**	(78,771)	(85,836)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net Borrowings on Revolver	**48,036**	—	—
Long Term Note Payable	**7,685**	—	—
Repayments on Long-Term Debt	**(22,261)**	—	(1,851)
Debt Issuance Costs	**(1,154)**	—	(932)
Cash Dividends Paid	**(23,951)**	(24,054)	(23,617)
Stock Option Exercise Proceeds	**3,772**	7,770	12,389
Payment of Acquisition Contingent Liability	**—**	(1,625)	—
Payments Related to Shares Withheld for Taxes for Stock Compensation	**(1,396)**	(1,750)	(3,104)
Treasury Stock Purchases	**(10,312)**	(19,680)	(37,441)
Net Cash Provided by (Used in) Financing Activities	**419**	(39,339)	(54,556)
EFFECT OF FOREIGN CURRENCY EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(967)**	(366)	(3,086)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(16,784)**	(28,132)	(28,551)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	**61,707**	89,839	118,390
CASH AND CASH EQUIVALENTS END OF YEAR	**$ 44,923**	$ 61,707	$ 89,839
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Interest Paid	**$ 24,075**	$ 19,422	$ 18,804
Income Taxes Paid	**$ 606**	$ 4,683	$ 5,980

(1) Non-cash investing activity: The change in the balance of unpaid purchases of property, plant, and equipment included in accounts payable and accruals is $ $9.1 million and $8.4 million for fiscal year 2018 and 2017, and is not material for fiscal year 2016.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

FOR THE FISCAL YEARS ENDED JULY 1, 2018, JULY 2, 2017 AND JULY 3, 2016

(1) Nature of Operations:

Briggs & Stratton Corporation (the "Company") is a U.S. based producer of gasoline engines and outdoor power equipment. The Company's Engines segment sells engines worldwide, primarily to original equipment manufacturers of lawn & garden equipment and other gasoline engine powered equipment. The Company's Products segment designs, manufactures and markets a wide range of outdoor power equipment, job site products, and related accessories.

(2) Summary of Significant Accounting Policies:

Fiscal Year: The Company's fiscal year consists of 52 or 53 weeks, ending on the Sunday nearest the last day of June in each year. The 2018 and 2017 fiscal years were each 52 weeks long, and the 2016 fiscal year was 53 weeks long. All references to years relate to fiscal years rather than calendar years.

Principles of Consolidation: The consolidated financial statements include the accounts of the Company and its majority owned domestic and foreign subsidiaries after elimination of intercompany accounts and transactions. Investments in companies for which the Company has significant influence are accounted for by the equity method.

Accounting Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Cash and Cash Equivalents: This caption includes cash, commercial paper and certificates of deposit. The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Receivables: Receivables are recorded at their original carrying value less reserves for estimated uncollectible accounts. The Company estimates and records an allowance for doubtful accounts based on specific identification and historical experience. The Company writes off uncollectible accounts against the allowance for doubtful accounts after all collection efforts have been exhausted.

Inventories: Inventories are stated at cost, which does not exceed market. The last-in, first-out (LIFO) method was used for determining the cost of approximately 50% of total inventories at July 1, 2018 and 51% at July 2, 2017. The cost for the remaining inventories was determined using the first-in, first-out (FIFO) method. If the FIFO inventory valuation method had been used exclusively, inventories would have been $65.4 million and $63.0 million higher at the end of fiscal 2018 and 2017, respectively. The LIFO inventory adjustment was determined on an overall basis, and accordingly, each class of inventory reflects an allocation based on the FIFO amounts.

Goodwill and Other Intangible Assets: Goodwill reflects the cost of acquisitions in excess of the fair values assigned to identifiable net assets acquired. Goodwill is assigned to reporting units based upon the expected benefit of the synergies of the acquisition.

Other Intangible Assets reflect identifiable intangible assets that arose from purchase acquisitions. Other Intangible Assets are primarily comprised of tradenames, patents and customer relationships. Goodwill and tradenames, which are considered to have indefinite lives, are not amortized; however, both must be tested for impairment at least annually. Amortization is recorded on a straight-line basis for other intangible assets with finite lives. Patents have been assigned an estimated useful life of 15 years. Customer relationships have been assigned an estimated useful life of 14 to 25 years.

The Company performed the required impairment tests in fiscal 2018, 2017 and 2016. There were no goodwill impairment charges or other intangible asset impairment charges recorded in fiscal 2018 or fiscal 2017. The Company recorded non-cash goodwill impairment charges and non-cash intangible asset impairment charges

in fiscal 2016. Refer to Note 6 for a discussion of the non-cash goodwill impairment charges and the non-cash intangible asset impairment charges recorded in fiscal 2016.

Investments: Investments represent the Company's investments in unconsolidated affiliated companies.

Financial information of the unconsolidated affiliated companies are accounted for by the equity method, generally on a lag of one month or less. Combined results of operations of unconsolidated affiliated companies for the fiscal year (in thousands):

	2018	2017	2016
Results of Operations:			
Sales	**$ 324,931**	$ 321,938	$ 287,728
Cost of Goods Sold	**248,585**	244,346	222,426
Gross Profit	**$ 76,346**	$ 77,592	$ 65,302
Net Income	**$ 22,158**	$ 22,217	$ 20,258

Combined balance sheets of unconsolidated affiliated companies as of fiscal year-end (in thousands):

	2018	2017
Financial Position:		
Assets:		
Current Assets	**$ 150,382**	$ 157,117
Noncurrent Assets	**45,186**	54,748
	195,568	211,865
Liabilities:		
Current Liabilities	**$ 54,007**	$ 61,346
Noncurrent Liabilities	**20,027**	25,399
	74,034	86,745
Equity	**$ 121,534**	$ 125,120

Net sales to equity method investees were approximately $107.2 million, $113.6 million and $98.9 million in 2018, 2017 and 2016, respectively. Purchases of finished products from equity method investees were approximately $115.5 million, $94.9 million and $112.2 million in 2018, 2017 and 2016, respectively.

Beginning in fiscal 2014, the Company joined with one of its independent distributors to form Power Distributors, LLC (the venture) to distribute service parts in the United States. During fiscal years 2014 through 2016, the venture acquired other independent distributors. During fiscal 2016, the Company contributed $19.1 million in cash as well as non-cash assets in exchange for receiving an additional ownership interest in the venture. Also during fiscal 2016, the venture achieved a national distribution network. The Company uses the equity method to account for this investment, and the earnings of the unconsolidated affiliate are allocated between the Engines and Products segments. As of July 1, 2018 and July 2, 2017, the Company's total investment in the venture was $25.2 million and $27.4 million, respectively, and its ownership percentage was 38.0%. The Company's equity method investments also include entities that are suppliers for the Engines segment.

The Company concluded that its equity method investments are integral to its business. The equity method investments provide manufacturing and distribution functions, which are important parts of its operations. Beginning with the third quarter of fiscal 2016, the Company is prospectively classifying its equity in earnings of unconsolidated affiliates as a separate line item within Income from Operations. For periods prior to the third quarter of fiscal 2016, equity in earnings from unconsolidated affiliates is classified in Other Income, Net in the Consolidated Statements of Operations.

During fiscal 2016, the Company had an investment in marketable securities, which related to its ownership of common stock of a publicly-traded company. The Company classified its investment as available-for-sale

securities, and it was reported at fair value. Unrealized gains and losses, net of the related tax effects, were reported as a separate component of Accumulated Other Comprehensive Income (Loss). During the fourth quarter of fiscal 2016, the Company sold its investment in marketable securities and recognized a gain of $3.3 million, which is recorded in Other Income, Net in the Consolidated Statements of Operations. The Company received proceeds related to the sale in the first quarter of fiscal 2017.

Debt Issuance Costs: Direct and incremental costs incurred in obtaining loans or in connection with the issuance of long-term debt are capitalized and amortized to interest expense over the terms of the related credit agreements. The debt issuance costs are recorded as a direct deduction from the carrying value of the debt liability; however, the Company classifies debt issuance costs related to the revolving credit facility as an asset, regardless of whether it has any outstanding borrowings on the line of credit arrangements. Approximately $0.9 million of debt issuance costs and original issue discounts were amortized to interest expense in each of fiscal years 2018, 2017 and 2016, respectively.

Plant and Equipment and Depreciation: Plant and equipment are stated at historical cost. For financial reporting purposes, plant and equipment are depreciated primarily by the straight line method over the estimated useful lives of the assets which generally range from 3 to 10 years for software, from 20 to 40 years for land improvements, from 20 to 50 years for buildings, and 3 to 20 years for machinery and equipment. Expenditures for repairs and maintenance are charged to expense as incurred. Expenditures for major renewals and betterments, which significantly extend the useful lives of existing plant and equipment, are capitalized and depreciated. Upon retirement or disposition of plant and equipment, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in cost of goods sold or engineering, selling, general and administrative expenses.

Depreciation expense was approximately $53.8 million, $51.9 million and $50.0 million during fiscal years 2018, 2017 and 2016, respectively.

Impairment of Property, Plant and Equipment: Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the sum of the expected undiscounted cash flows is less than the carrying value of the related asset or group of assets, a loss is recognized for the difference between the fair value and carrying value of the asset or group of assets. Refer to Note 16 for impairments associated with restructuring actions.

Warranty: The Company recognizes the cost associated with its standard warranty on engines and products at the time of sale. The general warranty period begins at the time of sale and typically covers two years, but may vary due to product type and geographic location. The amount recognized is based on historical failure rates and current claim cost experience. The following is a reconciliation of the changes in accrued warranty costs for the reporting period (in thousands):

	2018	2017
Balance, Beginning of Period	**$ 43,108**	$ 44,367
Payments	**(23,704)**	(27,336)
Provision for Current Year Warranties	**24,436**	25,513
Changes in Estimates	**1,487**	564
Balance, End of Period	**$ 45,327**	$ 43,108

Revenue Recognition: Net sales include sales of engines, products, and related service parts and accessories, net of allowances for cash discounts, customer volume rebates and discounts, floor plan interest and advertising allowances. The Company recognizes revenue when all of the following criteria are met: persuasive evidence of an arrangement exists, delivery has occurred, the price is fixed or determinable, and collectibility is reasonably assured. This is generally upon shipment. Prior to fiscal 2017, revenue for certain international shipments was recognized when the customer received the product.

Included in net sales are costs associated with programs under which the Company shares the expense of financing certain dealer and distributor inventories, referred to as floor plan expense. This represents interest for a pre-established length of time based on a variable rate (LIBOR) plus a fixed percentage from a contract with a third party financing source for dealer and distributor inventory purchases. Sharing the cost of these

financing arrangements is used by the Company as a marketing incentive for customers to purchase the Company's products to have floor stock for end users to purchase. The Company enters into interest rate swaps to hedge cash flows for a portion of its interest rate risk. The financing costs, net of the related gain or loss on interest rate swaps, are recorded at the time of sale as a reduction of net sales. Included in net sales in fiscal 2018, 2017 and 2016 were financing costs, net of the related gain or loss on interest rate swaps, of $9.6 million, $7.3 million and $6.6 million, respectively.

The Company also offers a variety of customer rebates and sales incentives. The Company records estimates for rebates and incentives at the time of sale, as a reduction in net sales.

Income Taxes: The provision for income taxes includes federal, state and foreign income taxes currently payable and those deferred because of temporary differences between the financial statement and tax bases of assets and liabilities. The deferred income tax asset and liability represent temporary differences relating to assets and liabilities. A valuation allowance is recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized.

Retirement Plans: The Company has noncontributory, defined benefit retirement plans and postretirement benefit plans covering certain employees. Retirement benefits represent a form of deferred compensation, which are subject to change due to changes in assumptions. Management reviews underlying assumptions on an annual basis. Refer to Note 15.

Research and Development Costs: Expenditures relating to the development of new products and processes, including significant improvements and refinements to existing products, are expensed as incurred and recorded in engineering, selling, general and administrative expenses within the Consolidated Statements of Operations. The amounts charged against income were $23.6 million, $23.0 million and $20.0 million in fiscal 2018, 2017 and 2016, respectively.

Advertising Costs: Advertising costs, included in engineering, selling, general and administrative expenses within the Consolidated Statements of Operations, are expensed as incurred. These expenses totaled $19.8 million in fiscal 2018, $19.0 million in fiscal 2017 and $18.0 million in fiscal 2016.

Shipping and Handling Fees: Revenue received from shipping and handling fees is reflected in net sales and related shipping costs are recorded in cost of goods sold. Shipping fee revenue for fiscal 2018, 2017 and 2016 was $5.6 million, $5.0 million and $5.2 million, respectively.

Foreign Currency Translation: Foreign currency balance sheet accounts are translated into dollars at the rates of exchange in effect at fiscal year-end. Income and expenses incurred in a foreign currency are translated at the average rates of exchange in effect during the year. The related translation adjustments are made directly to a separate component of Shareholders' Investment. Foreign currency transaction gains and losses are included in the results of operations in the period incurred. The Company recorded pre-tax foreign currency transaction gains (losses) of $(0.6) million, $0.8 million, and $2.6 million during fiscal 2018, 2017, and 2016, respectively.

Earnings (Loss) Per Share: The Company computes earnings (loss) per share using the two-class method, an earnings allocation formula that determines earnings per share for each class of common stock and participating security according to dividends declared and participation rights in undistributed earnings. The Company's unvested grants of restricted stock, restricted stock units, and deferred stock awards contain non-forfeitable rights to dividends (whether paid or unpaid), which are required to be treated as participating securities and included in the computation of basic (loss) earnings per share.

Information on earnings (loss) per share is as follows (in thousands except per share data):

	Fiscal Year Ended		
	July 1, 2018	July 2, 2017	July 3, 2016
Net Income (Loss)	**$ (11,320)**	$ 56,650	$ 26,561
Less: Earnings Allocated to Participating Securities	**(301)**	(1,274)	(497)
Net Income (Loss) available to Common Shareholders	**$ (11,621)**	$ 55,376	$ 26,064
Average Shares of Common Stock Outstanding	**42,068**	42,178	43,019
Incremental Common Shares Applicable to Common Stock Options and Performance Shares Based on the Common Stock Average Market Price During the Period	**—**	85	181
Shares Used in Calculating Diluted Earnings Per Share	**42,068**	42,263	43,200
Adjustment for Participating Securities	**—**	792	722
Diluted Average Shares, Including Participating Securities	**42,068**	43,055	43,922
Basic Earnings (Loss) Per Share	**$ (0.28)**	$ 1.31	$ 0.61
Diluted Earnings (Loss) Per Share	**$ (0.28)**	$ 1.31	$ 0.60

The dilutive effect of the potential exercise of outstanding stock-based awards to acquire common shares is calculated using the treasury stock method. The following options to purchase shares of common stock were excluded from the calculation of diluted earnings per share as the exercise prices were greater than the average market price of the common shares, and their inclusion in the computation would be antidilutive:

	Fiscal Year Ended		
	July 1, 2018	July 2, 2017	July 3, 2016
Options to Purchase Shares of Common Stock (in thousands)	**—**	—	408
Weighted Average Exercise Price of Options Excluded	**$ —**	$ —	$ 20.82

Derivative Instruments & Hedging Activity: The Company enters into derivative contracts designated as cash flow hedges to manage certain interest rate, foreign currency and commodity exposures. Company policy allows derivatives to be used only for identifiable exposures and, therefore, the Company does not enter into derivative instruments for trading purposes where the sole objective is to generate profits.

The Company formally designates the financial instrument as a hedge of a specific underlying exposure and documents both the risk management objectives and strategies for undertaking the hedge. The Company formally assesses, both at the inception and at least quarterly thereafter, whether the financial instruments that are used in hedging transactions are effective at offsetting changes in the forecasted cash flows of the related underlying exposure. Because of the high degree of effectiveness between the hedging instrument and the underlying exposure being hedged, fluctuations in the value of the derivative instruments are generally offset by changes in the forecasted cash flows of the underlying exposures being hedged. Derivative financial instruments are recorded on the Consolidated Balance Sheets as assets or liabilities, measured at fair value. The effective portion of gains or losses on derivatives designated as cash flow hedges are reported as a component of Accumulated Other Comprehensive Income (Loss) (AOCI) and reclassified into earnings in the same periods during which the hedged transaction affects earnings. Any ineffective portion of a financial instrument's change in fair value is immediately recognized in earnings.

The Company discontinues hedge accounting prospectively when it determines that the derivative is no longer effective in offsetting cash flows attributable to the hedged risk, the derivative expires or is sold, terminated, or exercised, the cash flow hedge is dedesignated because a forecasted transaction is not probable of occurring, or management determines to remove the designation of the cash flow hedge.

In all situations in which hedge accounting is discontinued and the derivative remains outstanding, the Company continues to carry the derivative at its fair value on the balance sheet and recognizes any subsequent changes in its fair value in earnings. When it is probable that a forecasted transaction will not

occur, the Company discontinues hedge accounting and recognizes immediately in earnings gains and losses that were accumulated in other comprehensive income related to the hedging relationship.

(3) New Accounting Pronouncements:

In February 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2018-02, Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income. ASU No. 2018-02 allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act. The guidance is effective beginning fiscal year 2020, with early adoption permitted. The Company is currently assessing the impact of this new accounting pronouncement on its financial position.

In March 2017, the FASB issued ASU No. 2017-07, Compensation – Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost, which requires an employer to disaggregate the service cost component from the other components of net periodic pension costs within the statement of income. The guidance is applied on a retrospective basis, and will become effective for the Company in fiscal 2019, with early adoption available. The Company has adopted this ASU effective July 2, 2018.

In January 2017, the FASB issued ASU 2017-04, Simplifying the Test for Goodwill Impairment, which simplifies how an entity is required to test goodwill for impairment by eliminating Step 2 from the goodwill impairment test. Step 2 measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. Under the amendments in ASU 2017-04, an entity should recognize an impairment charge for the amount by which the carrying amount of a reporting unit exceeds its fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. The updated guidance requires a prospective adoption. The guidance is effective beginning fiscal year 2021. Early adoption is permitted. The Company is currently assessing the impact of this new accounting pronouncement on its results of operations and financial position.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which is intended to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Certain qualitative and quantitative disclosures are required, as well as a modified retrospective recognition and measurement of impacted leases. The guidance is effective beginning fiscal year 2020, with early adoption permitted. The Company is currently assessing the impact of this new accounting pronouncement on its results of operations, financial position, and cash flows.

In January 2016, the FASB issued ASU No. 2016-01, Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities (ASU No. 2016-01). ASU No. 2016-01 enhances the existing financial instruments reporting model by modifying fair value measurement tools, simplifying impairment assessments for certain equity instruments, and modifying overall presentation and disclosure requirements. The guidance is effective beginning fiscal year 2019, with early adoption permitted. The Company does not expect the impact of adoption to have a material impact on the Company's results of operations, financial position, and cash flows.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Topic 606 also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to fulfill a contract. This guidance is effective beginning fiscal year 2019 under either full or modified retrospective adoption. The Company has adopted this ASU effective July 2, 2018 using the modified retrospective approach and this standard did not have a material impact on the Company's Condensed Consolidated Financial Statements.

(4) Accumulated Other Comprehensive Income (Loss):

The following tables set forth the changes in accumulated other comprehensive income (loss) (in thousands):

	Fiscal Year Ended July 1, 2018			
	Cumulative Translation Adjustments	Derivative Financial Instruments	Pension and Postretirement Benefit Plans	Total
Beginning Balance	$ (24,744)	$ (76)	$ (275,206)	$ (300,026)
Other Comprehensive Income (Loss) Before Reclassification	(4,184)	4,303	43,802	43,921
Income Tax Benefit (Expense)	—	(936)	(10,556)	(11,492)
Net Other Comprehensive Income (Loss) Before Reclassifications	(4,184)	3,367	33,246	32,429
Reclassifications:				
Realized (Gains) Losses - Foreign Currency Contracts (1)	—	4,795	—	4,795
Realized (Gains) Losses - Commodity Contracts (1)	—	96	—	96
Realized (Gains) Losses - Interest Rate Swaps (1)	—	(251)	—	(251)
Amortization of Prior Service Costs (Credits) (2)	—	—	(1,255)	(1,255)
Amortization of Actuarial Losses (2)	—	—	18,785	18,785
Total Reclassifications Before Tax	—	4,640	17,530	22,170
Income Tax Expense (Benefit)	—	(1,445)	(5,400)	(6,845)
Net Reclassifications	—	3,195	12,130	15,325
Other Comprehensive Income (Loss)	(4,184)	6,562	45,376	47,754
Ending Balance	$ (28,928)	$ 6,486	$ (229,830)	$ (252,272)

(1) Amounts reclassified to net income are included in net sales or cost of goods sold. See Note 14 for information related to derivative financial instruments.
(2) Amounts reclassified to net income are included in the computation of net periodic expense, which is presented in cost of goods sold or engineering, selling, general and administrative expenses. See Note 15 for information related to pension and postretirement benefit plans.

	Fiscal Year Ended July 2, 2017			
	Cumulative Translation Adjustments	Derivative Financial Instruments	Pension and Postretirement Benefit Plans	Total
Beginning Balance	$ (23,863)	$ (1,552)	$ (313,035)	$ (338,450)
Other Comprehensive Income (Loss) Before Reclassification	(881)	1,003	43,947	44,069
Income Tax Benefit (Expense)	—	(376)	(16,480)	(16,856)
Net Other Comprehensive Income (Loss) Before Reclassifications	(881)	627	27,467	27,213
Reclassifications:				
Realized (Gains) Losses - Foreign Currency Contracts (1)	—	357	—	357
Realized (Gains) Losses - Commodity Contracts (1)	—	258	—	258
Realized (Gains) Losses - Interest Rate Swaps (1)	—	743	—	743
Amortization of Prior Service Costs (Credits) (2)	—	—	(2,474)	(2,474)
Amortization of Actuarial Losses (2)	—	—	19,053	19,053
Total Reclassifications Before Tax	—	1,358	16,579	17,937
Income Tax Expense (Benefit)	—	(509)	(6,217)	(6,726)
Net Reclassifications	—	849	10,362	11,211
Other Comprehensive Income (Loss)	(881)	1,476	37,829	38,424
Ending Balance	$ (24,744)	$ (76)	$ (275,206)	$ (300,026)

(1) Amounts reclassified to net income are included in net sales or cost of goods sold. See Note 14 for information related to derivative financial instruments.
(2) Amounts reclassified to net income are included in the computation of net periodic expense, which is presented in cost of goods sold or engineering, selling, general and administrative expenses. See Note 15 for information related to pension and postretirement benefit plans.

	Fiscal Year Ended July 3, 2016			
	Cumulative Translation Adjustments	Derivative Financial Instruments	Pension and Postretirement Benefit Plans	Total
Beginning Balance	$ (19,117)	$ 1,212	$ (261,205)	$ (279,110)
Other Comprehensive Income (Loss) Before Reclassification	(4,746)	1,147	(117,745)	(121,344)
Income Tax Benefit (Expense)	—	(430)	44,154	43,724
Net Other Comprehensive Income (Loss) Before Reclassifications	(4,746)	717	(73,591)	(77,620)
Reclassifications:				
Realized (Gains) Losses - Foreign Currency Contracts (1)	—	(7,584)	—	(7,584)
Realized (Gains) Losses - Commodity Contracts (1)	—	901	—	901
Realized (Gains) Losses - Interest Rate Swaps (1)	—	1,113	—	1,113
Amortization of Prior Service Costs (Credits) (2)	—	—	(2,479)	(2,479)
Amortization of Actuarial Losses (2)	—	—	17,051	17,051
Plan Settlement (2)	—	—	20,245	20,245
Total Reclassifications Before Tax	—	(5,570)	34,817	29,247
Income Tax Expense (Benefit)	—	2,089	(13,056)	(10,967)
Net Reclassifications	—	(3,481)	21,761	18,280
Other Comprehensive Income (Loss)	(4,746)	(2,764)	(51,830)	(59,340)
Ending Balance	$ (23,863)	$ (1,552)	$ (313,035)	$ (338,450)

(1) Amounts reclassified to net income are included in net sales or cost of goods sold. See Note 14 for information related to derivative financial instruments.
(2) Amounts reclassified to net income are included in the computation of net periodic expense, which is presented in cost of goods sold or engineering, selling, general and administrative expenses. See Note 15 for information related to pension and postretirement benefit plans.

(5) Fair Value:

Assets and Liabilities Measured at Fair Value:

The following guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1: Quoted prices for identical instruments in active markets.

Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-driven valuations whose inputs are observable or whose significant value drivers are observable.

Level 3: Significant inputs to the valuation model are unobservable.

The following table presents information about the Company's financial assets and liabilities measured at fair value on a recurring basis as of July 1, 2018 and July 2, 2017 (in thousands):

		Fair Value Measurement Using		
	July 1, 2018	Level 1	Level 2	Level 3
Assets:				
Derivatives	$ 7,938	**$ —**	**$ 7,938**	**$ —**
Liabilities:				
Derivatives	$ 231	**$ —**	**$ 231**	**$ —**

		Fair Value Measurement Using		
	July 2, 2017	Level 1	Level 2	Level 3
Assets:				
Derivatives	$ 2,081	$ —	$ 2,081	$ —
Liabilities:				
Derivatives	$ 3,213	$ —	$ 3,213	$ —

The fair value for Level 2 measurements are based upon the respective quoted market prices for comparable instruments in active markets, which include current market pricing for forward purchases of commodities, foreign currency forwards, and current interest rates.

The Company has currently chosen not to elect the fair value option for any items that are not already required to be measured at fair value in accordance with accounting principles generally accepted in the United States.

Fair Value of Financial Instruments:

The Company believes that the carrying values of cash and cash equivalents, trade receivables and accounts payable are reasonable estimates of their fair values at July 1, 2018 and July 2, 2017 due to the short-term nature of these instruments. The estimated fair value of the 6.875% Senior Notes due December 2020 is based on quoted market prices for similar instruments and is, therefore, classified as Level 2 within the valuation hierarchy.

The estimated fair market values of the Company's indebtedness is (in thousands):

	2018		2017	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
6.875% Senior Notes	**$ 200,888**	**$ 214,000**	$ 223,149	$ 245,888
Borrowings on Revolver	**$ 48,036**	**$ 48,036**	$ —	$ —

(6) Goodwill and Other Intangible Assets:

The changes in the carrying amount of goodwill by reportable segment for the fiscal years ended July 1, 2018 and July 2, 2017 are as follows (in thousands):

	Engines	Products	Total
Goodwill Balance at July 3, 2016	$ 137,943	$ 23,625	$ 161,568
Effect of Translation	131	(50)	81
Goodwill Balance at July 2, 2017	$ 138,074	$ 23,575	$ 161,649
Acquisitions	—	2,573	2,573
Effect of Translation	(682)	(340)	(1,022)
Goodwill Balance at July 1, 2018	$ 137,392	$ 25,808	$ 163,200

At July 1, 2018, July 2, 2017 and July 3, 2016, accumulated goodwill impairment losses, as recorded in the Products segment, were $131.4 million respectively.

The Company evaluates goodwill for impairment at least annually as of the fiscal year-end and more frequently if events or circumstances indicate that the assets may be impaired. The Company will test goodwill using a two-step process. The first step of the goodwill impairment test is to identify a potential impairment by comparing the carrying values of each of the Company's reporting units to their estimated fair values as of the test dates. The estimates of fair value of the reporting units are computed using either an income approach, a market approach, or a combination of both. The income approach utilizes a multi-year forecast of estimated cash flows and a terminal value at the end of the cash flow period. The forecast period assumptions consist of internal projections that are based on the Company's budget and long-range strategic plan. The discount rate used at the test date is the weighted-average cost of capital which reflects the overall level of inherent risk of the reporting unit and the rate of return an outside investor would expect to earn. Valuations using the market approach are derived from metrics of publicly traded companies or historically completed transactions of comparable businesses. The selection of comparable businesses is based on the markets in which the reporting units operate giving consideration to risk profiles, size, geography, and diversity of products and services.

If the fair value of a reporting unit exceeds its book value, goodwill of the reporting unit is not deemed impaired and the second step of the impairment test is not performed. If the book value of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss, if any. The second step of the goodwill impairment test compares the implied fair value of the reporting unit’s goodwill with the carrying amount of that goodwill. The implied fair value of goodwill is determined by allocating the estimated fair value of the reporting unit to the estimated fair value of its existing tangible assets and liabilities as well as existing identified intangible assets and previously unrecognized intangible assets in a manner similar to a purchase price allocation. The unallocated portion of the estimated fair value of the reporting unit is the implied fair value of goodwill. If the carrying amount of the reporting unit’s goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess.

In fiscal 2016, the Company recorded a non-cash goodwill impairment charge of $7.7 million related to its Job Site reporting unit, which was determined by comparing the carrying value of the reporting unit’s goodwill with the implied fair value of goodwill for the reporting unit. The Company reached this conclusion because it determined that its forecasted cash flow estimates used in the goodwill assessment for its Job Site reporting unit were adversely impacted by elevated channel inventories. The inventory channel for job site products, particularly portable light towers and portable heaters, was elevated due to the rapid and significant change in market demand following the reduction in North American oil production and was compounded by the mild winter. The impairment charge was a non-cash expense that was recorded as a separate component of operating expenses. The goodwill impairment was not deductible for income tax purposes. The impairment charge did not adversely affect the Company’s debt position, cash flow, liquidity or compliance with financial covenants under its revolving credit facility.

The Company's other intangible assets as of July 1, 2018 and July 2, 2017 are as follows (in thousands) in the table below. After an intangible asset has been fully amortized, it is removed from the table in the subsequent year.

	2018			2017		
	Gross Carrying Amount	**Accumulated Amortization**	**Net**	Gross Carrying Amount	Accumulated Amortization	Net
Amortized Intangible Assets:						
Patents	**$ 7,300**	**$ (6,813)**	**$ 487**	$ 7,300	$ (6,327)	$ 973
Customer Relationships	**60,182**	**(18,995)**	**41,187**	60,182	(16,304)	43,878
Other Intangible Assets	**839**	**(774)**	**65**	839	(626)	213
Effect of Translation	**(6,887)**	**1,065**	**(5,822)**	(5,576)	637	(4,939)
Total Amortized Intangible Assets	**61,434**	**(25,517)**	**35,917**	62,745	(22,620)	40,125
Unamortized Intangible Assets:						
Tradenames	**63,967**	**—**	**63,967**	63,967	—	63,967
Effect of Translation	**(4,020)**	**—**	**(4,020)**	(3,497)	—	(3,497)
Total Unamortized Intangible Assets	**59,947**	**—**	**59,947**	60,470	—	60,470
Total Intangible Assets	**$ 121,381**	**$ (25,517)**	**$ 95,864**	$ 123,215	$ (22,620)	$ 100,595

The Company also performs an impairment test of its indefinite-lived intangible assets as of the fiscal year-end and more frequently if events or circumstances indicate that the assets may be impaired. For purposes of the indefinite-lived intangible asset impairment analysis, the Company performs its assessment of fair value based on an income approach using the relief-from-royalty method. The Company determines the fair value of each tradename by applying a royalty rate to a projection of net sales discounted using a risk adjusted cost of capital. Sales growth rates are determined after considering current and future economic conditions, recent sales trends, discussions with customers, planned timing of new product launches and many other variables. Each royalty rate is based on profitability of the business to which it relates and observed market royalty rates.

In fiscal 2016, the Company recorded a non-cash intangible asset impairment charge of $2.7 million. The impairment charge did not adversely affect the Company's debt position, cash flow, liquidity or compliance with financial covenants under its revolving credit facility.

Amortization expense of other intangible assets amounted to approximately $3.4 million in 2018, $3.5 million in 2017, and $3.4 million in 2016.

The estimated amortization expense of other intangible assets for the next five years is (in thousands):

2019	$ 3,241
2020	2,754
2021	2,754
2022	2,754
2023	2,754
	$ 14,257

(7) Income Taxes and Tax Reform:

On December 22, 2017 the U.S. government enacted significant tax legislation (the "Tax Act"). The Tax Act makes broad and complex changes to the U.S. tax code that will impact the Company's financials, including but not limited to a permanent decrease in the corporate federal statutory income tax rate and a one-time charge from the inclusion of foreign earnings that the Company can elect to pay over eight years.

The SEC staff issued Staff Accounting Bulletin 118 ("SAB 118"), which provides guidance on accounting for the tax effects of the Tax Act. SAB 118 provides a measurement period that should not extend beyond one year from the Tax Act enactment date for companies to complete the accounting under ASC 740. In accordance with SAB 118, a company must reflect the income tax effects of those aspects of the Tax Act for which the accounting under ASC 740 is complete. To the extent that a company's accounting for certain income tax effects of the Tax Act is incomplete but it is able to determine a reasonable estimate, it must record a provisional estimate in the financial statements. If a company cannot determine a provisional estimate to be included in the financial statements, it should continue to apply ASC 740 on the basis of the provisions of the tax laws that were in effect immediately before the enactment of the Tax Act.

In connection with the Company's analysis of the impact of the Tax Act, a tax expense of approximately $21.1 million has been recorded in fiscal 2018. This amount consists of an expense resulting from the re-measurement of deferred tax assets and liabilities for the corporate tax rate reduction of approximately $13.8 million and an expense related to the inclusion of foreign earnings of approximately $7.3 million. The Company's expense related to the re-measurement of deferred tax assets and liabilities of approximately $13.8 million is lower than its previous provisional estimate of $17.7 million in the third quarter of fiscal 2018 due to activity in the fourth quarter of fiscal 2018 and provision to return adjustments. The Company's expense related to the inclusion of foreign earnings of approximately $7.3 million is higher than its previous provisional estimate of $6.5 million in the third quarter of fiscal 2018 due to activity in the fourth quarter of fiscal 2018, provision to return adjustments, and new tax regulations. The Company has not completed its accounting for the income tax effects of certain elements of the Tax Act; however, reasonable estimates were made in order to record provisional adjustments for areas where analysis is not yet complete. For instance, the tax expense of approximately $13.8 million related to the re-measurement of the Company's deferred tax assets and liabilities from the enacted corporate tax rate reduction may be affected by other analyses related to the Tax Act, including but not limited to the transition tax, expenditures that qualify for immediate expensing and the state tax effect of adjustments made to federal temporary differences. Additionally, in calculating the approximate tax expense of $7.3 million related to the inclusion of foreign earnings, the Company is required to determine various components including the amount of accumulated and current earnings and profits of its foreign subsidiaries, the amount of foreign income taxes paid on these earnings, and the cash and equivalents held by its foreign subsidiaries at various prescribed measurement dates. The Company has made a reasonable estimate of this expense and will continue to gather additional information to more precisely compute the expense.

The Company is also in the process of evaluating its permanent reinvestment assertions since the Tax Act may provide opportunity to repatriate overseas cash to the U.S. at a lower tax cost. There is a dividends received deduction available for certain foreign distributions under the Tax Act, but certain foreign earnings remain subject to withholding taxes upon repatriation. As of July 1, 2018, the Company has analyzed its global working capital and cash requirements and the potential tax liabilities attributable to repatriation in regards to its permanent reinvestment assertion. In the second quarter of fiscal 2018, the Company removed its permanent reinvestment assertion on approximately $25 million of its foreign earnings. During the third quarter of fiscal 2018, the Company made distributions from its foreign earnings related to the assertion removal in the second quarter of approximately $18 million. The Company expects to repatriate approximately an additional $15 million of foreign earnings. The Company continues to evaluate its cash needs and strategic opportunities to repatriate cash. The Company was able to make a reasonable estimate of the tax effects of the planned repatriation, and the provisional estimate has been recorded in the financials including withholding taxes and currency gain and loss. The Company will continue to gather additional information to more precisely compute the tax impact. For the remainder of its foreign earnings, approximately $100 million, the Company has yet to determine whether it intends to change its prior assertion and repatriate earnings. Accordingly, deferred taxes attributable to its investments in its foreign subsidiaries have not yet been recorded. The tax effects of any change in the Company's prior assertion will be recorded in the period that analysis is completed and a reasonable estimate is able to be calculated, and any unrecognized deferred tax

liability for temporary differences related to its foreign investments will be disclosed if practicable.

Components of income before income taxes consists of the following (in thousands):

	2018	2017	2016
U.S.	**$ (5,350)**	$ 66,555	$ 22,203
Foreign	**16,451**	13,106	13,153
Total	**$ 11,101**	$ 79,661	$ 35,356

The provision for income taxes consists of the following (in thousands):

	2018	2017	2016
Current			
Federal	**$ (12,072)**	$ 7,333	$ 2,649
State	**(4,413)**	933	670
Foreign	**3,556**	4,429	3,282
	(12,929)	12,695	6,601
Deferred			
Federal	**$ 31,235**	$ 8,156	$ 2,702
State	**4,462**	583	193
Foreign	**(347)**	1,577	(701)
	35,350	10,316	2,194
Total	**$ 22,421**	$ 23,011	$ 8,795

A reconciliation of the U.S. statutory tax rates to the effective tax rates on income follows:

	2018	2017	2016
U.S. Statutory Rate	**28.0 %**	35.0 %	35.0 %
State Taxes, Net of Federal Tax Benefit	**3.7 %**	1.5 %	2.0 %
Impact of Foreign Operations and Tax Rates	**(2.5)%**	(2.1)%	(9.7)%
Valuation Allowance	**6.7 %**	5.3 %	3.3 %
Changes to Unrecognized Tax Benefits	**1.3 %**	(4.5)%	2.8 %
U.S. Manufacturers Deduction	**— %**	(2.4)%	(3.7)%
Research & Development Credit (1)	**(25.2)%**	(3.1)%	(10.6)%
Goodwill Impairment	**— %**	— %	7.6 %
Return to Provision Adjustment	**15.6 %**	(0.4)%	(4.2)%
U.S. Tax Reform (2)	**189.9 %**	— %	— %
Impact of Joint Venture Business Optimization	**4.5 %**	— %	— %
Worthless Stock Loss	**(10.8)%**	— %	— %
Warehouse Charitable Contribution	**(9.5)%**	— %	— %
Other, Net	**0.2 %**	(0.4)%	2.4 %
Effective Tax Rate	**201.9 %**	28.9 %	24.9 %

(1) "Research & Development Credit" in fiscal 2016 includes fiscal 2016 and fiscal 2015 federal research & development credit due to the reenactment of the credit during fiscal 2016.
(2) This amount consists of impacts from the Tax Act including an expense resulting from the re-measurement of deferred tax assets and liabilities for the US corporate tax rate reduction of approximately $13.8 million and an expense related to the inclusion of foreign earnings of approximately $7.3 million.

The components of deferred income taxes were as follows (in thousands):

Long-Term Asset (Liability):	2018	2017
Difference Between Book and Tax Related to:		
Pension Cost	$ 14,570	$ 64,216
Accumulated Depreciation	(53,103)	(48,679)
Intangibles	(34,166)	(54,360)
Accrued Employee Benefits	34,108	38,477
Postretirement Health Care Obligation	7,275	12,865
Inventory	10,710	15,969
Warranty	10,842	16,008
Payroll & Workers Compensation Accruals	6,474	7,087
Valuation Allowance	(28,537)	(23,461)
Net Operating Loss/State Credit Carryforwards	39,849	26,436
Other Accrued Liabilities	6,205	13,709
Miscellaneous	(2,359)	(3,904)
Deferred Income Tax Asset (Liability)	$ 11,868	$ 64,363

Total deferred tax assets were $130.1 million and $171.3 million as of July 1, 2018 and July 2, 2017, respectively. Total deferred tax liabilities were $118.0 million and $106.9 million as of July 1, 2018 and July 2, 2017, respectively. During fiscal 2018, the total valuation allowance increased by $5.1 million. The Company early adopted ASU No. 2015-17, Balance Sheet Classification of Deferred Taxes as of July 2, 2017. The Company retrospectively reclassified $44.7 million of current “Deferred Income Tax Assets" to "Long-term Deferred Income Tax Assets” on the accompanying Condensed Consolidated Balance Sheet as of July 3, 2016.

Deferred tax assets were generated during the current year as a result of foreign income tax loss carryforwards in the amount of $0.5 million. At July 1, 2018, there are $8 million of foreign income tax loss carryforwards, consisting of $5.8 million that have no expiration date, and $2.2 million that will expire within the next 5 to 10 years. A deferred tax asset of $24.9 million exists at July 1, 2018 related to state income tax losses and state tax credit carryforwards. If not utilized against future taxable income, this amount will expire from 2019 through 2029. Realization of the deferred tax assets are contingent upon generating sufficient taxable income prior to expiration of these carryforwards. At July 1, 2018, a valuation allowance of $7.6 million is recorded for the foreign losses which the Company believes are unlikely to be realized in the future. In addition, a valuation allowance of $21.0 million is recorded related to state tax credits that are unlikely to be realized.

The change to the gross unrecognized tax benefits of the Company during the fiscal years ended July 1, 2018, July 2, 2017, and July 3, 2016 is reconciled as follows:

Unrecognized Tax Benefits (in thousands):

	2018	2017	2016
Beginning Balance	$ 5,986	$ 10,922	$ 10,551
Changes based on tax positions related to prior year	—	(861)	(208)
Additions based on tax positions related to current year	981	461	579
Settlements with taxing authorities	—	(4,437)	—
Lapse of statute of limitations	(1,068)	(99)	—
Ending Balance	$ 5,899	$ 5,986	$ 10,922

As of July 1, 2018, gross unrecognized tax benefits that, if recognized, would impact the effective tax rate were $4.8 million. There is a reasonable possibility that approximately $1.0 million of the liability for uncertain tax positions may be settled within the next twelve months due to the resolution of audits or expiration of statutes of limitations.

The Company recognizes interest and penalties related to unrecognized tax benefits in income tax expense. The total expense (income) recognized for fiscal years 2018, 2017 and 2016 was $(0.2) million, $(0.2) million, and $0.2 million, respectively.

As of July 1, 2018 and July 2, 2017, the Company had $0.8 million and $1.2 million, respectively, accrued for the payment of interest and penalties.

At July 1, 2018 and July 2, 2017, the liability for uncertain tax positions, inclusive of interest and penalties, was $6.7 million and $7.2 million, respectively, which is recorded as an other long-term liability within the Consolidated Balance Sheets.

Income tax returns are filed in the U.S., state, and foreign jurisdictions and related audits occur on a regular basis. In the U.S., the Company is no longer subject to U.S. federal income tax examinations before fiscal 2015. The Company is also currently under audit by various state and foreign jurisdictions. The Company is no longer subject to tax examinations before fiscal 2008 in its major foreign jurisdictions.

(8) Segment and Geographic Information and Significant Customers:

The Company aggregates operating segments that have similar economic characteristics, products, production processes, types or classes of customers and distribution methods into reportable segments. The Company concluded that it operates two reportable segments: Engines and Products. The Company uses "segment income (loss)" as the primary measure to evaluate operating performance and allocate capital resources for the Engines and Products segments. The Company defines segment income (loss) as income from operations plus equity in earnings of unconsolidated affiliates. Summarized segment data is as follows (in thousands):

	2018	2017	2016
NET SALES:			
Engines	**$ 1,066,318**	$ 1,098,809	$ 1,142,815
Products	**904,007**	778,378	772,154
Eliminations	**(89,031)**	(91,084)	(106,191)
	$ 1,881,294	$ 1,786,103	$ 1,808,778
GROSS PROFIT:			
Engines	**$ 252,645**	$ 262,036	$ 252,833
Products	**144,933**	121,141	110,944
Eliminations	**504**	652	(1,322)
	$ 398,082	$ 383,829	$ 362,455
SEGMENT INCOME (LOSS) (1)			
Engines	**$ 10,678**	$ 84,165	$ 60,645
Products	**22,012**	12,530	(9,775)
Eliminations	**504**	652	(1,322)
	$ 33,194	$ 97,347	$ 49,548
Reconciliation from Segment Income (Loss) to Income Before Income Taxes:			
Equity in Earnings of Unconsolidated Affiliates(1)	**—**	—	3,187
Income from Operations	**$ 33,194**	$ 97,347	$ 46,361
INTEREST EXPENSE	**(25,320)**	(20,293)	(20,033)
OTHER INCOME, Net	**3,227**	2,607	9,028
Income Before Income Taxes	**11,101**	79,661	35,356
PROVISION FOR INCOME TAXES	**22,421**	23,011	8,795
Net Income (Loss)	**$ (11,320)**	$ 56,650	$ 26,561
ASSETS:			
Engines	**$ 965,677**	$ 987,943	$ 984,119
Products	**547,540**	551,207	546,104
Eliminations	**(69,251)**	(88,171)	(73,556)
	$ 1,443,966	$ 1,450,979	$ 1,456,667
CAPITAL EXPENDITURES:			
Engines	**$ 79,724**	$ 67,218	$ 58,186
Products	**23,479**	15,923	5,975
	$ 103,203	$ 83,141	$ 64,161
DEPRECIATION & AMORTIZATION:			
Engines	**$ 44,361**	$ 44,384	$ 44,480
Products	**13,897**	11,799	9,920
	$ 58,258	$ 56,183	$ 54,400

(1) The Company concluded that its equity method investments are integral to its business. Beginning with the third quarter of fiscal 2016, the Company is prospectively classifying its equity in earnings of unconsolidated affiliates as a separate line item within Income

from Operations. For periods prior to the third quarter of fiscal 2016, equity in earnings from unconsolidated affiliates is classified in Other Income, Net. For all periods presented, equity in earnings from unconsolidated affiliates is included in segment income (loss).

Pre-tax business optimization, restructuring charges, and acquisition-related charges impact on gross profit (in thousands):

	2018	2017	2016
Engines	**$ 2,854**	$ —	$ 11,599
Products	**3,775**	—	7,943
Total	**$ 6,629**	$ —	$ 19,542

Pre-tax restructuring charges, acquisition-related charges, goodwill and tradename impairment, pension settlement charges, and litigation charges impact on segment income (loss) is as follows (in thousands):

	2018	2017	2016
Engines	**$ 53,913**	$ —	$ 24,424
Products	**8,113**	—	19,451
Total	**$ 62,026**	$ —	$ 43,875

Information regarding the Company's geographic sales based on product shipment destination (in thousands):

	2018	2017	2016
United States	**$ 1,346,687**	$ 1,246,015	$ 1,299,003
All Other Countries	**534,607**	540,088	509,775
Total	**$ 1,881,294**	$ 1,786,103	$ 1,808,778

Information regarding the Company's net plant and equipment based on geographic location (in thousands):

	2018	2017	2016
United States	**$ 405,808**	$ 347,664	$ 309,089
All Other Countries	**16,272**	17,216	17,184
Total	**$ 422,080**	$ 364,880	$ 326,273

Sales to the following customers in the Company's Engines segment amount to greater than or equal to 10% of consolidated net sales (in thousands):

	2018		2017		2016	
Customer:	**Net Sales**	**%**	Net Sales	%	Net Sales	%
HOP	**$ 184,008**	**10%**	$ 207,882	12%	$ 229,899	13%
MTD	**192,402**	**10%**	205,339	11%	235,220	13%
	$ 376,410	**20%**	$ 413,221	23%	$ 465,119	26%

(9) Leases:

The Company leases certain facilities, vehicles, and equipment under operating leases. Operating leases are not capitalized and lease payments are expensed over the life of the lease. Terms of the leases, including purchase options, renewals, and maintenance costs, vary by lease. Rental expense for fiscal 2018, 2017 and 2016 was $20.0 million, $19.3 million and $19.3 million, respectively.

Future minimum lease commitments for all non-cancelable operating leases as of July 1, 2018 are as follows (in thousands):

Fiscal Year	Commitments
2019	$ 16,080
2020	13,259
2021	10,389
2022	7,668
2023	6,849
Thereafter	50,089
Total future minimum lease commitments	$ 104,334

(10) Indebtedness:

The following is a summary of the Company's indebtedness (in thousands):

	2018	2017
Multicurrency Credit Agreement	$ 48,025	$ —
Total Short-Term Debt	$ 48,025	$ —
Note Payable (NMTC transaction)	7,685	—
Unamortized Debt Issuance Costs associated with Note Payable	1,009	—
	8,694	—
6.875% Senior Notes	$ 200,888	$ 223,149
Unamortized Debt Issuance Costs associated with 6.875% Senior Notes	934	1,356
Total Long-Term Debt	$ 199,954	$ 221,793

6.875% Senior Notes

On December 20, 2010, the Company issued $225 million of 6.875% Senior Notes ("Senior Notes") due December 15, 2020. During fiscal 2018 and 2016, the Company repurchased $22 million and $2 million, respectively, of the Senior Notes after receiving unsolicited offers from bondholders. There were no repurchases in fiscal 2017.

Multicurrency Credit Agreement

On March 25, 2016, the Company entered into a $500 million amended and restated multicurrency credit agreement (the "Revolver") that matures on March 25, 2021. The Revolver amended and restated the Company's $500 million multicurrency credit agreement dated as of October 13, 2011 (as previously amended), which would have matured on October 21, 2018. The initial maximum availability under the Revolver is $500 million. Availability under the Revolver is reduced by outstanding letters of credit. The Company may from time to time increase the maximum availability under the revolving credit facility by up to $250 million if certain conditions are satisfied. In connection with the amendment to the Revolver in fiscal 2016, the Company incurred approximately $0.9 million in new debt issuance costs, which are being amortized over the life of the Revolver using the straight-line method. The Company classifies debt issuance costs related to the Revolver as an asset, regardless of whether it has any outstanding borrowings on the line of credit arrangements. There were $48 million of borrowings under the Revlolver as of July 1, 2018. There were no borrowings under the Revolver as of July 2, 2017.

Borrowings under the Revolver by the Company bear interest at a rate per annum equal to, at its option, either:

(1) a 1, 2, 3 or 6 month LIBOR rate plus a margin varying from 1.25% to 2.25%, depending on the Company's average net leverage ratio; or

(2) the higher of (a) the federal funds rate plus 0.50%; (b) the bank's prime rate; or (c) the adjusted LIBO rate for a one-month interest period plus 1.00% plus a margin varying from 0.25% to 1.25%. In addition, the Company is subject to a 0.18% to 0.35% commitment fee and a 1.25% to 2.25% letter of credit fee, depending on the Company's average net leverage ratio.

The Revolver contains covenants that the Company considers usual and customary for an agreement of this type, including a maximum average leverage ratio and minimum interest coverage ratio.

The Senior Notes and the Revolver contain restrictive covenants. These covenants include restrictions on the ability of the Company and/or certain subsidiaries to pay dividends, repurchase equity interests of the Company and certain subsidiaries, incur indebtedness, create liens, consolidate and merge and dispose of assets, and enter into transactions with affiliates. The Revolver contains financial covenants that require the Company to maintain a minimum interest coverage ratio and impose on the Company a maximum average leverage ratio.

New Market Tax Credit

On August 16, 2017, the Company entered into a financing transaction with SunTrust Community Capital, LLC ("SunTrust") related to the Company's business optimization program under the New Markets Tax Credit ("NMTC") program. The NMTC program was provided for in the Community Renewal Tax Relief Act of 2000 (the "Act") and is intended to induce capital investment in qualified low-income communities. The Act permits taxpayers to claim credits against their Federal income taxes for qualified investments in the equity of community development entities ("CDEs"). CDEs are privately managed investment institutions that are certified to make qualified low-income community investments ("QLICIs").

In connection with the financing, one of the Company's subsidiaries loaned approximately $16 million to an investment fund, and simultaneously, SunTrust contributed approximately $8 million to the investment fund. SunTrust is entitled to substantially all of the benefits derived from the NMTCs. SunTrust's contribution, net of syndication fees, is included in Other Long-Term Liabilities on the consolidated balance sheets. The Company incurred approximately $1.2 million in new debt issuance costs, which are being amortized over the life of the note payable. The investment fund contributed the proceeds to certain CDEs, which, in turn, loaned the funds to the Company, as partial financing for the business optimization program. The proceeds of the loans from the CDEs (including loans representing the capital contribution made by SunTrust, net of syndication fees) are restricted for use on the project. Restricted cash of $4.3 million held by the Company at July 1, 2018 is included in Prepaid Expenses and Other Current Assets in the accompanying consolidated balance sheet.

This financing also includes a put/call provision that can be exercised beginning in August 2024 whereby the Company may be obligated or entitled to repurchase SunTrust's interest in the investment fund for a de minimis amount.

The Company has determined that the financing arrangement is a variable interest entity ("VIE") and has consolidated the VIE in accordance with the accounting standard for consolidation.

(11) Other Income, Net:

The components of Other Income, Net are as follows (in thousands):

	2018	2017	2016
Interest Income	$ 1,526	$ 1,203	$ 695
Equity in Earnings of Unconsolidated Affiliates	—	—	3,187
Gain on Sale of Investment in Marketable Securities	—	—	3,343
Other Items	1,701	1,404	1,803
Total	$ 3,227	$ 2,607	$ 9,028

The Company concluded that its equity method investments are integral to its business. Beginning with the third quarter of fiscal 2016, the Company is prospectively classifying its equity in earnings of unconsolidated affiliates as a separate line item within Income from Operations. For periods prior to the third quarter of fiscal 2016, equity in earnings from unconsolidated affiliates is classified in Other Income, Net.

(12) Commitments and Contingencies:
The Company is subject to various unresolved legal actions that arise in the normal course of its business. These actions typically relate to product liability (including asbestos-related liability), patent and trademark matters, and disputes with customers, suppliers, distributors and dealers, competitors and employees.

On May 12, 2010, Exmark Manufacturing Company, Inc. filed suit against Briggs & Stratton Power Products Group, LLC ("BSPPG"), a wholly owned subsidiary of the Company that was subsequently merged with and into the Company on January 1, 2017 (Case No. 8:10CV187, U.S. District Court for the District of Nebraska), alleging that certain Ferris® and Snapper Pro® mower decks infringed an Exmark mower deck patent. Exmark sought damages relating to sales since May 2004, attorneys' fees, and enhanced damages. As a result of a reexamination proceeding in 2012, the United States Patent and Trademark Office ("USPTO") initially rejected the asserted Exmark claims as invalid. However, in 2014, that decision was reversed by the USPTO on appeal by Exmark. Following discovery, each of BSPPG and Exmark filed several motions for summary judgment in the Nebraska district court, which were decided on July 28, 2015. The court concluded that older mower deck designs infringed Exmark's patent, leaving for trial the issues of whether current designs infringed, the amount of damages, and whether any infringement was willful.

The trial began on September 8, 2015, and on September 18, 2015, the jury returned its verdict, finding that BSPPG's current mower deck designs do not infringe the Exmark patent. As to the older designs, the jury awarded Exmark $24.3 million in damages and found that the infringement was willful, allowing the judge to enhance the jury's damages award post-trial by up to three times. Also on September 18, 2015, the U.S. Court of Appeals for the Federal Circuit issued its decision in an unrelated case, SCA Hygiene Products Aktiebolag SCA Personal Care, Inc. v. First Quality Baby Products, LLC, et al. (Case No. 2013-1564) ("SCA"), confirming the availability of laches as a defense to patent infringement claims. Laches is an equitable doctrine that may bar a patent owner from obtaining damages prior to commencing suit, in circumstances in which the owner knows or should have known its patent was being infringed for more than six years. Although the court in the Exmark case ruled before trial that BSPPG could not rely on the defense of laches, as a result of the subsequent SCA decision, the court held a bench trial on that defense on October 21 and 22, 2015. On May 2, 2016, the United States Supreme Court agreed to review the SCA decision. The parties submitted post-trial motions and briefing related to: damages; willfulness; laches; attorney fees; enhanced damages; and prejudgment/post-judgment interest and costs. All post-trial motions and briefing were completed on December 18, 2015. On May 11, 2016, the court ruled on those post-trial motions and entered judgment against BSPPG and in favor of Exmark in the amount of $24.3 million in compensatory damages, an additional $24.3 million in enhanced damages, and $1.5 million in pre-judgment interest along with post-judgment interest and costs to be determined. The Company strongly disagrees with the jury verdict, certain rulings made before and during trial, and the May 11, 2016 post-trial rulings. BSPPG appealed to the U.S. Court of Appeals for the Federal Circuit on several bases, including the issues of obviousness and invalidity of Exmark's patent, the damages calculation, willfulness and laches.

Following briefing of the appeal and prior to oral argument, the United States Supreme Court overturned the SCA decision, ruling that laches is not available in a patent infringement case for damages. That ruling eliminated laches as one basis for BSPPG's appeal of the Exmark case. The appellate court held a hearing on the remainder of BSPPG's appeal on April 5, 2017 and issued its decision on January 12, 2018. The

appellate court found that the district court erred in granting summary judgment concerning the patent's validity and remanded that issue to the district court for reconsideration. The appellate court also vacated the jury's damages award and the district court's award of enhanced damages, remanding the case to the district court for a new trial on damages and reconsideration on willfulness. The appellate court affirmed the district court rulings in all other respects. The new trial has been scheduled to begin on December 10, 2018. The parties are currently in the process of briefing pre-trial motions.

In assessing whether the Company should accrue a liability in its financial statements as a result of the May 11, 2016 post-trial rulings and related matters, the Company considered various factors, including the legal and factual circumstances of the case, the trial record, the post-trial orders, the current status of the proceedings, applicable law, the views of legal counsel, and the decision of the appellate court. As a result of this review, the Company has concluded that a loss from this case is not probable and reasonably estimable at this time and, therefore, a liability has not been recorded with respect to this case as of July 1, 2018.

Although it is not possible to predict with certainty the outcome of this and other unresolved legal actions or the range of possible loss, the Company believes the unresolved legal actions will not have a material adverse effect on its results of operations, financial position or cash flows.

(13) Stock Incentives:

Effective October 20, 2004, a total of 8,000,000 shares of common stock (as adjusted for the fiscal 2005 2-for-1 stock split) was reserved for future issuance pursuant to the Company's Incentive Compensation Plan, and as a result of an amendment approved by shareholders on October 21, 2009 an additional 2,481,494 shares were reserved. On October 15, 2014, the Company's shareholders approved the 2014 Omnibus Incentive Plan, which constituted a complete amendment and restatement of the Company's Incentive Compensation Plan and under which 3,760,000 shares of common stock were reserved for future issuance (plus any shares remaining available for issuance under the Incentive Compensation Plan as of that date). On October 25, 2017 the Company's shareholders approved the 2017 Omnibus Incentive Plan which constituted a complete amendment and restatement of the Company's 2014 Omnibus Incentive Plan and under which 4,700,000 shares of common stock were reserved for future issuance (plus 494.315 shares remaining available for future issuance under the 2014 Omnibus Incentive Plan as of August 22, 2017, along with any other shares under the 2014 Omnibus Incentive Plan that become available for future issuance). Similar to the Incentive Compensation Plan and the 2014 Omnibus Incentive Plan, in accordance with the 2017 Omnibus Incentive Plan, the Company can issue to eligible participants stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units and other stock-based and cash bonus awards subject to certain annual limitations. The plan also allows participants to defer the payment of awards and the Company to issue directors' fees in stock. Stock-based compensation vests in accordance with the applicable plan and award agreements but can be accelerated under certain circumstances by the Compensation Committee in the case of death, disability, retirement or a change in control.

Stock-based compensation expense is calculated by estimating the fair value of incentive stock awards granted and amortizing the estimated value over the awards' vesting periods. During fiscal 2018, 2017 and 2016, the Company recognized stock-based compensation expense of approximately $6.7 million, $4.9 million and $5.1 million, respectively.

The fair value of each option is estimated using the Black-Scholes option pricing model, and the assumptions are based on historical data and industry valuation practices and methodology. The exercise price of each stock option is equal to the market value of the stock on the grant date. The assumptions used to determine fair value are as follows:

Options Granted During	**2018**	2017	2016
Grant Date Fair Value	**$ 4.64**	$ 3.84	$ 3.72
(Since options are only granted once per year, the grant date fair value equals the weighted average grant date fair value.)			
Assumptions:			
Risk-free Interest Rate	**1.8%**	1.2%	1.7%
Expected Volatility	**30.7%**	29.3%	25.1%
Expected Dividend Yield	**2.7%**	2.9%	2.5%
Expected Term (in Years)	**5.5**	5.5	5.5

Information on the options outstanding is as follows:

	Options	Wtd. Avg. Exercise Price	Wtd. Avg. Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Balance, June 28, 2015	2,176,850	$ 18.86		
Granted During the Year	501,990	19.90		
Exercised During the Year	(697,309)	17.77		
Expired During the Year	(136,988)	19.88		
Balance, July 3, 2016	1,844,543	$ 19.48		
Granted During the Year	496,880	19.15		
Exercised During the Year	(414,176)	18.76		
Balance, July 2, 2017	**1,927,247**	**$ 19.55**		
Granted During the Year	**416,210**	**20.47**		
Exercised During the Year	**(184,530)**	**20.44**		
Balance, July 1, 2018	**2,158,927**	**$ 19.64**	**6.90**	**$ —**
Exercisable, July 1, 2018	**743,847**	**$ 19.37**	**4.65**	**$ —**

The total intrinsic value of options exercised during fiscal year 2018 was $0.5 million. The exercise of options resulted in cash receipts of $3.8 million in fiscal 2018. The total intrinsic value of options exercised during fiscal 2017 was $1.5 million. The exercise of options resulted in cash receipts of $7.8 million in fiscal 2017. The total intrinsic value of options exercised during fiscal 2016 was $2.0 million. The exercise of options resulted in cash receipts of $12.4 million in fiscal 2016.

Options Outstanding (as of July 1, 2018)

Fiscal Year	Grant Date	Date Exercisable	Expiration Date	Exercise Price	Options Outstanding
2014	8/20/2013	8/20/2016	8/31/2018	$ 20.82	200,327
2015	10/21/2014	10/21/2017	10/21/2024	$ 18.83	543,520
2016	8/18/2015	8/18/2018	8/18/2025	$ 19.90	501,990
2017	8/22/2016	8/22/2019	8/22/2026	$ 19.15	496,880
2018	**8/21/2017**	**8/21/2020**	**8/21/2027**	**$ 20.47**	**416,210**

Below is a summary of the status of the Company's nonvested shares as of July 1, 2018, and changes during the year then ended:

	Deferred Stock / RSU		Restricted Stock		Stock Options		Performance Shares	
	Shares	Wtd. Avg. Grant Date Fair Value	Shares	Wtd. Avg. Grant Date Fair Value	Shares	Wtd. Avg. Grant Date Fair Value	Shares	Wtd. Avg. Grant Date Fair Value
Nonvested shares/units, July 2, 2017	**105,974**	**$ 19.32**	**699,635**	**$ 19.47**	**1,556,040**	**$ 3.79**	**220,381**	**$ 19.48**
Granted	**13,476**	**20.39**	**148,930**	**20.52**	**416,210**	**4.64**	**—**	**21.19**
Cancelled	**(3,989)**	**20.47**	**(11,940)**	**19.51**	**—**	**—**	**—**	**—**
Vested	**(36,640)**	**19.15**	**(141,370)**	**18.83**	**(557,170)**	**3.81**	**(113,941)**	**19.29**
Nonvested shares/units, July 1, 2018	**78,821**	**$ 19.52**	**695,255**	**$ 19.87**	**1,415,080**	**$ 4.03**	**106,440**	**$ 19.90**

As of July 1, 2018, there was $5.2 million of total unrecognized compensation cost related to nonvested stock-based compensation. That cost is expected to be recognized over a weighted average period of 1.4 years. The total fair value of shares vested during fiscal 2018 and 2017 was $7.7 million and $7.4 million, respectively.

During fiscal years 2018, 2017 and 2016, the Company issued 148,930, 160,130 and 143,760 shares of restricted stock, respectively. For restricted stock issued prior to October 15, 2014, the restricted stock vests on the fifth anniversary date of the grant provided the recipient is still employed by the Company. For restricted stock issued after October 15, 2014, the restricted stock vests on the third anniversary date of the grant provided the recipient is still employed by the Company. The aggregate market value on the date of issue was approximately $3.1 million, $3.1 million and $2.9 million in fiscal 2018, 2017 and 2016, respectively, and has been recorded within the Shareholders' Investment section of the Consolidated Balance Sheets, and is being amortized over the five-year vesting period (issuances prior to October 15, 2014) or the three-year vesting period (issuances after October 15, 2014).

The Company issued 46,120, 45,307 and 39,049 deferred shares to its directors in lieu of directors' fees in fiscal 2018, 2017 and 2016, respectively, under this provision of the plans. Prior to January 1, 2017, the Company accounted for certain deferred shares issued to directors as liability classified awards, rather than equity classified awards. At January 1, 2017, the liability balance was $4.8 million. During the third quarter of fiscal 2017, the Company determined that equity classification is appropriate and recorded correcting entries to adjust the deferred shares balance and reclassify it from Accrued Liabilities to Additional Paid-In Capital. The correcting entries did not have a material impact on the Consolidated Financial Statements.

The Company issued 13,476, 15,131 and 20,177 shares of deferred shares / RSU's to its officers and key employees in fiscal 2018, 2017 and 2016, respectively. The aggregate market value on the date of grant was approximately $0.3 million, $0.3 million and $0.4 million, respectively. For deferred stock issued prior to October 15, 2014, the deferred stock vests on the fifth anniversary date of the grant provided the recipient is still employed by the Company. For restricted stock units (RSU) issued after October 15, 2014, the restricted stock units vest on the third anniversary date of the grant provided the recipient is still employed by the Company.

The Company granted no performance share units in 2018 and 2017. The Company granted 120,451 performance share units in fiscal 2016. A maximum of two shares of Briggs & Stratton common stock per performance share unit may be awarded to recipients if certain performance targets are met at the end of the vesting period. The aggregate market value on the date of grant was approximately $2.4 million in fiscal 2016. The performance share units vest based on Company-specific performance goals. The performance share units are valued at the Company's share price on the date of grant multiplied by the probability of achieving payout. Expense for each of the awards granted is recognized ratably over the three-year vesting period.

The following table summarizes the components of the Company's stock-based compensation programs recorded as expense:

	2018	2017	2016
Stock Options:			
Pretax compensation expense	**$ 2,060**	$ 1,862	$ 1,763
Tax benefit	**(576)**	(698)	(661)
Stock option expense, net of tax	**$ 1,484**	$ 1,164	$ 1,102
Restricted Stock:			
Pretax compensation expense	**$ 3,302**	$ 3,291	$ 2,750
Tax benefit	**(924)**	(1,234)	(1,031)
Restricted stock expense, net of tax	**$ 2,378**	$ 2,057	$ 1,719
Deferred Stock:			
Pretax compensation expense	**$ 1,046**	$ 585	$ 102
Tax benefit	**(292)**	(220)	(38)
Deferred stock expense, net of tax	**$ 754**	$ 365	$ 64
Performance Shares:			
Pretax compensation expense	**$ 267**	$ (815)	$ 494
Tax expense (benefit)	**(75)**	306	(185)
Performance Share expense, net of tax	**$ 192**	$ (509)	$ 309
Total Stock-Based Compensation:			
Pretax compensation expense	**$ 6,675**	$ 4,923	$ 5,109
Tax benefit	**(1,867)**	(1,846)	(1,915)
Total stock-based compensation, net of tax	**$ 4,808**	$ 3,077	$ 3,194

(14) Derivative Instruments & Hedging Activities:

The Company enters into interest rate swaps to manage a portion of its interest rate risk from financing certain dealer and distributor inventories through third party financing sources. The swaps are designated as cash flow hedges and are used to effectively fix the interest payments to a third party financing source, exclusive of lender spreads, ranging from 0.98% to 2.00% for a notional principal amount of $110 million with expiration dates ranging from May 2019 to December 2021.

The Company periodically enters into forward foreign currency contracts to hedge the risk from forecasted third party and intercompany sales or payments denominated in foreign currencies. The Company's primary foreign currency exchange rate exposures are with the Australian Dollar, the Brazilian Real, the Canadian Dollar, the Chinese Renminbi, the Euro, and the Japanese Yen against the U.S. Dollar. These contracts generally do not have a maturity of more than twenty-four months.

The Company uses raw materials that are subject to price volatility. The Company hedges a portion of its exposure to the variability of cash flows associated with commodities used in the manufacturing process by entering into forward purchase contracts or commodity swaps. Derivative contracts designated as cash flow hedges are used by the Company to reduce exposure to variability in cash flows associated with future purchases of natural gas. These contracts generally do not have a maturity of more than thirty-six months.

The Company has considered the counterparty credit risk related to all its interest rate, foreign currency, and commodity derivative contracts and does not deem any counterparty credit risk material at this time.

The notional amount of derivative contracts outstanding at the end of the period is indicative of the level of the Company's derivative activity during the period. As of July 1, 2018 and July 2, 2017, the Company had the following outstanding derivative contracts (in thousands):

Contract		Notional Amount	
		July 1, 2018	July 2, 2017
Interest Rate:			
LIBOR Interest Rate (U.S. Dollars)	Fixed	**110,000**	95,000
Foreign Currency:			
Australian Dollar	Sell	**35,833**	39,196
Brazilian Real	Buy	**28,822**	28,137
Canadian Dollar	Sell	**14,430**	14,725
Chinese Renminbi	Buy	**62,209**	74,950
Euro	Sell	**32,592**	31,240
Japanese Yen	Buy	**587,500**	570,000
Commodity:			
Natural Gas (Therms)	Buy	**10,553**	11,307

The location and fair value of derivative instruments reported in the Consolidated Balance Sheets are as follows (in thousands):

Balance Sheet Location	Asset (Liability) Fair Value	
	July 1, 2018	July 2, 2017
Interest rate contracts:		
Other Current Assets	**161**	—
Other Long-Term Assets, Net	**$ 3,844**	$ 1,852
Accrued Liabilities	**—**	(23)
Other Long-Term Liabilities	**—**	(39)
Foreign currency contracts:		
Other Current Assets	**3,881**	157
Other Long-Term Assets, Net	**31**	31
Accrued Liabilities	**(195)**	(3,050)
Other Long-Term Liabilities	**—**	(68)
Commodity contracts:		
Other Current Assets	**16**	40
Other Long-Term Assets, Net	**5**	1
Accrued Liabilities	**(7)**	(22)
Other Long-Term Liabilities	**(29)**	(11)
	$ 7,707	$ (1,132)

The effect of derivatives designated as hedging instruments on the Consolidated Statements of Operations and Comprehensive Income (Loss) is as follows (in thousands):

	Twelve months ended July 1, 2018			
	Amount of Gain (Loss) Recognized in Other Comprehensive Income (Loss) on Derivatives, Net of Taxes (Effective Portion)	Classification of Gain (Loss)	Amount of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Recognized in Earnings (Ineffective Portion)
Interest rate contracts	$ 1,921	Net Sales	$ 251	$ —
Foreign currency contracts – sell	2,925	Net Sales	(4,116)	—
Foreign currency contracts – buy	1,731	Cost of Goods Sold	(679)	—
Commodity contracts	(17)	Cost of Goods Sold	(96)	—
	$ 6,560		$ (4,640)	$ —

	Twelve months ended July 2, 2017			
	Amount of Gain (Loss) Recognized in Other Comprehensive Income (Loss) on Derivatives, Net of Taxes (Effective Portion)	Classification of Gain (Loss)	Amount of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Recognized in Earnings (Ineffective Portion)
Interest rate contracts	$ 1,973	Net Sales	$ (743)	$ —
Foreign currency contracts – sell	(887)	Net Sales	1,785	—
Foreign currency contracts – buy	297	Cost of Goods Sold	(2,142)	—
Commodity contracts	93	Cost of Goods Sold	(258)	—
	$ 1,476		$ (1,358)	$ —

	Twelve months ended July 3, 2016			
	Amount of Gain (Loss) Recognized in Other Comprehensive Income (Loss) on Derivatives, Net of Taxes (Effective Portion)	Classification of Gain (Loss)	Amount of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Recognized in Earnings (Ineffective Portion)
Interest rate contracts	$ (213)	Net Sales	$ (1,113)	$ —
Foreign currency contracts – sell	(2,187)	Net Sales	5,554	—
Foreign currency contracts – buy	(664)	Cost of Goods Sold	2,030	—
Commodity contracts	300	Cost of Goods Sold	(901)	—
	$ (2,764)		$ 5,570	$ —

During the next twelve months, the amount of the July 1, 2018 Accumulated Other Comprehensive Income (Loss) balance that is expected to be reclassified into gains is $2.9 million.

The Company enters into forward exchange contracts to hedge purchases and sales that are denominated in foreign currencies. The terms of these currency derivatives generally do not exceed twenty-four months, and the purpose is to protect the Company from the risk that the eventual dollars being transferred will be adversely affected by changes in exchange rates.

The Company has forward foreign exchange contracts to sell foreign currency, with the Euro as the most significant. These contracts are used to hedge foreign currency collections on sales of inventory. The Company also has forward contracts to purchase foreign currencies. The Company's foreign currency forward contracts are carried at fair value based on current exchange rates.

The Company had the following forward currency contracts outstanding at the end of fiscal 2018 with the notional value shown in local currency and the contract value, fair value, and (gain) loss at fair value shown in U.S. dollars:

Hedge		In Thousands					
Currency	Contract	Notional Value	Contract Value	Fair Value	(Gain) Loss at Fair Value	Conversion Currency	Latest Expiration Date
Australian Dollar	**Sell**	**35,833**	**27,880**	**26,558**	**(1,322)**	**U.S.**	**May 2019**
Brazilian Real	**Buy**	**28,822**	**6,682**	**7,571**	**(889)**	**U.S.**	**March 2019**
Canadian Dollar	**Sell**	**14,430**	**11,393**	**11,020**	**(373)**	**U.S.**	**August 2019**
Chinese Renminbi	**Buy**	**62,209**	**9,234**	**9,324**	**(90)**	**U.S.**	**June 2019**
Euro	**Sell**	**32,592**	**39,648**	**38,603**	**(1,045)**	**U.S.**	**July 2019**
Japanese Yen	**Buy**	**587,500**	**5,316**	**5,324**	**—**	**U.S.**	**November 2018**

The Company had the following forward currency contracts outstanding at the end of fiscal 2017 with the notional value shown in local currency and the contract value, fair value, and (gain) loss at fair value shown in U.S. dollars:

Hedge		In Thousands					
Currency	Contract	Notional Value	Contract Value	Fair Value	(Gain) Loss at Fair Value	Conversion Currency	Latest Expiration Date
Australian Dollar	Sell	39,196	29,360	30,081	721	U.S.	August 2018
Brazilian Real	Buy	28,137	9,140	8,799	341	U.S.	June 2018
Canadian Dollar	Sell	14,725	11,044	11,386	342	U.S.	May 2018
Chinese Renminbi	Buy	74,950	10,916	10,894	22	U.S.	September 2018
Euro	Sell	31,240	34,801	36,119	1,318	U.S.	August 2018
Japanese Yen	Buy	570,000	5,271	5,085	186	U.S.	May 2018

The Company continuously evaluates the effectiveness of its hedging program by evaluating its foreign exchange contracts compared to the anticipated underlying transactions. The Company did not have any ineffective currency hedges in fiscal 2018, 2017, or 2016.

(15) Employee Benefit Costs:

Retirement Plan and Other Postretirement Benefits

The Company has noncontributory, defined benefit retirement plans and other postretirement benefit plans covering certain employees. In October 2012, the Board of Directors of the Company authorized an amendment to the Company's defined benefit retirement plans for U.S. non-bargaining employees. The amendment freezes accruals for all non-bargaining employees within the pension plan effective January 1, 2014. The Company uses a June 30 measurement date for all of its plans. The following provides a reconciliation of obligations, plan assets and funded status of the plans for the two years indicated (in thousands):

	Pension Benefits		Other Postretirement Benefits	
Actuarial Assumptions:	**2018**	2017	**2018**	2017
Discounted Rate Used to Determine Present Value of Projected Benefit Obligation	**4.30%**	4.00%	**4.25%**	3.85%
Weighted Average Expected Long-Term Rate of Return on Plan Assets	**7.00%**	7.10%	**n/a**	n/a
Change in Benefit Obligations:				
Projected Benefit Obligation at Beginning of Year	**$ 1,116,705**	$ 1,196,925	**$ 66,693**	$ 70,494
Service Cost	**2,402**	6,757	**135**	191
Interest Cost	**43,068**	43,357	**2,372**	2,382
Plan Settlements	**(101,553)**	—	**—**	—
Plan Participant Contributions	**—**	—	**2,346**	1,918
Actuarial (Gain) Loss	**(27,541)**	(55,237)	**(146)**	5,681
Benefits Paid	**(74,071)**	(75,097)	**(12,599)**	(13,973)
Projected Benefit Obligation at End of Year	**$ 959,010**	$ 1,116,705	**$ 58,801**	$ 66,693
Change in Plan Assets:				
Fair Value of Plan Assets at Beginning of Year	**$ 870,606**	$ 883,585	**$ —**	$ —
Actual Return on Plan Assets	**36,914**	58,837	**—**	—
Plan Participant Contributions	**—**	—	**2,346**	1,918
Employer Contributions	**33,748**	3,281	**10,253**	12,055
Benefits Paid	(74,071)	(75,097)	(12,599)	(13,973)
Plan Settlements	(101,553)	—	—	—
Fair Value of Plan Assets at End of Year	**$ 765,644**	$ 870,606	**$ —**	$ —
Funded Status:				
Plan Assets (Less Than) in Excess of Projected Benefit Obligation	**$ (193,366)**	$ (246,099)	**$ (58,801)**	$ (66,693)
Amounts Recognized on the Balance Sheets:				
Accrued Pension Cost	**$ (189,872)**	$ (242,908)	**$ —**	$ —
Accrued Wages and Salaries	**(3,494)**	(3,191)	**—**	—
Accrued Postretirement Health Care Obligation	**—**	—	**(30,186)**	(35,132)
Accrued Liabilities	**—**	—	**(8,418)**	(9,755)
Accrued Employee Benefits	**—**	—	**(20,196)**	(21,806)
Net Amount Recognized at End of Year	**$ (193,366)**	$ (246,099)	**$ (58,800)**	$ (66,693)
Amounts Recognized in Accumulated Other Comprehensive Income (Loss), Net of Tax:				
Net Actuarial Loss	**$ (218,066)**	$ (261,835)	**$ (11,815)**	$ (14,197)
Prior Service Credit (Cost)	**(125)**	(223)	**433**	1,306
Net Amount Recognized at End of Year	**$ (218,191)**	$ (262,058)	**$ (11,382)**	$ (12,891)

The accumulated benefit obligation for all defined benefit pension plans was $959 million and $1,117 million at July 1, 2018 and July 2, 2017, respectively.

The Company recognizes the funded status of its pension plan in the Consolidated Balance Sheets. The funded status is the difference between the projected benefit obligation and the fair value of its plan assets. The projected benefit obligation is the actuarial present value of all benefits expected to be earned by the employees' service adjusted for future potential wage increases. Pension plan liabilities are revalued annually, or when an event occurs that requires remeasurement, based on updated assumptions and information about the individuals covered by the plan.

The pension benefit obligation and related pension expense or income are impacted by certain actuarial assumptions, including the discount rate, mortality tables, and the expected rate of return on plan assets. The discount rate is selected using a methodology that matches plan cash flows with a selection of Standard and Poor's AA or higher rated bonds, resulting in a discount rate that is consistent with a bond yield curve with comparable cash flows. In estimating the expected return on plan assets, the Company considers the historical returns on plan assets, adjusted for forward looking considerations, including inflation assumptions and active management of the plan's invested assets. These rates are evaluated on an annual basis considering such factors as market interest rates and historical asset performance.

For pension and other postretirement plans, accumulated actuarial gains and losses in excess of a 10 percent corridor are amortized on a straight-line basis from the date recognized over the average remaining life expectancy of all participants. Any prior service costs are amortized on a straight-line basis over the average remaining service of impacted employees at the time the unrecognized prior service cost was established. Approximately half of the costs related to defined pension benefit and other postretirement plans are included in cost of sales; the remainder is included in selling, general and administrative expenses.

The following table summarizes the plans' income and expense for the three years indicated (in thousands):

	Pension Benefits			Other Postretirement Benefits		
	2018	2017	2016	**2018**	2017	2016
Components of Net Periodic (Income) Expense:						
Service Cost-Benefits Earned During the Year	**$ 2,402**	$ 6,757	$ 3,532	**$ 135**	$ 191	$ 262
Interest Cost on Projected Benefit Obligation	**43,068**	43,357	52,110	**2,372**	2,382	3,170
Expected Return on Plan Assets	**(61,912)**	(64,427)	(71,202)	**—**	—	—
Amortization of:						
Prior Service Cost (Credit)	**179**	180	180	**(1,434)**	(2,654)	(2,659)
Actuarial Loss	**15,332**	16,957	13,007	**3,453**	2,796	3,234
Plan Settlements	**41,157**	—	20,245	**—**	—	—
Net Periodic Expense (Income)	**$ 40,226**	$ 2,824	$ 17,872	**$ 4,526**	$ 2,715	$ 4,007

Significant assumptions used in determining net periodic expense for the fiscal years indicated are as follows:

	Pension Benefits			Other Postretirement Benefits		
	2018	2017	2016	**2018**	2017	2016
Discount Rate	**4.00%**	3.75%	4.55%	**3.85%**	3.60%	4.20%
Expected Return on Plan Assets	**7.10%**	7.25%	7.50%	**n/a**	n/a	n/a
Compensation Increase Rate	**n/a**	n/a	n/a	**n/a**	n/a	n/a

The amounts in Accumulated Other Comprehensive Income (Loss) that are expected to be recognized as components of net periodic (income) expense during the next fiscal year are as follows (in thousands):

	Pension Plans	Other Postretirement Plans
Prior Service Cost (Credit)	$ 179	$ (729)
Net Actuarial Loss	11,705	3,222

The "Other Postretirement Benefit" plans are unfunded.

On May 14, 2010, the Company notified retirees and certain retirement eligible employees of various amendments to the Company-sponsored retiree medical plans intended to better align the plans offered to both hourly and salaried retirees. On August 16, 2010, a putative class of retirees who retired prior to August 1, 2006 and the United Steel Workers filed a complaint in the U.S. District Court for the Eastern District of Wisconsin (Merrill, Weber, Carpenter, et al.; United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO/CLC v. Briggs & Stratton Corporation; Group Insurance Plan of Briggs & Stratton Corporation; and Does 1 through 20, Docket No. 10-C-0700), contesting the Company's right to make these changes. In mid-December 2015, the parties agreed in principle to settle this case for an aggregate payment of $3.95 million covering both claimed benefits and plaintiffs' attorneys fees, which resulted in a contribution of $1.975 million from the Company and $1.975 million from a third party insurance provider. The Company recorded a total charge of $1.975 million as Engineering, Selling, General and Administrative Expense on the Condensed Consolidated Statements of Operations in the second quarter of fiscal 2016 related to this matter. The parties filed a signed Stipulation of Settlement with the court on April 12, 2016 and the court held a hearing on the fairness, reasonableness and adequacy of the terms and conditions of the settlement and on the fee petition of the plaintiffs' counsel on August 11, 2016. The court approved the settlement following that hearing.

For measurement purposes a 6.0% annual rate of increase in the per capita cost of covered health care claims was assumed for the Company for the fiscal year 2018 decreasing gradually to 4.5% for the fiscal year 2038. The health care cost trend rate assumptions have a significant effect on the amounts reported. An increase of one percentage point would increase the accumulated postretirement benefit by $0.9 million and would increase the service and interest cost by $49 thousand for fiscal 2018. A corresponding decrease of one percentage point would decrease the accumulated postretirement benefit by $1.0 million and decrease the service and interest cost by $51 thousand for the fiscal year 2018.

During the fourth quarter of fiscal 2018, the Company annuitized a portion of the qualified pension plan obligation which removed approximately $100 million of pension benefit obligation and offsetting assets. This transaction resulted in a non-cash pre-tax charge of $41.2 million ($29.6 million after tax) during 2018.

In the third quarter of fiscal 2016, the Company initiated a limited offer for former employees with vested benefits to elect to receive a lump sum payout of their benefits. This program reduced the size of the pension plan while allowing former employees who accepted the offer to control the investment of their retirement funds. The Company completed this program during the fourth quarter of fiscal 2016. As a result of this program, the Company recognized pension settlement expense of $20.2 million ($13.2 million after tax) during fiscal 2016.

Plan Assets

A Board of Directors appointed Investment Committee (“Committee”) manages the investment of the pension plan assets. The Committee has established and operates under an Investment Policy. It determines the asset allocation and target ranges based upon periodic asset/liability studies and capital market projections. The Committee retains external investment managers to invest the assets. The Investment Policy prohibits certain investment transactions, such as lettered stock, commodity contracts, margin transactions and short selling, unless the Committee gives prior approval.

The Company’s pension plan’s current target and asset allocations at July 1, 2018 and July 2, 2017, by asset category are as follows:

		Plan Assets at Year-end	
Asset Category	Target %	**2018**	2017
Domestic Equities	22%-30%	**24%**	23%
International Equities	15%-20%	**16%**	16%
Alternatives	0%-10%	**7%**	8%
Fixed Income	49%-53%	**51%**	50%
Cash Equivalents	0%-2%	**2%**	3%
		100%	100%

The plan's investment strategy is based on an expectation that, over time, equity securities will provide higher total returns than debt securities, but with greater risk. The plan primarily minimizes the risk of large losses through diversification of investments by asset class, by investing in different types of styles within the classes and by using a number of different managers. The Committee monitors the asset allocation and investment performance monthly, with a more comprehensive quarterly review with its consultant. Beginning in fiscal 2014, the Committee revised the target asset allocation to shift to more fixed income and less alternative investments as a percentage of total plan assets. This revision to the target asset allocation was made to better match future cash flows from plan assets with the future cash flows of the projected benefit obligation.

The plan's expected return on assets is based on management's and the Committee's expectations of long-term average rates of return to be achieved by the plan's investments. These expectations are based on the plan's historical returns and expected returns for the asset classes in which the plan is invested.

The Company has adopted the fair value provisions for the plan assets of its pension plans. The Company categorizes plan assets within a three level fair value hierarchy, as described in Note 5.

Investments stated at fair value as determined by quoted market prices (Level 1) include:

Short-Term Investments: Short-Term Investments include cash and money market mutual funds that invest in short-term securities and are valued based on cost, which approximates fair value.

Equity Securities: U.S. Common Stocks and International Mutual Funds are valued at the last reported sales price on the last business day of the fiscal year.

Investments stated at estimated fair value using significant observable inputs (Level 2) include:

Fixed Income Securities: Fixed Income Securities include investments in domestic bond collective trusts that are not traded publicly, but the underlying assets held in these funds are traded on active markets and the prices are readily observable. The investment in the trusts is valued at the last quoted price on the last business day of the fiscal year. Fixed Income Securities also include corporate and government bonds that are valued using a bid evaluation process with data provided by independent pricing sources.

Investments stated at estimated fair value using net asset value per share as the practical expedient include:

Other Investments: Other Investments include investments in limited partnerships and are valued at estimated fair value, as determined with the assistance of each respective limited partnership, based on the net asset value of the investment as of the balance sheet date, which is subject to judgment.

The fair value of the major categories of the pension plans' investments are presented below (in thousands):

		July 1, 2018			
Category		Total	Level 1	Level 2	Level 3
Short-Term Investments:		$ 17,061	$ 17,061	$ —	$ —
Fixed Income Securities:		394,188	—	394,188	—
Equity Securities:					
U.S. common stocks		183,030	183,030	—	—
International mutual funds		118,674	118,674	—	—
Other Investments:					
Venture capital funds	(A) (E)	26,078	—	—	—
Debt funds	(B) (E)	2,778	—	—	—
Real estate funds	(C) (E)	1,166	—	—	—
Private equity funds	(D) (E)	22,656	—	—	—
Fair Value of Plan Assets at End of Year		$ 765,631	$ 318,765	$ 394,188	$ —

Category		July 2, 2017 Total	Level 1	Level 2	Level 3
Short-Term Investments:		$ 25,563	$ 25,563	$ —	$ —
Fixed Income Securities:		433,372	—	433,372	—
Equity Securities:					
U.S. common stocks		204,736	204,736	—	—
International mutual funds		141,565	141,565	—	—
Other Investments:					
Venture capital funds	(A) (E)	31,060	—	—	—
Debt funds	(B) (E)	5,469	—	—	—
Real estate funds	(C) (E)	1,621	—	—	—
Private equity funds	(D) (E)	27,220	—	—	—
Fair Value of Plan Assets at End of Year		$ 870,606	$ 371,864	$ 433,372	$ —

(A) This category invests in a combination of public and private securities of companies in financial distress, spin-offs, or new projects focused on technology and manufacturing.
(B) This fund primarily invests in the debt of various entities including corporations and governments in emerging markets, mezzanine financing, or entities that are undergoing, are considered likely to undergo or have undergone a reorganization.
(C) This category invests primarily in real estate related investments, including real estate properties, securities of real estate companies and other companies with significant real estate assets as well as real estate related debt and equity securities.
(D) Primarily represents investments in all sizes of mostly privately held operating companies in the following core industry sectors: healthcare, energy, financial services, technology-media-telecommunications and industrial and consumer.
(E) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

Contributions

During fiscal 2018, the Company made $30 million in voluntary cash contributions to the qualified pension plan. Based upon current regulations and actuarial studies the Company is required to make no minimum contributions to the qualified pension plan in fiscal 2019, but the Company may choose to make discretionary contributions. The Company may be required to make further required contributions in future years or the future expected funding requirements may change depending on a variety of factors including the actual return on plan assets, the funded status of the plan in future periods, and changes in actuarial assumptions or regulations.

Estimated Future Benefit Payments

Projected benefit payments from the plans as of July 1, 2018 are estimated as follows (in thousands):

Year Ending	Pension Benefits Qualified	Pension Benefits Non-Qualified	Other Postretirement Benefits Retiree Medical	Other Postretirement Benefits Retiree Life
2019	$ 63,219	$ 3,494	$ 6,987	$ 1,431
2020	63,304	3,533	5,810	1,436
2021	63,329	3,569	4,680	1,441
2022	63,220	3,651	4,040	1,442
2023	62,527	3,685	3,460	1,440
2024-2028	299,723	18,591	9,514	7,069

Defined Contribution Plans

Employees of the Company may participate in a defined contribution savings plan that allows participants to contribute a portion of their earnings in accordance with plan specifications. A maximum of 1.5% to 4.0% of each participant's salary, depending upon the participant's group, is matched by the Company. Additionally, all domestic non-bargaining employees receive a Company non-elective contribution of 3.0% of the employee's pay.

The Company contributions totaled $14.5 million in each of the fiscal years 2018, 2017, and 2016 respectively.

Postemployment Benefits

The Company accrues the expected cost of postemployment benefits over the years that the employees render service. These benefits apply only to employees who become disabled while actively employed, or who terminate with at least thirty years of service and retire prior to age sixty-five. The items include disability payments, life insurance and medical benefits. These amounts were discounted using a 4.25% interest rate for fiscal 2018 and 3.85% interest rate for fiscal 2017. Amounts are included in Accrued Employee Benefits in the Consolidated Balance Sheets.

(16) Restructuring Actions:

The Company reports restructuring charges associated with manufacturing and related initiatives as costs of goods sold within the Condensed Consolidated Statements of Operations. Restructuring charges reflected as costs of goods sold include, but are not limited to, termination and related costs associated with manufacturing employees, asset impairments and accelerated depreciation relating to manufacturing initiatives, and other costs directly related to the restructuring initiatives implemented. The Company reports all other non-manufacturing related restructuring charges as engineering, selling, general and administrative expenses on the Condensed Consolidated Statements of Operations.

There were no restructuring activities during fiscal 2018 or 2017. During fiscal 2016 the Company recorded pre-tax charges of $10.2 million ($6.7 million after tax or $0.15 per diluted share) related to restructuring actions. The Engines segment recorded $1.4 million of pre-tax restructuring charges during fiscal 2016. The Products segment recorded $8.8 million of pre-tax restructuring charges during fiscal 2016.

(17) Equity:

Share Repurchases

On April 21, 2016, the Board of Directors authorized $50 million in funds for use in the common share repurchase program which expired on June 29, 2018. On April 25, 2018, the Board of Directors authorized an additional $50 million in funds for use in the common share repurchase program expiring June 30, 2020. As of July 1, 2018, the total remaining authorization was $50 million. Share repurchases, among other things, allow the Company to offset any potentially dilutive impacts of share-based compensation. The common share repurchase program authorizes the purchase of shares of the Company's common stock on the open market or in private transactions from time to time, depending on market conditions and certain governing debt covenants. In fiscal 2018, the Company repurchased 467,183 shares on the open market at a total cost of $10.3 million, or $22.07 per share. There were 995,655 shares repurchased in fiscal 2017 at a total cost of $19.7 million, or $19.77 per share.

(18) Subsequent Events:

In accordance with ASC 855 - Subsequent Events, the Company has evaluated events that occurred after the balance sheet date through the issuance date of the Company's financial statements to determine whether adjustments to or additional disclosures in the financial statements are necessary.

On July 31, 2018 the Company completed a cash acquisition of certain assets of Hurricane Inc., a designer and manufacturer of commercial stand-on leaf and debris blowers. The purchase price is comprised of $8.7 million of cash consideration and $2.0 million of contingent cash consideration. The Company will account for the acquisition in accordance with ASC 805 and it will be included in the Products segment. The Company is in the process of completing preliminary purchase accounting.

On July 9, 2018, the Company went live with an enterprise resource planning system (ERP) upgrade. The ERP upgrade will result in widespread changes in the Company's fiscal 2019 control environment.

To the Shareholders and the Board of Directors of Briggs & Stratton Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Briggs & Stratton Corporation and subsidiaries (the "Company") as of July 1, 2018 and July 2, 2017, the related consolidated statements of operations, comprehensive income (loss), shareholders' investment, and cash flows, for each of the three years in the period ended July 1, 2018, and the related notes and the schedules listed in the Index at Item 15(a)(2) (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of July 1, 2018 and July 2, 2017, and the results of its operations and its cash flows for each of the three years in the period ended July 1, 2018, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of July 1, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated August 28, 2018, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Touche LLP

Milwaukee, Wisconsin

August 28, 2018

We have served as the Company's auditor since 2012.

To the Shareholders and the Board of Directors of Briggs & Stratton Corporation.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Briggs & Stratton Corporation and subsidiaries (the "Company") as of July 1, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of July 1, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended July 1, 2018, of the Company and our report dated August 28, 2018, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Milwaukee, Wisconsin

August 28, 2018

Quarter Ended	In Thousands Net Sales	Gross Profit	Net Income (Loss)
Fiscal 2018			
September (1)	**$ 329,094**	**$ 66,265**	**$ (15,038)**
December (2)	**446,436**	**92,866**	**(16,344)**
March (3)	**604,069**	**130,273**	**31,888**
June (4)	**501,694**	**108,677**	**(11,825)**
Total (5)	**$ 1,881,294**	**$ 398,082**	**$ (11,320)**
Fiscal 2017			
September	$ 286,797	$ 52,521	$ (14,148)
December	428,236	95,406	15,251
March	596,965	134,771	35,819
June	474,105	101,130	19,727
Total (5)	$ 1,786,103	$ 383,828	$ 56,649

Quarter Ended	Per Share of Common Stock Net Income (Loss)	Dividends Declared	Market Price Range on New York Stock Exchange High	Low
Fiscal 2018				
September (1)	**$ (0.36)**	**$ 0.14**	**$ 24.36**	**$ 20.12**
December (2)	**(0.39)**	**0.14**	**25.72**	**22.98**
March (3)	**0.74**	**0.14**	**27.19**	**20.97**
June (4)	**(0.29)**	**0.14**	**21.15**	**17.38**
Total (5)	**$ (0.28)**	**$ 0.56**		
Fiscal 2017				
September	$ (0.34)	$ 0.14	$ 23.39	$ 17.98
December	0.35	0.14	23.21	17.90
March	0.83	0.14	23.73	20.39
June	0.46	0.14	25.92	20.76
Total (5)	$ 1.30	$ 0.56		

The number of shareholders of record of Briggs & Stratton Corporation Common Stock on July 1, 2018 was 2,306.

(1) For the first quarter of fiscal 2018, results includes business optimization expenses of $5.2 million ($3.7 million after tax or $0.09 per diluted share).

(2) For the second quarter of fiscal 2018, results includes business optimization expenses of $3.1 million ($2.8 million after tax or $0.05 per diluted share) and tax reform expense of $24.9 million ($0.59 per diluted share).

(3) For the third quarter of fiscal 2018, results includes business optimization expenses of $4.2 million ($3.5 million after tax or $0.07 per diluted share), tax reform expense of $0.7 million ($0.02 per diluted share), and premiums paid on voluntary repurchase of bonds of $2.0 million ($1.5 million after tax or $0.03 per diluted share).

(4) For the fourth quarter of fiscal 2018, results includes business optimization expenses of $8.3 million ($5.2 million after tax or $0.12 per diluted share), pension settlement charges of $41.2 million ($29.6 million after tax or $0.71 per diluted share), tax reform benefit of $3.1 million ($0.07 per diluted share), and premiums paid on voluntary repurchase of bonds of $0.2 million ($0.2 million after tax or $0.00 per diluted share).

(5) Amounts may not total due to rounding.

At June 30, 2019 the Company had the following outstanding commodity derivative contracts with the fair value (gains) losses shown (in thousands):

Hedge Commodity	Notional Value	Fair Value	(Gain) Loss at Fair Value
Natural Gas (Therms)	7,627	$ 2,121	$ 191

Interest Rates

The Company is exposed to interest rate fluctuations on its borrowings, depending on general economic conditions. On June 30, 2019, long-term loans consisted of the following (in thousands):

Description	Amount	Maturity	Interest Rate
6.875% Senior Notes	$ 195,464	December 2020	6.875%

The Senior Notes carry a fixed rate of interest and are therefore not subject to market fluctuation.

The Company enters into interest rate swaps to manage a portion of its interest rate risk from financing certain dealer and distributor inventories through third party financing sources. The swaps are designated as cash flow hedges and are used to effectively fix the interest payments to a third party financing source, exclusive of lender spreads, ranging from 0.98% to 2.83% for a notional principal amount of $110 million with expiration dates ranging from July 2021 to June 2024.

In the second quarter of fiscal 2019, the Company began entering into interest rate swaps to manage a portion of its interest rate risk from anticipated floating rate, LIBOR based indebtedness, exclusive of lender spreads, ranging from 2.47% to 3.13%. The swaps are designated as cash flow hedges, in an aggregate amount of $120 million, with termination dates between June 2023 and December 2029.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS **Page**

AS OF JUNE 30, 2019 AND JULY 1, 2018
(in thousands)

ASSETS	2019	2018
CURRENT ASSETS:		
Cash and Cash Equivalents	**$ 29,569**	$ 44,923
Receivables, Less Reserves of $7,043 and $2,608, Respectively	**198,498**	182,801
Inventories:		
Finished Products	**344,277**	290,108
Work in Process	**145,182**	111,409
Raw Materials	**12,547**	10,314
Total Inventories	**502,006**	411,831
Prepaid Expenses and Other Current Assets	**32,404**	39,651
Total Current Assets	**762,477**	679,206
GOODWILL	**169,682**	163,200
INVESTMENTS	**49,641**	50,960
OTHER INTANGIBLE ASSETS, Net	**96,738**	95,864
LONG-TERM DEFERRED INCOME TAX ASSET	**43,172**	12,149
OTHER LONG-TERM ASSETS, Net	**18,676**	20,507
PLANT AND EQUIPMENT:		
Land and Land Improvements	**15,210**	15,188
Buildings	**137,704**	134,896
Machinery and Equipment	**1,031,523**	879,535
Construction in Progress	**35,902**	145,546
	1,220,339	1,175,165
Less - Accumulated Depreciation	**809,294**	753,085
Total Plant and Equipment, Net	**411,045**	422,080
	$ 1,551,431	$ 1,443,966

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

AS OF JUNE 30, 2019 AND JULY 1, 2018
(in thousands, except per share data)

LIABILITIES AND SHAREHOLDERS' INVESTMENT	2019	2018
CURRENT LIABILITIES:		
Accounts Payable	**$ 287,620**	$ 204,173
Short-Term Debt	**160,540**	48,036
Accrued Liabilities:		
Wages and Salaries	**24,781**	41,136
Warranty	**28,030**	29,546
Accrued Postretirement Health Care Obligation	**6,760**	8,418
Other	**70,014**	52,797
Total Accrued Liabilities	**129,585**	131,897
Total Current Liabilities	**577,745**	384,106
ACCRUED PENSION COST	**221,033**	189,872
ACCRUED EMPLOYEE BENEFITS	**21,311**	20,196
ACCRUED POSTRETIREMENT HEALTH CARE OBLIGATION	**25,929**	30,186
ACCRUED WARRANTY	**19,572**	15,781
OTHER LONG-TERM LIABILITIES	**44,152**	33,447
LONG-TERM DEBT	**194,969**	199,954
COMMITMENTS AND CONTINGENCIES (Note 13)		
SHAREHOLDERS' INVESTMENT:		
Common Stock - Authorized 120,000 Shares $.01 Par Value, Issued 57,854 Shares	**579**	579
Additional Paid-In Capital	**78,902**	76,408
Retained Earnings	**993,873**	1,071,480
Accumulated Other Comprehensive Loss	**(292,550)**	(252,272)
Treasury Stock at Cost, 15,796 and 15,237 Shares, Respectively	**(334,084)**	(325,771)
Total Shareholders' Investment	**446,720**	570,424
	$ 1,551,431	$ 1,443,966

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

FOR THE FISCAL YEARS ENDED JUNE 30, 2019, JULY 1, 2018 AND JULY 2, 2017
(in thousands, except per share data)

	2019	2018	2017
NET SALES	**$ 1,836,605**	$ 1,881,294	$ 1,786,103
COST OF GOODS SOLD	**1,535,554**	1,483,212	1,402,274
Gross Profit	**301,051**	398,082	383,829
ENGINEERING, SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	**349,276**	375,230	300,062
EQUITY IN EARNINGS OF UNCONSOLIDATED AFFILIATES	**9,029**	9,257	11,056
Income (Loss) from Operations	**(39,196)**	32,109	94,823
INTEREST EXPENSE	**(29,242)**	(25,320)	(20,293)
OTHER INCOME, Net	**340**	4,312	5,131
Income (Loss) Before Income Taxes	**(68,098)**	11,101	79,661
PROVISION (CREDIT) FOR INCOME TAXES	**(14,015)**	22,421	23,011
NET INCOME (LOSS)	**$ (54,083)**	$ (11,320)	$ 56,650
EARNINGS (LOSS) PER SHARE			
Basic	**$ (1.31)**	$ (0.28)	$ 1.31
Diluted	**$ (1.31)**	$ (0.28)	$ 1.31
WEIGHTED AVERAGE SHARES OUTSTANDING			
Basic	**41,647**	42,068	42,178
Diluted	**41,647**	42,068	42,263

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statements of Comprehensive Income (Loss)

FOR THE FISCAL YEARS ENDED JUNE 30, 2019, JULY 1, 2018 AND JULY 2, 2017
(in thousands)

	2019	2018	2017
Net Income (Loss)	**$ (54,083)**	$ (11,320)	$ 56,650
Other Comprehensive Income (Loss):			
Cumulative Translation Adjustments	**(2,839)**	(4,184)	(881)
Unrealized Gain (Loss) on Derivative Instruments, Net of Tax Provision (Benefit) of ($4,279), $2,552, and $886, respectively	**(13,552)**	6,562	1,476
Unrecognized Pension & Postretirement Obligation, Net of Tax Provision (Benefit) of ($7,543), $17,646, and $22,697, respectively	**(23,887)**	45,376	37,829
Other Comprehensive Income (Loss)	**(40,278)**	47,754	38,424
Total Comprehensive Income (Loss)	**$ (94,361)**	$ 36,434	$ 95,074

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statements of Shareholders' Investment

FOR THE FISCAL YEARS ENDED JUNE 30, 2019, JULY 1, 2018 AND JULY 2, 2017
(in thousands, except per share data)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Shareholders' Investment
BALANCES, JULY 3, 2016	$ 579	$ 72,020	$ 1,074,437	$ (338,450)	$ (314,960)	493,626
Net Income	—	—	56,650	—	—	56,650
Total Other Comprehensive Income, Net of Tax	—	—	—	38,424	—	38,424
Cash Dividends Paid ($0.54 per share)	—	—	(24,054)	—	—	(24,054)
Stock Option Activity, Net of Tax	—	(1,628)	—	—	8,551	6,923
Restricted Stock	—	(3,439)	—	—	2,506	(933)
Amortization of Unearned Compensation	—	3,336	—	—	—	3,336
Deferred Stock	—	(655)	—	—	1,675	1,020
Deferred Stock - Directors (1)	—	3,928	—	—	94	4,022
Treasury Stock Purchases	—	—	—	—	(19,680)	(19,680)
BALANCES, JULY 2, 2017	$ 579	$ 73,562	$ 1,107,033	$ (300,026)	$ (321,814)	$ 559,334
Net Loss	—	—	(11,320)	—	—	(11,320)
Total Other Comprehensive Income, Net of Tax	—	—		47,754	—	47,754
Cash Dividends Paid ($0.56 per share)	—	—	(23,951)	—	—	(23,951)
Stock Option Activity, Net of Tax	—	1,889	—	—	3,943	5,832
Restricted Stock	—	(3,119)	—	—	1,763	(1,356)
Amortization of Unearned Compensation	—	3,770	—	—	—	3,770
Deferred Stock	—	(489)	—	—	649	160
Deferred Stock - Directors	—	795	(282)	—	—	513
Treasury Stock Purchases	—	—		—	(10,312)	(10,312)
BALANCES, JULY 1, 2018	**$ 579**	**$ 76,408**	**$ 1,071,480**	**$ (252,272)**	**$ (325,771)**	**$ 570,424**
Net Loss	**—**	**—**	**(54,083)**		**—**	**(54,083)**
Total Other Comprehensive Loss, Net of Tax	**—**	**—**		**(40,278)**	**—**	**(40,278)**
Cash Dividends Declared ($0.56 per share)	**—**	**—**	**(23,304)**	**—**	**—**	**(23,304)**
Stock Option Activity, Net of Tax	**—**	**1,932**	**—**	**—**	**1,862**	**3,794**
Restricted Stock	**—**	**(2,871)**	**—**	**—**	**389**	**(2,482)**
Amortization of Unearned Compensation	**—**	**3,029**	**—**	**—**	**—**	**3,029**
Deferred Stock	**—**	**(403)**	**—**	**—**	**520**	**117**
Deferred Stock - Directors	**—**	**807**	**(220)**	**—**	**853**	**1,440**
Treasury Stock Purchases	**—**	**—**		**—**	**(11,937)**	**(11,937)**
BALANCES, JUNE 30, 2019	**$ 579**	**$ 78,902**	**$ 993,873**	**$ (292,550)**	**$ (334,084)**	**$ 446,720**

(1) See Note 14 for additional discussion.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

FOR THE FISCAL YEARS ENDED JUNE 30, 2019, JULY 1, 2018 AND JULY 2, 2017
(in thousands)

	2019	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income (Loss)	**$ (54,083)**	$ (11,320)	$ 56,650
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation and Amortization	**64,200**	58,258	56,183
Stock Compensation Expense	**7,180**	6,675	4,923
Pension Settlement Expense	**521**	41,157	—
Equity in Earnings of Unconsolidated Affiliates	**(12,142)**	(12,230)	(11,056)
Dividends Received from Unconsolidated Affiliates	**11,359**	10,911	9,067
Loss on Disposition of Plant and Equipment	**551**	1,915	857
Provision for Deferred Income Taxes	**(17,949)**	35,351	10,316
Cash Contributions to Qualified Pension Plans	**—**	(30,000)	—
Change in Operating Assets and Liabilities:			
Accounts Receivable	**(15,910)**	47,180	(41,655)
Inventories	**(91,171)**	(37,446)	11,204
Other Current Assets	**(1,304)**	(4,759)	(1,759)
Accounts Payable, Accrued Liabilities and Income Taxes	**80,717**	(10,345)	8,152
Other, Net	**(7,304)**	(2,624)	(12,538)
Net Cash Provided by (Used in) Operating Activities	**(35,335)**	92,723	90,344
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital Expenditures	**(52,454)**	(103,203)	(83,141)
Cash Paid for Acquisitions, Net of Cash Acquired	**(8,866)**	(1,800)	—
Proceeds Received on Disposition of Plant and Equipment	**69**	339	1,027
Proceeds on Sale of Investment in Marketable Securities	**—**	—	3,343
Net Cash Used in Investing Activities	**(61,251)**	(104,664)	(78,771)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net Borrowings on Revolver	**112,504**	48,036	—
Long Term Note Payable	**—**	7,685	—
Repayments on Long-Term Debt	**(5,424)**	(22,261)	—
Debt Issuance Costs	**—**	(1,154)	—
Cash Dividends Paid	**(17,781)**	(23,951)	(24,054)
Stock Option Exercise Proceeds	**1,823**	3,772	7,770
Payment of Acquisition Contingent Liability	**(925)**	—	(1,625)
Payments Related to Shares Withheld for Taxes for Stock Compensation	**(257)**	(1,396)	(1,750)
Treasury Stock Purchases	**(11,937)**	(10,312)	(19,680)
Net Cash Provided by (Used in) Financing Activities	**78,003**	419	(39,339)
EFFECT OF FOREIGN CURRENCY EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(293)**	(967)	(366)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(18,876)**	(12,489)	(28,132)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR (1)	**49,218**	61,707	89,839
CASH AND CASH EQUIVALENTS END OF YEAR (2)	**$ 30,342**	$ 49,218	$ 61,707
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Interest Paid	**$ 27,161**	$ 24,075	$ 19,422
Income Taxes Paid	**$ 3,309**	$ 606	$ 4,683

(1) 1 Included within Beginning Cash, Cash Equivalents, and Restricted Cash is approximately $4.3 million and $0 of restricted cash as of July 1, 2018 and July 2, 2017, respectively.
(2) Included within Ending Cash, Cash Equivalents, and Restricted Cash is approximately $0.8 million and $4.3 million of restricted cash as of June 30, 2019 and July 1, 2018, respectively.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

FOR THE FISCAL YEARS ENDED JUNE 30, 2019, JULY 1, 2018 AND JULY 2, 2017

(1) Nature of Operations:

Briggs & Stratton Corporation (the "Company") is a U.S. based producer of gasoline engines and outdoor power equipment. The Company's Engines segment sells engines worldwide, primarily to original equipment manufacturers of lawn & garden equipment and other gasoline engine powered equipment. The Company's Products segment designs, manufactures and markets a wide range of outdoor power equipment, job site products, and related accessories.

(2) Summary of Significant Accounting Policies:

Fiscal Year: The Company's fiscal year consists of 52 or 53 weeks, ending on the Sunday nearest the last day of June in each year. The 2019, 2018 and 2017 fiscal years were each 52 weeks long. All references to years relate to fiscal years rather than calendar years.

Principles of Consolidation: The consolidated financial statements include the accounts of the Company and its majority owned domestic and foreign subsidiaries after elimination of intercompany accounts and transactions. Investments in companies for which the Company has significant influence are accounted for by the equity method.

Accounting Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Cash and Cash Equivalents: This caption includes cash, commercial paper and certificates of deposit. The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Receivables: Receivables are recorded at their original carrying value less reserves for estimated uncollectible accounts. The Company estimates and records an allowance for doubtful accounts based on specific identification and historical experience. The Company writes off uncollectible accounts against the allowance for doubtful accounts after all collection efforts have been exhausted.

Inventories: Inventories are stated at cost, which does not exceed market. The last-in, first-out (LIFO) method was used for determining the cost of approximately 50% of total inventories at June 30, 2019 and 50% at July 1, 2018. The cost for the remaining inventories was determined using the first-in, first-out (FIFO) method. If the FIFO inventory valuation method had been used exclusively, inventories would have been $70.1 million and $65.4 million higher at the end of fiscal 2019 and 2018, respectively. The LIFO inventory adjustment was determined on an overall basis, and accordingly, each class of inventory reflects an allocation based on the FIFO amounts.

Goodwill and Other Intangible Assets: Goodwill reflects the cost of acquisitions in excess of the fair values assigned to identifiable net assets acquired. Goodwill is assigned to reporting units based upon the expected benefit of the synergies of the acquisition.

Other Intangible Assets reflect identifiable intangible assets that arose from purchase acquisitions. Other Intangible Assets are primarily comprised of tradenames, patents and customer relationships. Goodwill and tradenames, which are considered to have indefinite lives, are not amortized; however, both must be tested for impairment at least annually. Amortization is recorded on a straight-line basis for other intangible assets with finite lives. Patents have been assigned an estimated useful life of 15 years. Customer relationships have been assigned an estimated useful life of 14 to 25 years.

The Company performed the required impairment tests in fiscal 2019, 2018 and 2017. There were no goodwill impairment charges or other intangible asset impairment charges recorded in fiscal 2019, fiscal 2018 or fiscal 2017.

Investments: Investments represent the Company's investments in unconsolidated affiliated companies.

Financial information of the unconsolidated affiliated companies are accounted for by the equity method, generally on a lag of one month or less. Combined results of operations of unconsolidated affiliated companies for the fiscal year (in thousands):

	2019	2018	2017
Results of Operations:			
Sales	**$ 311,373**	$ 324,931	$ 321,938
Cost of Goods Sold	**243,374**	248,585	244,346
Gross Profit	**$ 67,999**	$ 76,346	$ 77,592
Net Income	**$ 17,782**	$ 22,158	$ 22,217

Combined balance sheets of unconsolidated affiliated companies as of fiscal year-end (in thousands):

	2019	2018
Financial Position:		
Assets:		
Current Assets	**$ 147,702**	$ 150,382
Noncurrent Assets	**38,496**	45,186
	186,198	195,568
Liabilities:		
Current Liabilities	**$ 55,533**	$ 54,007
Noncurrent Liabilities	**14,599**	20,027
	70,132	74,034
Equity	**$ 116,066**	$ 121,534

Net sales to equity method investees were approximately $87.7 million, $107.2 million and $113.6 million in 2019, 2018 and 2017, respectively. Purchases of finished products from equity method investees were approximately $122.5 million, $115.5 million and $94.9 million in 2019, 2018 and 2017, respectively.

The Company uses the equity method to account for this investment, and the earnings of the unconsolidated affiliate are allocated between the Engines and Products segments. As of June 30, 2019 and July 1, 2018, the Company's total investment in the venture was $25.7 million and $25.2 million, respectively, and its ownership percentage was 38.0%. The Company's equity method investments also include entities that are suppliers for the Engines segment.

The Company concluded that its equity method investments are integral to its business. The equity method investments provide manufacturing and distribution functions, which are important parts of its operations.

During fiscal 2016, the Company had an investment in marketable securities, which related to its ownership of common stock of a publicly-traded company. The Company classified its investment as available-for-sale securities, and it was reported at fair value. Unrealized gains and losses, net of the related tax effects, were reported as a separate component of Accumulated Other Comprehensive Income (Loss). During the fourth quarter of fiscal 2016, the Company sold its investment in marketable securities and recognized a gain of $3.3 million, which is recorded in Other Income, Net in the Consolidated Statements of Operations. The Company received proceeds related to the sale in the first quarter of fiscal 2017.

Debt Issuance Costs: Direct and incremental costs incurred in obtaining loans or in connection with the issuance of long-term debt are capitalized and amortized to interest expense over the terms of the related credit agreements. The debt issuance costs are recorded as a direct deduction from the carrying value of the debt liability; however, the Company classifies debt issuance costs related to the revolving credit facility as an asset, regardless of whether it has any outstanding borrowings on the line of credit arrangements.

Approximately $0.8 million, $0.9 million, and $0.9 million of debt issuance costs and original issue discounts were amortized to interest expense in each of fiscal years 2019, 2018 and 2017, respectively.

Plant and Equipment and Depreciation: Plant and equipment are stated at historical cost. For financial reporting purposes, plant and equipment are depreciated primarily by the straight line method over the estimated useful lives of the assets which generally range from 3 to 15 years for software, from 20 to 40 years for land improvements, from 20 to 50 years for buildings, and 3 to 20 years for machinery and equipment. Expenditures for repairs and maintenance are charged to expense as incurred. Expenditures for major renewals and betterments, which significantly extend the useful lives of existing plant and equipment, are capitalized and depreciated. Upon retirement or disposition of plant and equipment, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in cost of goods sold or engineering, selling, general and administrative expenses.

Depreciation expense was approximately $59.8 million, $53.8 million and $51.9 million during fiscal years 2019, 2018 and 2017, respectively.

Impairment of Property, Plant and Equipment: Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the sum of the expected undiscounted cash flows is less than the carrying value of the related asset or group of assets, a loss is recognized for the difference between the fair value and carrying value of the asset or group of assets.

Warranty: The Company recognizes the cost associated with its standard warranty on engines and products at the time of sale. The general warranty period begins at the time of sale and typically covers two years, but may vary due to product type and geographic location. The amount recognized is based on historical failure rates and current claim cost experience. The following is a reconciliation of the changes in accrued warranty costs for the reporting period (in thousands):

	2019	2018
Balance, Beginning of Period	**$ 45,327**	$ 43,108
Payments	**(23,939)**	(23,704)
Provision for Current Year Warranties	**24,454**	24,436
Changes in Estimates	**1,760**	1,487
Balance, End of Period	**$ 47,602**	$ 45,327

Income Taxes: The provision for income taxes includes federal, state and foreign income taxes currently payable and those deferred because of temporary differences between the financial statement and tax bases of assets and liabilities. The deferred income tax asset and liability represent temporary differences relating to assets and liabilities. A valuation allowance is recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized.

Retirement Plans: The Company has noncontributory, defined benefit retirement plans and postretirement benefit plans covering certain employees. Retirement benefits represent a form of deferred compensation, which are subject to change due to changes in assumptions. Management reviews underlying assumptions on an annual basis. Refer to Note 16.

Research and Development Costs: Expenditures relating to the development of new products and processes, including significant improvements and refinements to existing products, are expensed as incurred and recorded in engineering, selling, general and administrative expenses within the Consolidated Statements of Operations. The amounts charged against income were $22.8 million, $23.6 million and $23.0 million in fiscal 2019, 2018 and 2017, respectively.

Advertising Costs: Advertising costs, included in engineering, selling, general and administrative expenses within the Consolidated Statements of Operations, are expensed as incurred. These expenses totaled $21.6 million in fiscal 2019, $19.8 million in fiscal 2018 and $19.0 million in fiscal 2017.

Shipping and Handling Fees: Revenue received from shipping and handling fees is reflected in net sales and related shipping costs are recorded in cost of goods sold. Shipping fee revenue for fiscal 2019, 2018 and 2017 was $5.6 million, $5.6 million and $5.0 million, respectively.

Foreign Currency Translation: Foreign currency balance sheet accounts are translated into dollars at the rates of exchange in effect at fiscal year-end. Income and expenses incurred in a foreign currency are translated at the average rates of exchange in effect during the year. The related translation adjustments are made directly to a separate component of Shareholders' Investment. Foreign currency transaction gains and losses are included in the results of operations in the period incurred. The Company recorded pre-tax foreign currency transaction gains of $0.9 million, $0.6 million, and $0.8 million during fiscal 2019, 2018, and 2017, respectively.

Earnings (Loss) Per Share: The Company computes earnings (loss) per share using the two-class method, an earnings allocation formula that determines earnings per share for each class of common stock and participating security according to dividends declared and participation rights in undistributed earnings. The Company's unvested grants of restricted stock, restricted stock units, and deferred stock awards contain non-forfeitable rights to dividends (whether paid or unpaid), which are required to be treated as participating securities and included in the computation of basic (loss) earnings per share.

Information on earnings (loss) per share is as follows (in thousands except per share data):

	Fiscal Year Ended		
	June 30, 2019	July 1, 2018	July 2, 2017
Net Income (Loss)	**$ (54,083)**	$ (11,320)	$ 56,650
Less: Earnings Allocated to Participating Securities	**(576)**	(301)	(1,274)
Net Income (Loss) available to Common Shareholders	**$ (54,659)**	$ (11,621)	$ 55,376
Average Shares of Common Stock Outstanding	**41,647**	42,068	42,178
Incremental Common Shares Applicable to Common Stock Options and Performance Shares Based on the Common Stock Average Market Price During the Period	**—**	—	85
Shares Used in Calculating Diluted Earnings Per Share	**41,647**	42,068	42,263
Adjustment for Participating Securities	**—**	—	792
Diluted Average Shares, Including Participating Securities	**41,647**	42,068	43,055
Basic Earnings (Loss) Per Share	**$ (1.31)**	$ (0.28)	$ 1.31
Diluted Earnings (Loss) Per Share	**$ (1.31)**	$ (0.28)	$ 1.31

The dilutive effect of the potential exercise of outstanding stock-based awards to acquire common shares is calculated using the treasury stock method. No options to purchase shares of common stock were excluded from the calculation of diluted earnings (loss) per share as the exercise prices were greater than the average market price of the common shares.

Derivative Instruments & Hedging Activity: The Company enters into derivative contracts designated as cash flow hedges to manage certain interest rate, foreign currency and commodity exposures. Company policy allows derivatives to be used only for identifiable exposures and, therefore, the Company does not enter into derivative instruments for trading purposes where the sole objective is to generate profits.

The Company formally designates the financial instrument as a hedge of a specific underlying exposure and documents both the risk management objectives and strategies for undertaking the hedge. The Company formally assesses, both at the inception and at least quarterly thereafter, whether the financial instruments that are used in hedging transactions are effective at offsetting changes in the forecasted cash flows of the related underlying exposure. Because of the high degree of effectiveness between the hedging instrument and the underlying exposure being hedged, fluctuations in the value of the derivative instruments are generally offset by changes in the forecasted cash flows of the underlying exposures being hedged.

Derivative financial instruments are recorded on the Consolidated Balance Sheets as assets or liabilities, measured at fair value. The effective portion of gains or losses on derivatives designated as cash flow hedges are reported as a component of Accumulated Other Comprehensive Income (Loss) (AOCI) and reclassified into earnings in the same periods during which the hedged transaction affects earnings. Any ineffective portion of a financial instrument's change in fair value is immediately recognized in earnings.

The Company discontinues hedge accounting prospectively when it determines that the derivative is no longer effective in offsetting cash flows attributable to the hedged risk, the derivative expires or is sold, terminated, or exercised, the cash flow hedge is dedesignated because a forecasted transaction is not probable of occurring, or management determines to remove the designation of the cash flow hedge.

In all situations in which hedge accounting is discontinued and the derivative remains outstanding, the Company continues to carry the derivative at its fair value on the balance sheet and recognizes any subsequent changes in its fair value in earnings. When it is probable that a forecasted transaction will not occur, the Company discontinues hedge accounting and recognizes immediately in earnings gains and losses that were accumulated in other comprehensive income related to the hedging relationship.

(3) New Accounting Pronouncements:

In February 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2018-02, Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income. ASU No. 2018-02 allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act. The guidance is effective beginning fiscal year 2020. The Company has assessed the ASU and has determined that the Company will not make the permitted reclassification.

In August 2017, the FASB issued ASU No. 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting and Hedging Activities. ASU No. 2017-12 better aligns a Company's risk management activities and financial reporting for hedging relationships, in addition to simplifying certain aspects of ASC Topic 815. The guidance is effective beginning fiscal year 2020, with early adoption permitted. The Company adopted this ASU prospectively effective July 1, 2019 and this standard will not have a material impact on the Company's Condensed Consolidated Financial Statements.

In March 2017, the FASB issued ASU No. 2017-07, Compensation – Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost, which requires an employer to disaggregate the service cost component from the other components of net periodic pension costs within the statement of income. The guidance is applied on a retrospective basis, and became effective for the Company in fiscal 2019. Accordingly, the Company adopted this ASU effective July 2, 2018. Non-service cost components of net periodic pension costs in the amount of $2.0 million have been included in Other Income in the Statement of Operations for the twelve months ended June 30, 2019. Non-service cost components of net periodic pension costs in the amount of $1.1 million have been included in Other Income in the Statement of Operations for the twelve months ended July 1, 2018.

In January 2017, the FASB issued ASU 2017-04, Simplifying the Test for Goodwill Impairment, which simplifies how an entity is required to test goodwill for impairment by eliminating Step 2 from the goodwill impairment test. Step 2 measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. Under the amendments in ASU 2017-04, an entity should recognize an impairment charge for the amount by which the carrying amount of a reporting unit exceeds its fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. The updated guidance requires a prospective adoption. The guidance is effective beginning fiscal year 2021. Early adoption is permitted. The Company adopted this ASU prospectively effective July 1, 2019 and this standard will not have a material impact on the Company's Condensed Consolidated Financial Statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which is intended to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the

balance sheet and disclosing key information about leasing arrangements. Certain qualitative and quantitative disclosures are required, as well as a modified retrospective recognition and measurement of impacted leases. The guidance is effective beginning fiscal year 2020, with early adoption permitted. The Company's project plan involves identifying and implementing appropriate changes to its business processes, systems and controls as well as compiling and evaluating lease arrangements to support lease accounting and disclosures under Topic 842. As of June 30, 2019, and subject to the company's ongoing evaluation of new lease contracts, the Company anticipates the adoption of this new standard will result in recognizing approximately $70 million to $85 million of right of use assets and lease obligation liabilities on the consolidated balance sheet. The standard will not have a significant impact on the Company's consolidated statements of income or the consolidated statements of cash flows. There will also be no impact on existing debt covenants.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Topic 606 also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to fulfill a contract. This guidance was effective beginning fiscal year 2019. The Company has adopted this ASU effective July 2, 2018 using the modified retrospective approach and this standard did not have a material impact on the Company's Condensed Consolidated Financial Statements. Additional disclosures related to adoption of this ASU have been included at Note 4.

(4) Accumulated Other Comprehensive Income (Loss):

The following tables set forth the changes in accumulated other comprehensive income (loss) (in thousands):

	Fiscal Year Ended June 30, 2019			
	Cumulative Translation Adjustments	Derivative Financial Instruments	Pension and Postretirement Benefit Plans	Total
Beginning Balance	$ (28,928)	$ 6,486	$ (229,830)	$ (252,272)
Other Comprehensive Loss Before Reclassification	(2,839)	(14,842)	(45,678)	(63,359)
Income Tax Benefit	—	3,562	10,963	14,525
Net Other Comprehensive Loss Before Reclassifications	(2,839)	(11,280)	(34,715)	(48,834)
Reclassifications:				
Realized (Gains) Losses - Foreign Currency Contracts (1)	—	(1,713)	—	(1,713)
Realized (Gains) Losses - Commodity Contracts (1)	—	(149)	—	(149)
Realized (Gains) Losses - Interest Rate Swaps (1)	—	(1,127)	—	(1,127)
Amortization of Prior Service Costs (Credits) (2)	—	—	(550)	(550)
Amortization of Actuarial Losses (2)	—	—	14,797	14,797
Total Reclassifications Before Tax	—	(2,989)	14,247	11,258
Income Tax Expense (Benefit)	—	717	(3,419)	(2,702)
Net Reclassifications	—	(2,272)	10,828	8,556
Other Comprehensive Loss	(2,839)	(13,552)	(23,887)	(40,278)
Ending Balance	$ (31,767)	$ (7,066)	$ (253,717)	$ (292,550)

(1) Amounts reclassified to net income are included in net sales or cost of goods sold. See Note 15 for information related to derivative financial instruments.

(2) Amounts reclassified to net income are included in the computation of net periodic expense, which is presented in cost of goods sold or engineering, selling, general and administrative expenses. See Note 16 for information related to pension and postretirement benefit plans.

	Fiscal Year Ended July 1, 2018			
	Cumulative Translation Adjustments	Derivative Financial Instruments	Pension and Postretirement Benefit Plans	Total
Beginning Balance	$ (24,744)	$ (76)	$ (275,206)	$ (300,026)
Other Comprehensive Income (Loss) Before Reclassification	(4,184)	4,303	43,802	43,921
Income Tax Benefit (Expense)	—	(936)	(10,556)	(11,492)
Net Other Comprehensive Income (Loss) Before Reclassifications	(4,184)	3,367	33,246	32,429
Reclassifications:				
Realized (Gains) Losses - Foreign Currency Contracts (1)	—	4,795	—	4,795
Realized (Gains) Losses - Commodity Contracts (1)	—	96	—	96
Realized (Gains) Losses - Interest Rate Swaps (1)	—	(251)	—	(251)
Amortization of Prior Service Costs (Credits) (2)	—	—	(1,255)	(1,255)
Amortization of Actuarial Losses (2)	—	—	18,785	18,785
Total Reclassifications Before Tax	—	4,640	17,530	22,170
Income Tax Expense (Benefit)	—	(1,445)	(5,400)	(6,845)
Net Reclassifications	—	3,195	12,130	15,325
Other Comprehensive Income (Loss)	(4,184)	6,562	45,376	47,754
Ending Balance	$ (28,928)	$ 6,486	$ (229,830)	$ (252,272)

(1) Amounts reclassified to net income are included in net sales or cost of goods sold. See Note 15 for information related to derivative financial instruments.
(2) Amounts reclassified to net income are included in the computation of net periodic expense, which is presented in cost of goods sold or engineering, selling, general and administrative expenses. See Note 16 for information related to pension and postretirement benefit plans.

	Fiscal Year Ended July 2, 2017			
	Cumulative Translation Adjustments	Derivative Financial Instruments	Pension and Postretirement Benefit Plans	Total
Beginning Balance	$ (23,863)	$ (1,552)	$ (313,035)	$ (338,450)
Other Comprehensive Income (Loss) Before Reclassification	(881)	1,003	43,947	44,069
Income Tax Benefit (Expense)	—	(376)	(16,480)	(16,856)
Net Other Comprehensive Income (Loss) Before Reclassifications	(881)	627	27,467	27,213
Reclassifications:				
Realized (Gains) Losses - Foreign Currency Contracts (1)	—	357	—	357
Realized (Gains) Losses - Commodity Contracts (1)	—	258	—	258
Realized (Gains) Losses - Interest Rate Swaps (1)	—	743	—	743
Amortization of Prior Service Costs (Credits) (2)	—	—	(2,474)	(2,474)
Amortization of Actuarial Losses (2)	—	—	19,053	19,053
Plan Settlement (2)	—	—	—	—
Total Reclassifications Before Tax	—	1,358	16,579	17,937
Income Tax Expense (Benefit)	—	(509)	(6,217)	(6,726)
Net Reclassifications	—	849	10,362	11,211
Other Comprehensive Income (Loss)	(881)	1,476	37,829	38,424
Ending Balance	$ (24,744)	$ (76)	$ (275,206)	$ (300,026)

(1) Amounts reclassified to net income are included in net sales or cost of goods sold. See Note 15 for information related to derivative financial instruments.
(2) Amounts reclassified to net income are included in the computation of net periodic expense, which is presented in cost of goods sold or engineering, selling, general and administrative expenses. See Note 16 for information related to pension and postretirement benefit plans.

(5) Revenue

The Company has adopted ASC 606 using the modified retrospective approach. Revenue is measured based on consideration expected to be received from a customer, and excludes any cash discounts, volume rebates and discounts, floor plan interest, advertising allowances, and amounts collected on behalf of third parties. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a product to a customer, which is generally upon shipment.

Nature of Revenue

The Company's revenues primarily consist of sales of engines and products to its customers. The Company considers the purchase orders, which may also be governed by purchasing agreements, to be the contracts with customers. For each contract, the Company considers delivery of the engines and products to be the identified performance obligations. The following is a description of principal activities, separated by reportable segments, from which the Company generates its revenue. For more detailed information about reportable segments, see Note 9.

The Engines segment principally generates revenue by providing gasoline engines and power solutions to OEMs which serve commercial and residential markets primarily for lawn and garden equipment applications. The Company typically enters into annual purchasing plans with its engine customers. In certain cases, the Company has entered into longer supply arrangements of two to three years; however, these longer term supply agreements do not generally create unfulfilled performance obligations. The sale of products to OEMs represents a single performance obligation. Revenue is recognized at a point in time when the product is shipped as substantially all engines are not customized for each customer and there is an alternative use for such inventory. The amount of

revenue recognized is adjusted for variable consideration such as tiered volume discounts and rebates. Revenue recognized is also adjusted based on an estimate of future returns.

The Products segment generates revenue through the sale of end user products through retail distribution, independent distributor and dealer networks, the mass retail channel, and the rental channel. These channels primarily serve commercial and residential end users. The sale of products to the various distribution networks represents a single performance obligation. Revenue is recognized at a point in time when the product is shipped as the products are not typically customized for each customer; therefore, there is an alternative use for such inventory. The amount of revenue recognized is adjusted for variable consideration such as tiered volume discounts, rebates, and floor plan interest. Revenue recognized is also adjusted based on an estimate of future returns.

Both the Engines and Products segments account for variable consideration and estimated returns according to the same accounting policies. The Company offers a variable discount if certain customers reach established volume goals in the form of tiered volume discounts. The Company applies the expected value approach to estimate the value of the discount which is then applied as a reduction to the transaction price. Included in net sales for the year ended June 30, 2019 were reductions for tiered volume discounts of $12.8 million. The Company offers rebates in the form of promotional allowances to incentivize certain customers to make purchases. The expected value approach is used to estimate the rebate value relative to these allowances which is then applied as a reduction of the transaction price. Included in net sales for the year ended June 30, 2019 were reductions for rebates of $7.7 million.

Included in net sales are costs associated with programs under which the Company shares the expense of financing certain dealer and distributor inventories, referred to as floor plan expense. This represents interest for a pre-established length of time based on a variable rate (LIBOR) plus a fixed percentage from a contract with a third party financing source for dealer and distributor inventory purchases. Sharing the cost of these financing arrangements is used by the Company as a marketing incentive for customers to purchase the Company's products to have floor stock for end users to purchase. The Company enters into interest rate swaps to hedge cash flows for a portion of its interest rate risk. The financing costs, net of the related gain or loss on interest rate swaps, are recorded at the time of sale as a reduction of net sales. Included in net sales for the year ended June 30, 2019 were financing costs, net of the related gain or loss on interest rate swaps, of $11.0 million.

The Company estimates the expected number of returns based on historical return rates and reduces revenue by the amount of expected returns.

The Company requires prepayment on sales in limited circumstances, but the contract liability related to prepayments is immaterial as of June 30, 2019 and represents less than 1% of total sales.

The Company offers a standard warranty that is not sold separately on substantially all products that the Company sells which is accounted for as an assurance warranty. Accordingly, no component of the transaction price is allocated to the standard warranty. The Company records a liability for product warranty obligations at the time of sale to a customer based upon historical warranty experience.

During year ended June 30, 2019, the Company recorded $4.1 million of bad debt expense related to a trade customer declaring bankruptcy.

Disaggregation of Revenue

In the following table, revenue is disaggregated by primary product application. The table also includes a reconciliation of the disaggregated revenue with the reportable segments for the year ended June 30, 2019, as follows (in thousands):

	Year Ended June 30, 2019			
	Engines	Products	Eliminations	Total
Commercial	$ 206,992	$ 388,445	$ (23,908)	$ 571,529
Residential	781,715	543,692	(60,331)	1,265,076
Total	$ 988,707	$ 932,137	$ (84,239)	$ 1,836,605

(6) Fair Value:

Assets and Liabilities Measured at Fair Value:

The following guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1: Quoted prices for identical instruments in active markets.

Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-driven valuations whose inputs are observable or whose significant value drivers are observable.

Level 3: Significant inputs to the valuation model are unobservable.

The following table presents information about the Company's financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2019 and July 1, 2018 (in thousands):

		Fair Value Measurement Using		
	June 30, 2019	Level 1	Level 2	Level 3
Assets:				
Derivatives	$ 1,564	**$ —**	**$ 1,564**	**$ —**
Liabilities:				
Derivatives	$ 12,014	**$ —**	**$ 12,014**	**$ —**

		Fair Value Measurement Using		
	July 1, 2018	Level 1	Level 2	Level 3
Assets:				
Derivatives	$ 7,938	$ —	$ 7,938	$ —
Liabilities:				
Derivatives	$ 231	$ —	$ 231	$ —

The fair value for Level 2 measurements are based upon the respective quoted market prices for comparable instruments in active markets, which include current market pricing for forward purchases of commodities, foreign currency forwards, and current interest rates.

The Company has currently chosen not to elect the fair value option for any items that are not already required to be measured at fair value in accordance with accounting principles generally accepted in the United States.

Fair Value of Financial Instruments:

The Company believes that the carrying values of cash and cash equivalents, trade receivables and accounts payable are reasonable estimates of their fair values at June 30, 2019 and July 1, 2018 due to the short-term nature of these instruments. The estimated fair value of the 6.875% Senior Notes due December 2020 is based on quoted market prices for similar instruments and is, therefore, classified as Level 2 within the valuation hierarchy.

The estimated fair market values of the Company's indebtedness is (in thousands):

	2019		2018	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
6.875% Senior Notes	**$ 195,464**	**$ 203,593**	$ 200,888	$ 214,000
Borrowings on Revolver	**$ 160,540**	**$ 160,540**	$ 48,036	$ 48,036

(7) Goodwill and Other Intangible Assets:

The changes in the carrying amount of goodwill by reportable segment for the fiscal years ended June 30, 2019 and July 1, 2018 are as follows (in thousands):

	Engines	Products	Total
Goodwill Balance at July 2, 2017	$ 138,074	$ 23,575	$ 161,649
Acquisitions	—	2,573	2,573
Effect of Translation	(682)	(340)	(1,022)
Goodwill Balance at July 1, 2018	$ 137,392	$ 25,808	$ 163,200
Acquisitions	—	6,786	6,786
Effect of Translation	(297)	(7)	(304)
Goodwill Balance at June 30, 2019	$ 137,095	$ 32,587	$ 169,682

At June 30, 2019, July 1, 2018 and July 2, 2017, accumulated goodwill impairment losses, as recorded in the Products segment, were $131.4 million respectively.

The Company evaluates goodwill for impairment at least annually as of the fiscal year-end and more frequently if events or circumstances indicate that the assets may be impaired. The Company will test goodwill using a two-step process. The first step of the goodwill impairment test is to identify a potential impairment by comparing the carrying values of each of the Company's reporting units to their estimated fair values as of the test dates. The estimates of fair value of the reporting units are computed using either an income approach, a market approach, or a combination of both. The income approach utilizes a multi-year forecast of estimated cash flows and a terminal value at the end of the cash flow period. The forecast period assumptions consist of internal projections that are based on the Company's budget and long-range strategic plan. The discount rate used at the test date is the weighted-average cost of capital which reflects the overall level of inherent risk of the reporting unit and the rate of return an outside investor would expect to earn. Valuations using the market approach are derived from metrics of publicly traded companies or historically completed transactions of comparable businesses. The selection of comparable businesses is based on the markets in which the reporting units operate giving consideration to risk profiles, size, geography, and diversity of products and services.

Some of the significant assumptions inherent in estimating the fair values include the estimated future annual net cash flows for each reporting unit (including net sales, operating income margin, and working capital) and a discount rate that appropriately reflects the risks inherent in each future cash flow stream. The Company selected assumptions used in the financial forecasts using historical data, supplemented by current and anticipated market conditions, estimated growth rates, management’s plans, and guideline companies. The assumptions included in the impairment test require judgment, and changes to these inputs could impact the results of the calculation.

If the fair value of a reporting unit exceeds its book value, goodwill of the reporting unit is not deemed impaired and the second step of the impairment test is not performed. If the book value of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss, if any. The second step of the goodwill impairment test compares the implied fair value of the reporting unit’s goodwill with the carrying amount of that goodwill. The implied fair value of goodwill is determined by allocating the estimated fair value of the reporting unit to the estimated fair value of its existing tangible assets and liabilities as well as existing identified intangible assets and previously unrecognized intangible assets in a manner similar to a purchase price allocation. The unallocated portion of the estimated fair value of the reporting unit is the implied fair value of goodwill. If the carrying amount of the reporting unit’s goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess.

The Jobsite reporting unit fair value exceeded the carrying value by less than 10% as of the latest 2019 impairment testing date. The discount rate the Company used to determine the fair value was 14.3%. The Turf & Consumer reporting unit fair value exceeded the carrying value by more than 10% but less than 20% as of the latest 2019 impairment testing date. The discount rate the Company used to determine the fair value was 14.2%.The Engines reporting unit fair value exceeded the carrying value by more than 20% as of the latest 2019 impairment testing date. The discount rate the Company used to determine the fair value was 14.9%.

The Company's other intangible assets as of June 30, 2019 and July 1, 2018 are as follows (in thousands) in the table below. After an intangible asset has been fully amortized, it is removed from the table in the subsequent year.

	2019			2018		
	Gross Carrying Amount	**Accumulated Amortization**	**Net**	Gross Carrying Amount	Accumulated Amortization	Net
Amortized Intangible Assets:						
Patents	**$ 9,600**	**$ (7,410)**	**$ 2,190**	$ 7,300	$ (6,813)	$ 487
Customer Relationships	**61,381**	**(21,634)**	**39,747**	60,182	(18,995)	41,187
Other Intangible Assets	**854**	**(513)**	**341**	839	(774)	65
Effect of Translation	**(6,862)**	**790**	**(6,072)**	(6,887)	1,065	(5,822)
Total Amortized Intangible Assets	**64,973**	**(28,767)**	**36,206**	61,434	(25,517)	35,917
Unamortized Intangible Assets:						
Tradenames	**64,667**	**—**	**64,667**	63,967	—	63,967
Effect of Translation	**(4,135)**	**—**	**(4,135)**	(4,020)	—	(4,020)
Total Unamortized Intangible Assets	**60,532**	**—**	**60,532**	59,947	—	59,947
Total Intangible Assets	**$ 125,505**	**$ (28,767)**	**$ 96,738**	$ 121,381	$ (25,517)	$ 95,864

The Company also performs an impairment test of its indefinite-lived intangible assets as of the fiscal year-end and more frequently if events or circumstances indicate that the assets may be impaired. For purposes of the indefinite-lived intangible asset impairment analysis, the Company performs its assessment of fair value based on an income approach using the relief-from-royalty method. The Company determines the fair value of each tradename by applying a royalty rate to a projection of net sales discounted using a risk adjusted cost of capital. Sales growth rates are determined after considering current and future economic conditions, recent sales trends, discussions with customers, planned timing of new product launches and many other variables. Each royalty rate is based on profitability of the business to which it relates and observed market royalty rates.

Amortization expense of other intangible assets amounted to approximately $3.3 million in 2019, $3.4 million in 2018, and $3.5 million in 2017.

The estimated amortization expense of other intangible assets for the next five years is (in thousands):

2020	$ 2,790
2021	2,790
2022	2,790
2023	2,790
2024	2,790
	$ 13,950

(8) Income Taxes and Tax Reform:

Components of income (loss) before income taxes consists of the following (in thousands):

	2019	2018	2017
U.S.	**$ (73,878)**	$ (5,350)	$ 66,555
Foreign	**5,780**	16,451	13,106
Total	**$ (68,098)**	$ 11,101	$ 79,661

The provision (credit) for income taxes consists of the following (in thousands):

	2019	2018	2017
Current			
Federal	**$ (1,488)**	$ (12,072)	$ 7,333
State	**1,473**	(4,413)	933
Foreign	**4,469**	3,556	4,429
	4,454	(12,929)	12,695
Deferred			
Federal	**$ (16,855)**	$ 31,235	$ 8,156
State	**(2,653)**	4,462	583
Foreign	**1,039**	(347)	1,577
	(18,469)	35,350	10,316
Total	**$ (14,015)**	$ 22,421	$ 23,011

A reconciliation of the U.S. statutory tax rates to the effective tax rates on income follows:

	2019	2018	2017
U.S. Statutory Rate	**21.0 %**	28.0 %	35.0 %
State Taxes, Net of Federal Tax Benefit	**4.0 %**	3.7 %	1.5 %
Impact of Foreign Operations and Tax Rates	**0.2 %**	(2.5)%	(2.1)%
Valuation Allowance	**(8.6)%**	6.7 %	5.3 %
Changes to Unrecognized Tax Benefits	**(2.8)%**	1.3 %	(4.5)%
U.S. Manufacturers Deduction	**— %**	— %	(2.4)%
Research & Development Credit (1)	**9.9 %**	(25.2)%	(3.1)%
Return to Provision Adjustment	**(0.3)%**	15.6 %	(0.4)%
U.S. Tax Reform (2)	**(1.4)%**	189.9 %	— %
Impact of Joint Venture Business Optimization	**(0.6)%**	4.5 %	— %
Worthless Stock Loss	**— %**	(10.8)%	— %
Warehouse Charitable Contribution	**— %**	(9.5)%	— %
Other, Net	**(0.8)%**	0.2 %	(0.4)%
Effective Tax Rate	**20.6 %**	201.9 %	28.9 %

(1) "Research & Development Credit" in fiscal 2019 includes incremental credit of $4.0 million for qualified costs associated with the Company's business optimization projects.
(2) This amount consists of impacts from the Tax Act including an expense in 2018 resulting from the re-measurement of deferred tax assets and liabilities for the US corporate tax rate reduction of approximately $13.8 million and an expense related to the inclusion of foreign earnings of approximately $7.3 million in 2018 and $1.0 million in 2019.

The components of deferred income taxes were as follows (in thousands):

Long-Term Asset (Liability):	2019	2018
Difference Between Book and Tax Related to:		
Pension Cost	$ 22,425	$ 14,570
Accumulated Depreciation	(57,073)	(53,103)
Intangibles	(34,883)	(34,166)
Accrued Employee Benefits	34,982	34,108
Postretirement Health Care Obligation	6,300	7,275
Inventory	11,396	10,710
Warranty	11,351	10,842
Payroll & Workers Compensation Accruals	4,828	6,474
Valuation Allowance	(35,271)	(28,537)
Net Operating Loss/Credit Carryforwards	70,953	39,849
Other Accrued Liabilities	7,414	6,205
Miscellaneous	548	(2,359)
Deferred Income Tax Asset (Liability)	$ 42,970	$ 11,868

Total deferred tax assets were $170.2 million and $130.1 million as of June 30, 2019 and July 1, 2018, respectively. Total deferred tax liabilities were $127.2 million and $118.0 million as of June 30, 2019 and July 1, 2018, respectively. During fiscal 2019, the total valuation allowance increased by $6.7 million.

Deferred tax assets were generated during the current year as a result of foreign income tax loss carryforwards in the amount of $4.6 million. At June 30, 2019, there are $11.4 million of foreign income tax loss carryforwards, consisting of $9.1 million that have no expiration date, and $2.3 million that will expire within the next 5 to 10 years. A deferred tax asset of $59.5 million exists at June 30, 2019 related to federal and state income tax losses and federal and state tax credit carryforwards, consisting of $19.2 million that have no expiration date, and $40.3 million that will expire between 2019 and 2039. Realization of the deferred tax assets are contingent upon generating sufficient taxable income prior to expiration of these carryforwards. At June 30, 2019, a valuation allowance of $12.4 million is recorded for the foreign deferred tax assets which the Company believes are unlikely to be realized in the future. In addition, a valuation allowance of $22.8 million is recorded related to state tax credits that are unlikely to be realized.

The change to the gross unrecognized tax benefits of the Company during the fiscal years ended June 30, 2019, July 1, 2018, and July 3, 2016 is reconciled as follows:

Unrecognized Tax Benefits (in thousands):

	2019	2018	2017
Beginning Balance	$ 5,899	$ 5,986	$ 10,922
Changes based on tax positions related to prior year	—	—	(861)
Additions based on tax positions related to current year	2,382	981	461
Settlements with taxing authorities	—	—	(4,437)
Lapse of statute of limitations	(1,306)	(1,068)	(99)
Ending Balance	$ 6,975	$ 5,899	$ 5,986

As of June 30, 2019, gross unrecognized tax benefits that, if recognized, would impact the effective tax rate were $6.7 million. There is a reasonable possibility that approximately $0.4 million of the liability for uncertain tax positions may be settled within the next twelve months due to the resolution of audits or expiration of statutes of limitations.

The Company recognizes interest and penalties related to unrecognized tax benefits in income tax expense. The total expense (income) recognized for fiscal years 2019, 2018 and 2017 was $0.1 million, $(0.2) million, and $(0.2) million, respectively.

As of June 30, 2019 and July 1, 2018, the Company had $0.9 million and $0.8 million, respectively, accrued for the payment of interest and penalties.

At June 30, 2019 and July 1, 2018, the liability for uncertain tax positions, inclusive of interest and penalties, was $7.8 million and $6.7 million, respectively, which is recorded as an other long-term liability within the Consolidated Balance Sheets.

Income tax returns are filed in the U.S., state, and foreign jurisdictions and related audits occur on a regular basis. In the U.S., the Company is no longer subject to U.S. federal income tax examinations before fiscal 2015. The Company is also currently under audit by the IRS, and various state and foreign jurisdictions. The Company is no longer subject to tax examinations before fiscal 2009 in its major foreign jurisdictions.

(9) Segment and Geographic Information and Significant Customers:

The Company aggregates operating segments that have similar economic characteristics, products, production processes, types or classes of customers and distribution methods into reportable segments. The Company concluded that it operates two reportable segments: Engines and Products. The Company uses "segment income (loss)" as the primary measure to evaluate operating performance and allocate capital resources for the Engines and Products segments. The Company defines segment income (loss) as income from operations plus equity in earnings of unconsolidated affiliates. Summarized segment data is as follows (in thousands):

	2019	2018	2017
NET SALES:			
Engines	**$ 988,707**	$ 1,066,318	$ 1,098,809
Products	**932,137**	904,007	778,378
Eliminations	**(84,239)**	(89,031)	(91,084)
	$ 1,836,605	$ 1,881,294	$ 1,786,103
GROSS PROFIT:			
Engines	**$ 193,069**	$ 252,645	$ 262,036
Products	**108,984**	144,933	121,141
Eliminations	**(1,002)**	504	652
	$ 301,051	$ 398,082	$ 383,829
SEGMENT INCOME (LOSS) (1)			
Engines	**$ (15,519)**	$ 9,593	$ 81,641
Products	**(22,675)**	22,012	12,530
Eliminations	**(1,002)**	504	652
	$ (39,196)	$ 32,109	$ 94,823
INTEREST EXPENSE	**(29,242)**	(25,320)	(20,293)
OTHER INCOME, Net	**340**	4,312	5,131
Income (Loss) Before Income Taxes	**(68,098)**	11,101	79,661
PROVISION (CREDIT) FOR INCOME TAXES	**(14,015)**	22,421	23,011
Net Income (Loss)	**$ (54,083)**	$ (11,320)	$ 56,650
ASSETS:			
Engines	**$ 952,820**	$ 965,677	$ 987,943
Products	**646,417**	547,540	551,207
Eliminations	**(47,806)**	(69,251)	(88,171)
	$ 1,551,431	$ 1,443,966	$ 1,450,979
CAPITAL EXPENDITURES:			
Engines	**$ 31,680**	$ 79,724	$ 67,218
Products	**20,774**	23,479	15,923
	$ 52,454	$ 103,203	$ 83,141
DEPRECIATION & AMORTIZATION:			
Engines	**$ 48,932**	$ 44,361	$ 44,384
Products	**15,268**	13,897	11,799
	$ 64,200	$ 58,258	$ 56,183

Pre-tax business optimization and litigation settlement charges impact on gross profit (in thousands):

	2019	2018	2017
Engines	**$ 2,662**	$ 2,854	$ —
Products	**9,207**	3,775	—
Total	**$ 11,869**	$ 6,629	$ —

Pre-tax business optimization charges, acquisition-related charges, bad debt charges related to major retailer bankruptcy, pension settlement charges, and litigation charges impact on segment income (loss) is as follows (in thousands):

	2019	2018	2017
Engines	**$ 29,149**	$ 53,913	$ —
Products	**22,648**	8,113	—
Total	**$ 51,797**	$ 62,026	$ —

Information regarding the Company's geographic sales based on product shipment destination (in thousands):

	2019	2018	2017
United States	**$ 1,354,635**	$ 1,346,687	$ 1,246,015
All Other Countries	**481,970**	534,607	540,088
Total	**$ 1,836,605**	$ 1,881,294	$ 1,786,103

Information regarding the Company's net plant and equipment based on geographic location (in thousands):

	2019	2018	2017
United States	**$ 392,146**	$ 405,808	$ 347,664
All Other Countries	**18,899**	16,272	17,216
Total	**$ 411,045**	$ 422,080	$ 364,880

Sales to the following customers in the Company's Engines segment amount to greater than or equal to 10% of consolidated net sales (in thousands):

	2019		2018		2017	
Customer:	**Net Sales**	**%**	Net Sales	%	Net Sales	%
MTD	**$ 220,714**	**12%**	$ 192,402	10%	$ 205,339	11%
HOP	**139,920**	**8%**	184,008	10%	207,882	12%
	$ 360,634	**20%**	$ 376,410	20%	$ 413,221	23%

(10) Leases:

The Company leases certain facilities, vehicles, and equipment under operating leases. Operating leases are not capitalized and lease payments are expensed over the life of the lease. Terms of the leases, including purchase options, renewals, and maintenance costs, vary by lease. Rental expense for fiscal 2019, 2018 and 2017 was $20.1 million, $20.0 million and $19.3 million, respectively.

Future minimum lease commitments for all non-cancelable operating leases as of June 30, 2019 are as follows (in thousands):

Fiscal Year	Commitments
2020	$ 20,453
2021	18,179
2022	14,784
2023	10,345
2024	9,515
Thereafter	73,639
Total future minimum lease commitments	$ 146,915

(11) Indebtedness:

The following is a summary of the Company's indebtedness (in thousands):

	2019	2018
Multicurrency Credit Agreement	$ 160,540	$ 48,025
Total Short-Term Debt	$ 160,540	$ 48,025
Note Payable (NMTC transaction)	7,685	7,685
Unamortized Debt Issuance Costs associated with Note Payable	820	1,009
	8,505	8,694
6.875% Senior Notes	$ 195,464	$ 200,888
Unamortized Debt Issuance Costs associated with 6.875% Senior Notes	495	934
Total Long-Term Debt	$ 194,969	$ 199,954

6.875% Senior Notes

On December 20, 2010, the Company issued $225 million of 6.875% Senior Notes ("Senior Notes") due December 15, 2020. During fiscal 2019 and 2018, the Company repurchased $5 million and $22 million, respectively, of the Senior Notes. There were no repurchases in fiscal 2017.

Multicurrency Credit Agreement

On March 25, 2016, the Company entered into a $500 million amended and restated multicurrency credit agreement (the "Revolver") that matures on March 25, 2021. The Revolver amended and restated the Company's $500 million multicurrency credit agreement dated as of October 13, 2011 (as previously amended), which would have matured on October 21, 2018. The initial maximum availability under the Revolver is $500 million. Availability under the Revolver is reduced by outstanding letters of credit. The Company may from time to time increase the maximum availability under the revolving credit facility by up to $250 million if certain conditions are satisfied. In connection with the amendment to the Revolver in fiscal 2016, the Company incurred approximately $0.9 million in new debt issuance costs, which are being amortized over the life of the Revolver using the straight-line method. The Company classifies debt issuance costs related to the Revolver as an asset, regardless of whether it has any outstanding borrowings on the line of credit arrangements. There were $161 million of borrowings under the Revolver as of June 30, 2019. There were $48 million borrowings under the Revolver as of July 1, 2018.

Borrowings under the Revolver by the Company bear interest at a rate per annum equal to, at its option, either:

(1) a 1, 2, 3 or 6 month LIBOR rate plus a margin varying from 1.25% to 2.25%, depending on the Company's average net leverage ratio; or

(2) the higher of (a) the federal funds rate plus 0.50%; (b) the bank's prime rate; or (c) the adjusted LIBOR rate for a one-month interest period plus 1.00% plus a margin varying from 0.25% to 1.25%. In addition, the Company is subject to a 0.18% to 0.35% commitment fee and a 1.25% to 2.25% letter of credit fee, depending on the Company's average net leverage ratio.

The Revolver contains covenants that the Company considers usual and customary for an agreement of this type, including a maximum average leverage ratio and minimum interest coverage ratio.

The Senior Notes and the Revolver contain restrictive covenants. These covenants include restrictions on the ability of the Company and/or certain subsidiaries to pay dividends, repurchase equity interests of the Company and certain subsidiaries, incur indebtedness, create liens, consolidate and merge and dispose of assets, and enter into transactions with affiliates. The Revolver contains financial covenants that require the Company to maintain a minimum interest coverage ratio and impose on the Company a maximum average leverage ratio.

On August 13, 2019, the Company entered into a consent memorandum pursuant to our revolving multicurrency credit agreement. Pursuant to the consent memorandum, the Average Leverage Ratio covenant will not be tested for the computation period ended June 30, 2019 (the "Specified Computation Period") and no failure (or anticipated failure) by the Company to comply with associated restrictions for the specified computation period will constitute (or be deemed to have constituted) a default or an event of default under the credit agreement. Additionally, no default shall be deemed to exist under the Credit Agreement for any anticipated failure by the Company to comply with such restrictions for the computation period ending on or about September 30, 2019. The Company was in compliance with all other financial covenants of the credit agreement as of June 30, 2019 and the failure or anticipated failure to comply with the Average Leverage Ratio under the Credit Agreement is not considered to be a cross default for purposes of the Company's Senior Notes.

The Company is in the process of refinancing the revolving credit agreement. The new revolving credit facility, which would be secured by certain of the Company's working capital and other assets, is planned to have a larger borrowing capacity that would allow the Company to retire the outstanding Senior Notes.

New Market Tax Credit

On August 16, 2017, the Company entered into a financing transaction with SunTrust Community Capital, LLC ("SunTrust") related to the Company's business optimization program under the New Markets Tax Credit ("NMTC") program. The NMTC program was provided for in the Community Renewal Tax Relief Act of 2000 (the "Act") and is intended to induce capital investment in qualified low-income communities. The Act permits taxpayers to claim credits against their Federal income taxes for qualified investments in the equity of community development entities ("CDEs"). CDEs are privately managed investment institutions that are certified to make qualified low-income community investments ("QLICIs").

In connection with the financing, one of the Company's subsidiaries loaned approximately $16 million to an investment fund, and simultaneously, SunTrust contributed approximately $8 million to the investment fund. SunTrust is entitled to substantially all of the benefits derived from the NMTCs. SunTrust's contribution, net of syndication fees, is included in Other Long-Term Liabilities on the consolidated balance sheets. The Company incurred approximately $1.2 million in new debt issuance costs, which are being amortized over the life of the note payable. The investment fund contributed the proceeds to certain CDEs, which, in turn, loaned the funds to the Company, as partial financing for the business optimization program. The proceeds of the loans from the CDEs (including loans representing the capital contribution made by SunTrust, net of syndication fees) are restricted for use on the project. Restricted cash of $0.8 million held by the Company at June 30, 2019 is included in Prepaid Expenses and Other Current Assets in the accompanying consolidated balance sheet.

This financing also includes a put/call provision that can be exercised beginning in August 2024 whereby the Company may be obligated or entitled to repurchase SunTrust's interest in the investment fund for a de minimis amount.

The Company has determined that the financing arrangement is a variable interest entity ("VIE") and has consolidated the VIE in accordance with the accounting standard for consolidation.

(12) Other Income, Net:

The components of Other Income, Net are as follows (in thousands):

	2019	2018	2017
Interest Income	**$ 520**	$ 1,526	$ 1,203
Other Items	**(180)**	2,786	3,928
Total	**$ 340**	$ 4,312	$ 5,131

(13) Commitments and Contingencies:

The Company is subject to various unresolved legal actions that arise in the normal course of its business. These actions typically relate to product liability (including asbestos-related liability), patent and trademark matters, and disputes with customers, suppliers, distributors and dealers, competitors and employees.

On May 12, 2010, Exmark Manufacturing Company, Inc. filed suit against Briggs & Stratton Power Products Group, LLC ("BSPPG"), a wholly owned subsidiary of the Company that was subsequently merged with and into the Company on January 1, 2017 (Case No. 8:10CV187, U.S. District Court for the District of Nebraska), alleging that certain Ferris® and Snapper Pro® mower decks infringed an Exmark mower deck patent. Exmark sought damages relating to sales since May 2004, attorneys' fees, and enhanced damages. As a result of a reexamination proceeding in 2012, the United States Patent and Trademark Office ("USPTO") initially rejected the asserted Exmark claims as invalid. However, in 2014, that decision was reversed by the USPTO on appeal by Exmark. Following discovery, each of BSPPG and Exmark filed several motions for summary judgment in the Nebraska district court, which were decided on July 28, 2015. The court concluded that older mower deck designs infringed Exmark's patent, leaving for trial the issues of whether current designs infringed, the amount of damages, and whether any infringement was willful.

The trial began on September 8, 2015, and on September 18, 2015, the jury returned its verdict, finding that BSPPG's current mower deck designs do not infringe the Exmark patent. As to the older designs, the jury awarded Exmark $24.3 million in damages and found that the infringement was willful, allowing the judge to enhance the jury's damages award post-trial by up to three times. Also on September 18, 2015, the U.S. Court of Appeals for the Federal Circuit issued its decision in an unrelated case, SCA Hygiene Products Aktiebolag SCA Personal Care, Inc. v. First Quality Baby Products, LLC, et al. (Case No. 2013-1564) ("SCA"), confirming the availability of laches as a defense to patent infringement claims. Laches is an equitable doctrine that may bar a patent owner from obtaining damages prior to commencing suit, in circumstances in which the owner knows or should have known its patent was being infringed for more than six years. Although the court in the Exmark case ruled before trial that BSPPG could not rely on the defense of laches, as a result of the subsequent SCA decision, the court held a bench trial on that defense on October 21 and 22, 2015. On May 2, 2016, the United States Supreme Court agreed to review the SCA decision.

The parties submitted post-trial motions and briefing related to: damages; willfulness; laches; attorney fees; enhanced damages; and prejudgment/post-judgment interest and costs. All post-trial motions and briefing were completed on December 18, 2015. On May 11, 2016, the court ruled on those post-trial motions and entered judgment against BSPPG and in favor of Exmark in the amount of $24.3 million in compensatory damages, an additional $24.3 million in enhanced damages, and $1.5 million in pre-judgment interest along with post-judgment interest and costs to be determined. The Company strongly disagreed with the jury verdict, certain rulings made before and during trial, and the May 11, 2016 post-trial rulings. BSPPG appealed to the U.S. Court of Appeals for the Federal Circuit on several bases, including the issues of obviousness and invalidity of Exmark's patent, the damages calculation, willfulness and laches.

Following briefing of the appeal and prior to oral argument, the United States Supreme Court overturned the SCA decision, ruling that laches is not available in a patent infringement case for damages. That ruling eliminated laches as one basis for BSPPG's appeal of the Exmark case. The appellate court held a hearing on the remainder of BSPPG's appeal on April 5, 2017 and issued its decision on January 12, 2018. The appellate court found that the district court erred in granting summary judgment concerning the patent's validity and remanded that issue to the district court for reconsideration. The appellate court also vacated the jury's damages award and the district court's award of enhanced damages, remanding the case to the district court for a new trial on damages and reconsideration on willfulness. The appellate court affirmed the district court rulings in all other respects. In subsequent rulings, the district court reaffirmed the validity of Exmark's patent and its original ruling on willfulness. A new trial on the issue of damages commenced on December 10, 2018, resulting in a damages assessment by the jury of $14.4 million.

On December 20, 2018, the district court entered judgment against the Company and in favor of Exmark in the amount of $14.4 million in compensatory damages, an additional $14.4 million in enhanced damages, as well as pre-judgment interest, post-judgment interest and costs to be determined. On April 15, 2019, the district court entered an order denying the Company's post-trial motions related to modification of the jury's damages award, as well as seeking a new trial in light of certain evidentiary rulings. The district court awarded $6.0 million in pre-judgment interest, as well as post-judgment interest after December 19, 2018 and costs to be determined.

The Company strongly disagrees with the verdict and certain rulings made before, during and after the new trial and intends to vigorously pursue its rights on appeal. The Company filed its notice of appeal on May 14, 2019, and has appealed errors made by the district court in construing certain claims of Exmark's patent, granting summary judgment motions filed by Exmark, and altering the prejudgment interest rate following the second trial. The parties are in the process of briefing the issues raised on appeal.

In assessing whether the Company should accrue a liability in its financial statements as a result of this lawsuit, the Company considered various factors, including the legal and factual circumstances of the case, the trial records and post-trial rulings of the district court, the decision of the appellate court, the current status of the proceedings, applicable law and the views of legal counsel. As a result of this review, the Company has concluded that a loss from this case is not probable and reasonably estimable at this time and, therefore, a liability has not been recorded with respect to this case as of June 30, 2019.

Although it is not possible to predict with certainty the outcome of this and other unresolved legal actions or the range of possible loss, the Company believes the unresolved legal actions will not have a material adverse effect on its results of operations, financial position or cash flows.

(14) Stock Incentives:

Effective October 20, 2004, a total of 8,000,000 shares of common stock (as adjusted for the fiscal 2005 2-for-1 stock split) was reserved for future issuance pursuant to the Company's Incentive Compensation Plan, and as a result of an amendment approved by shareholders on October 21, 2009 an additional 2,481,494 shares were reserved. On October 15, 2014, the Company's shareholders approved the 2014 Omnibus Incentive Plan, which constituted a complete amendment and restatement of the Company's Incentive Compensation Plan and under which 3,760,000 shares of common stock were reserved for future issuance (plus any shares remaining available for issuance under the Incentive Compensation Plan as of that date). On October 25, 2017 the Company's shareholders approved the 2017 Omnibus Incentive Plan which constituted a complete amendment and restatement of the Company's 2014 Omnibus Incentive Plan and under which 4,700,000 shares of common stock were reserved for future issuance (plus 494,315 shares remaining available for future issuance under the 2014 Omnibus Incentive Plan as of August 22, 2017, along with any other shares under the 2014 Omnibus Incentive Plan that become available for future issuance). Similar to the Incentive Compensation Plan and the 2014 Omnibus Incentive Plan, in accordance with the 2017 Omnibus Incentive Plan, the Company can issue to eligible participants stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units and other stock-based and cash bonus awards subject to certain annual limitations. The plan also allows participants to defer the payment of awards and the Company to issue directors' fees in stock. Stock-based compensation vests in accordance with the applicable plan and award agreements but can be accelerated under certain

circumstances by the Compensation Committee in the case of death, disability, retirement or a change in control.

Stock-based compensation expense is calculated by estimating the fair value of incentive stock awards granted and amortizing the estimated value over the awards' vesting periods. During fiscal 2019, 2018 and 2017, the Company recognized stock-based compensation expense of approximately $7.2 million, $6.7 million and $4.9 million, respectively.

The fair value of each option is estimated using the Black-Scholes option pricing model, and the assumptions are based on historical data and industry valuation practices and methodology. The exercise price of each stock option is equal to the market value of the stock on the grant date. The assumptions used to determine fair value are as follows:

Options Granted During	**2019**	2018	2017
Grant Date Fair Value	**$ 5.46**	$ 4.64	$ 3.84
(Since options are only granted once per year, the grant date fair value equals the weighted average grant date fair value.)			
Assumptions:			
Risk-free Interest Rate	**2.7%**	1.8%	1.2%
Expected Volatility	**32.9%**	30.7%	29.3%
Expected Dividend Yield	**2.7%**	2.7%	2.9%
Expected Term (in Years)	**5.5**	5.5	5.5

Information on the options outstanding is as follows:

	Options	Wtd. Avg. Exercise Price	Wtd. Avg. Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Balance, July 3, 2016	1,844,543	$ 19.48		
Granted During the Year	496,880	19.15		
Exercised During the Year	(414,176)	18.76		
Balance, July 2, 2017	1,927,247	$ 19.55		
Granted During the Year	416,210	20.47		
Exercised During the Year	(184,530)	20.44		
Balance, July 1, 2018	**2,158,927**	**$ 19.64**		
Granted During the Year	**367,870**	**20.96**		
Exercised During the Year	**(87,398)**	**20.82**		
Forfeited During the Year	**(58,390)**	**18.93**		
Expired During the Year	**(112,929)**	**20.82**		
Balance, June 30, 2019	**2,268,080**	**$ 19.78**	**7.03**	**$ —**
Exercisable, June 30, 2019	**1,005,090**	**$ 19.36**	**5.73**	**$ —**

The total intrinsic value of options exercised during fiscal year 2019 was $0.1 million. The exercise of options resulted in cash receipts of $1.8 million in fiscal 2019. The total intrinsic value of options exercised during fiscal 2018 was $0.5 million. The exercise of options resulted in cash receipts of $3.8 million in fiscal 2018. The total intrinsic value of options exercised during fiscal 2017 was $1.5 million. The exercise of options resulted in cash receipts of $7.8 million in fiscal 2017.

Options Outstanding (as of June 30, 2019)

Fiscal Year	Grant Date	Date Exercisable	Expiration Date	Exercise Price	Options Outstanding
2015	10/21/2014	10/21/2017	10/21/2024	$ 18.83	543,520
2016	8/18/2015	8/18/2018	8/18/2025	$ 19.90	501,990
2017	8/22/2016	8/22/2019	8/22/2026	$ 19.15	496,880
2018	8/21/2017	8/21/2020	8/21/2027	$ 20.47	416,210
2019	**8/20/2018**	**8/20/2021**	**2/20/2028**	**$ 20.96**	**367,870**

Below is a summary of the status of the Company's nonvested shares as of June 30, 2019, and changes during the year then ended:

	Deferred Stock / RSU		Restricted Stock		Stock Options		Performance Shares	
	Shares	Wtd. Avg. Grant Date Fair Value	Shares	Wtd. Avg. Grant Date Fair Value	Shares	Wtd. Avg. Grant Date Fair Value	Shares	Wtd. Avg. Grant Date Fair Value
Nonvested shares/units, July 1, 2018	**78,821**	**$ 19.52**	**695,255**	**$ 19.87**	**1,415,080**	**$ 4.03**	**106,440**	**$ 19.90**
Granted	**10,902**	**20.03**	**138,550**	**20.73**	**367,870**	**5.46**	**—**	**—**
Cancelled	**—**	**—**	**(26,940)**	**20.77**	**(17,970)**	**3.84**	**—**	**—**
Vested	**(36,442)**	**19.13**	**(265,255)**	**19.54**	**(501,990)**	**3.72**	**(106,440)**	**19.90**
Nonvested shares/units, June 30, 2019	**53,281**	**$ 19.89**	**541,610**	**$ 20.20**	**1,262,990**	**$ 4.58**	**—**	**$ —**

As of June 30, 2019, there was $5.1 million of total unrecognized compensation cost related to nonvested stock-based compensation. That cost is expected to be recognized over a weighted average period of 1.4 years. The total fair value of shares vested during fiscal 2019 and 2018 was $9.9 million and $7.7 million, respectively.

During fiscal years 2019, 2018 and 2017, the Company issued 138,550, 148,930 and 160,130 shares of restricted stock, respectively. For restricted stock issued prior to October 15, 2014, the restricted stock vests on the fifth anniversary date of the grant provided the recipient is still employed by the Company. For restricted stock issued after October 15, 2014, the restricted stock vests on the third anniversary date of the grant provided the recipient is still employed by the Company. The aggregate market value on the date of issue was approximately $2.9 million, $3.1 million and $3.1 million in fiscal 2019, 2018 and 2017, respectively, and has been recorded within the Shareholders' Investment section of the Consolidated Balance Sheets, and is being amortized over the five-year vesting period (issuances prior to October 15, 2014) or the three-year vesting period (issuances after October 15, 2014).

The Company issued 55,877, 46,120 and 45,307 deferred shares to its directors in lieu of directors' fees in fiscal 2019, 2018 and 2017, respectively, under this provision of the plans. Prior to January 1, 2017, the Company accounted for certain deferred shares issued to directors as liability classified awards, rather than equity classified awards. At January 1, 2017, the liability balance was $4.8 million. During the third quarter of fiscal 2017, the Company determined that equity classification is appropriate and recorded correcting entries to adjust the deferred shares balance and reclassify it from Accrued Liabilities to Additional Paid-In Capital. The correcting entries did not have a material impact on the Consolidated Financial Statements.

The Company issued 10,902, 13,476 and 15,131 shares of deferred shares / RSU's to its officers and key employees in fiscal 2019, 2018 and 2017, respectively. The aggregate market value on the date of grant was approximately $0.2 million, $0.3 million and $0.3 million, respectively. For deferred stock issued prior to October 15, 2014, the deferred stock vests on the fifth anniversary date of the grant provided the recipient is still employed by the Company. For restricted stock units (RSU) issued after October 15, 2014, the restricted stock units vest on the third anniversary date of the grant provided the recipient is still employed by the Company.

The Company granted no performance share units in 2019, 2018 and 2017.

The following table summarizes the components of the Company's stock-based compensation programs recorded as expense:

	2019	2018	2017
Stock Options:			
Pretax compensation expense	$ 2,275	$ 2,060	$ 1,862
Tax benefit	(553)	(576)	(698)
Stock option expense, net of tax	$ 1,722	$ 1,484	$ 1,164
Restricted Stock:			
Pretax compensation expense	$ 3,697	$ 3,302	$ 3,291
Tax benefit	(848)	(924)	(1,234)
Restricted stock expense, net of tax	$ 2,849	$ 2,378	$ 2,057
Deferred Stock:			
Pretax compensation expense	$ 1,208	$ 1,046	$ 585
Tax benefit	(338)	(292)	(220)
Deferred stock expense, net of tax	$ 870	$ 754	$ 365
Performance Shares:			
Pretax compensation expense	$ —	$ 267	$ (815)
Tax expense (benefit)	—	(75)	306
Performance Share expense, net of tax	$ —	$ 192	$ (509)
Total Stock-Based Compensation:			
Pretax compensation expense	$ 7,180	$ 6,675	$ 4,923
Tax benefit	(1,739)	(1,867)	(1,846)
Total stock-based compensation, net of tax	$ 5,441	$ 4,808	$ 3,077

(15) Derivative Instruments & Hedging Activities:

The Company enters into interest rate swaps to manage a portion of its interest rate risk from financing certain dealer and distributor inventories through third party financing sources. The swaps are designated as cash flow hedges and are used to effectively fix the interest payments to a third party financing source, exclusive of lender spreads, ranging from 0.98% to 2.83% for a notional principal amount of $110 million with expiration dates ranging from July 2021 to June 2024.

In the second quarter of fiscal 2019, the Company began entering into interest rate swaps to manage a portion of its interest rate risk from anticipated floating rate, LIBOR based indebtedness, exclusive of lender spreads, ranging from 2.47% to 3.13%. The swaps are designated as cash flow hedges, in an aggregate amount of $120 million, with termination dates between June 2023 and December 2029.

The Company periodically enters into forward foreign currency contracts to hedge the risk from forecasted third party and intercompany sales or payments denominated in foreign currencies. The Company's primary foreign currency exchange rate exposures are with the Australian Dollar, the Brazilian Real, the Canadian Dollar, the Chinese Renminbi, the Euro, and the Japanese Yen against the U.S. Dollar. These contracts generally do not have a maturity of more than twenty-four months.

The Company uses raw materials that are subject to price volatility. The Company hedges a portion of its exposure to the variability of cash flows associated with commodities used in the manufacturing process by entering into forward purchase contracts or commodity swaps. Derivative contracts designated as cash flow hedges are used by the Company to reduce exposure to variability in cash flows associated with future purchases of natural gas. These contracts generally do not have a maturity of more than thirty-six months.

The Company has considered the counterparty credit risk related to all its interest rate, foreign currency, and commodity derivative contracts and does not deem any counterparty credit risk material at this time.

The notional amount of derivative contracts outstanding at the end of the period is indicative of the level of the Company's derivative activity during the period. As of June 30, 2019 and July 1, 2018, the Company had the following outstanding derivative contracts (in thousands):

Contract		Notional Amount	
		June 30, 2019	July 1, 2018
Interest Rate:			
LIBOR Interest Rate (U.S. Dollars)	Fixed	**230,000**	110,000
Foreign Currency:			
Australian Dollar	Sell	**17,611**	35,833
Brazilian Real	Sell	**13,436**	28,822
Canadian Dollar	Sell	**14,610**	14,430
Chinese Renminbi	Buy	**70,555**	62,209
Euro	Sell	**2,750**	32,592
Japanese Yen	Buy	**0**	587,500
Commodity:			
Natural Gas (Therms)	Buy	**7,627**	10,553

The location and fair value of derivative instruments reported in the Consolidated Balance Sheets are as follows (in thousands):

Balance Sheet Location	Asset (Liability) Fair Value	
	June 30, 2019	July 1, 2018
Interest rate contracts:		
Other Current Assets	**$ —**	$ 161
Other Long-Term Assets, Net	**876**	3,844
Other Long-Term Liabilities	**(11,634)**	—
Foreign currency contracts:		
Other Current Assets	**672**	3,881
Other Long-Term Assets, Net	**16**	31
Accrued Liabilities	**(179)**	(195)
Other Long-Term Liabilities	**(11)**	—
Commodity contracts:		
Other Current Assets	**—**	16
Other Long-Term Assets, Net	**—**	5
Accrued Liabilities	**(176)**	(7)
Other Long-Term Liabilities	**(15)**	(29)
	$ (10,451)	$ 7,707

The effect of derivatives designated as hedging instruments on the Consolidated Statements of Operations and Comprehensive Income (Loss) is as follows (in thousands):

	Twelve months ended June 30, 2019			
	Amount of Gain (Loss) Recognized in Other Comprehensive Income (Loss) on Derivatives, Net of Taxes (Effective Portion)	Classification of Gain (Loss)	Amount of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Recognized in Earnings (Ineffective Portion)
Interest rate contracts	$ (3,307)	Net Sales	$ 1,127	$ —
Foreign currency contracts – sell	(1,604)	Net Sales	1,139	—
Foreign currency contracts – buy	(1,039)	Cost of Goods Sold	574	—
Commodity contracts	(133)	Cost of Goods Sold	149	—
Interest rate contracts	$ (7,469)	Interest Expense	$ —	$ —
	$ (13,552)		$ 2,989	$ —

	Twelve months ended July 1, 2018			
	Amount of Gain (Loss) Recognized in Other Comprehensive Income (Loss) on Derivatives, Net of Taxes (Effective Portion)	Classification of Gain (Loss)	Amount of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Recognized in Earnings (Ineffective Portion)
Interest rate contracts	$ 1,921	Net Sales	$ 251	$ —
Foreign currency contracts – sell	2,925	Net Sales	(4,116)	—
Foreign currency contracts – buy	1,731	Cost of Goods Sold	(679)	—
Commodity contracts	(17)	Cost of Goods Sold	(96)	—
	$ 6,560		$ (4,640)	$ —

	Twelve months ended July 2, 2017			
	Amount of Gain (Loss) Recognized in Other Comprehensive Income (Loss) on Derivatives, Net of Taxes (Effective Portion)	Classification of Gain (Loss)	Amount of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Recognized in Earnings (Ineffective Portion)
Interest rate contracts	$ 1,973	Net Sales	$ (743)	$ —
Foreign currency contracts – sell	(887)	Net Sales	1,785	—
Foreign currency contracts – buy	297	Cost of Goods Sold	(2,142)	—
Commodity contracts	93	Cost of Goods Sold	(258)	—
	$ 1,476		$ (1,358)	$ —

During the next twelve months, the amount of the June 30, 2019 Accumulated Other Comprehensive Income (Loss) balance that is expected to be reclassified into gains is $0.8 million.

The Company enters into forward exchange contracts to hedge purchases and sales that are denominated in foreign currencies. The terms of these currency derivatives generally do not exceed twenty-four months, and the purpose is to protect the Company from the risk that the eventual dollars being transferred will be adversely affected by changes in exchange rates.

The Company has forward foreign exchange contracts to sell foreign currency, with the Euro as the most significant. These contracts are used to hedge foreign currency collections on sales of inventory. The Company also has forward contracts to purchase foreign currencies. The Company's foreign currency forward contracts are carried at fair value based on current exchange rates.

The Company had the following forward currency contracts outstanding at the end of fiscal 2019 with the notional value shown in local currency and the contract value, fair value, and (gain) loss at fair value shown in U.S. dollars:

Hedge		In Thousands					
Currency	Contract	Notional Value	Contract Value	Fair Value	(Gain) Loss at Fair Value	Conversion Currency	Latest Expiration Date
Australian Dollar	**Sell**	**17,611**	**12,660**	**12,329**	**(331)**	**U.S.**	**February 2020**
Brazilian Real	**Sell**	**13,436**	**3,455**	**3,461**	**30**	**U.S.**	**December 2019**
Canadian Dollar	**Sell**	**14,610**	**9,968**	**11,171**	**88**	**U.S.**	**August 2020**
Chinese Renminbi	**Buy**	**70,555**	**10,154**	**10,267**	**(113)**	**U.S.**	**October 2020**
Euro	**Sell**	**2,750**	**3,313**	**3,161**	**(151)**	**U.S.**	**March 2020**

The Company had the following forward currency contracts outstanding at the end of fiscal 2018 with the notional value shown in local currency and the contract value, fair value, and (gain) loss at fair value shown in U.S. dollars:

Hedge		In Thousands					
Currency	Contract	Notional Value	Contract Value	Fair Value	(Gain) Loss at Fair Value	Conversion Currency	Latest Expiration Date
Australian Dollar	Sell	35,833	27,880	26,558	(1,322)	U.S.	May 2019
Brazilian Real	Buy	28,822	6,682	7,571	(889)	U.S.	March 2019
Canadian Dollar	Sell	14,430	11,393	11,020	(373)	U.S.	August 2019
Chinese Renminbi	Buy	62,209	9,234	9,324	(90)	U.S.	June 2019
Euro	Sell	32,592	39,648	38,603	(1,045)	U.S.	July 2019
Japanese Yen	Buy	587,500	5,316	5,324	—	U.S.	November 2018

The Company continuously evaluates the effectiveness of its hedging program by evaluating its foreign exchange contracts compared to the anticipated underlying transactions. The Company did not have any ineffective currency hedges in fiscal 2019, 2018, or 2017.

(16) Employee Benefit Costs:

Retirement Plan and Other Postretirement Benefits

The Company has noncontributory, defined benefit retirement plans and other postretirement benefit plans covering certain employees. In October 2012, the Board of Directors of the Company authorized an amendment to the Company's defined benefit retirement plans for U.S. non-bargaining employees. The amendment freezes accruals for all non-bargaining employees within the pension plan effective December 31, 2013. The Company uses a June 30 measurement date for all of its plans. The following provides a reconciliation of obligations, plan assets and funded status of the plans for the two years indicated (in thousands):

	Pension Benefits		Other Postretirement Benefits	
Actuarial Assumptions:	**2019**	2018	**2019**	2018
Discounted Rate Used to Determine Present Value of Projected Benefit Obligation	**3.60%**	4.30%	**3.55%**	4.25%
Weighted Average Expected Long-Term Rate of Return on Plan Assets	**6.90%**	7.00%	**n/a**	n/a
Change in Benefit Obligations:				
Projected Benefit Obligation at Beginning of Year	**$ 959,010**	$ 1,116,705	**$ 58,801**	$ 66,693
Service Cost	**4,541**	2,402	**106**	135
Interest Cost	**39,720**	43,068	**2,332**	2,372
Plan Settlements	**(1,720)**	(101,553)	**—**	—
Plan Participant Contributions	**—**	—	**2,212**	2,346
Actuarial (Gain) Loss	**59,362**	(27,541)	**1,364**	(146)
Benefits Paid	**(63,228)**	(74,071)	**(10,815)**	(12,599)
Projected Benefit Obligation at End of Year	**$ 997,685**	$ 959,010	**$ 54,000**	$ 58,801
Change in Plan Assets:				
Fair Value of Plan Assets at Beginning of Year	**$ 765,644**	$ 870,606	**$ —**	$ —
Actual Return on Plan Assets	**68,745**	36,914	**—**	—
Plan Participant Contributions	**—**	—	**2,212**	2,346
Employer Contributions	**3,734**	33,748	**8,603**	10,253
Benefits Paid	(63,228)	(74,071)	(10,815)	(12,599)
Plan Settlements	(1,720)	(101,553)	—	—
Fair Value of Plan Assets at End of Year	**$ 773,175**	$ 765,644	**$ —**	$ —
Funded Status:				
Plan Assets (Less Than) in Excess of Projected Benefit Obligation	**$ (224,510)**	$ (193,366)	**$ (54,000)**	$ (58,801)
Amounts Recognized on the Balance Sheets:				
Accrued Pension Cost	**$ (221,033)**	$ (189,872)	**$ —**	$ —
Accrued Wages and Salaries	**(3,477)**	(3,494)	**—**	—
Accrued Postretirement Health Care Obligation	**—**	—	**(25,929)**	(30,186)
Accrued Liabilities	**—**	—	**(6,760)**	(8,418)
Accrued Employee Benefits	**—**	—	**(21,311)**	(20,197)
Net Amount Recognized at End of Year	**$ (224,510)**	$ (193,366)	**$ (54,000)**	$ (58,801)
Amounts Recognized in Accumulated Other Comprehensive Income (Loss), Net of Tax:				
Net Actuarial Loss	**$ (242,565)**	$ (218,066)	**$ (10,571)**	$ (11,815)
Prior Service Credit (Cost)	**(3)**	(125)	**—**	433
Net Amount Recognized at End of Year	**$ (242,568)**	$ (218,191)	**$ (10,571)**	$ (11,382)

The accumulated benefit obligation for all defined benefit pension plans was $998 million and $959 million at June 30, 2019 and July 1, 2018, respectively.

The Company recognizes the funded status of its pension plan in the Consolidated Balance Sheets. The funded status is the difference between the projected benefit obligation and the fair value of its plan assets. The projected benefit obligation is the actuarial present value of all benefits expected to be earned by the employees' service adjusted for future potential wage increases. Pension plan liabilities are revalued annually, or when an event occurs that requires remeasurement, based on updated assumptions and information about the individuals covered by the plan.

The pension benefit obligation and related pension expense or income are impacted by certain actuarial assumptions, including the discount rate, mortality tables, and the expected rate of return on plan assets. The discount rate is selected using a methodology that matches plan cash flows with a selection of Standard and Poor's AA or higher rated bonds, resulting in a discount rate that is consistent with a bond yield curve with comparable cash flows. In estimating the expected return on plan assets, the Company considers the historical returns on plan assets, adjusted for forward looking considerations, including inflation assumptions and active management of the plan's invested assets. These rates are evaluated on an annual basis considering such factors as market interest rates and historical asset performance.

For pension and other postretirement plans, accumulated actuarial gains and losses in excess of a 10 percent corridor are amortized on a straight-line basis from the date recognized over the average remaining life expectancy of all participants. Any prior service costs are amortized on a straight-line basis over the average remaining service of impacted employees at the time the unrecognized prior service cost was established. Approximately half of the costs related to defined pension benefit and other postretirement plans are included in cost of sales; the remainder is included in selling, general and administrative expenses.

The following table summarizes the plans' income and expense for the three years indicated (in thousands):

	Pension Benefits			Other Postretirement Benefits		
	2019	2018	2017	**2019**	2018	2017
Components of Net Periodic (Income) Expense:						
Service Cost-Benefits Earned During the Year	**$ 4,541**	$ 2,402	$ 6,757	**$ 106**	$ 135	$ 191
Interest Cost on Projected Benefit Obligation	**39,720**	43,068	43,357	**2,332**	2,372	2,382
Expected Return on Plan Assets	**(54,327)**	(61,912)	(64,427)	**—**	—	—
Amortization of:						
Prior Service Cost (Credit)	**179**	179	180	**(729)**	(1,434)	(2,654)
Actuarial Loss	**11,638**	15,332	16,957	**3,159**	3,453	2,796
Plan Settlements	**521**	41,157	—	**—**	—	—
Net Periodic Expense	**$ 2,272**	$ 40,226	$ 2,824	**$ 4,868**	$ 4,526	$ 2,715

Significant assumptions used in determining net periodic expense for the fiscal years indicated are as follows:

	Pension Benefits			Other Postretirement Benefits		
	2019	2018	2017	**2019**	2018	2017
Discount Rate	**4.30%**	4.00%	3.75%	**4.25%**	3.85%	3.60%
Expected Return on Plan Assets	**7.05%**	7.10%	7.25%	**n/a**	n/a	n/a
Compensation Increase Rate	**n/a**	n/a	n/a	**n/a**	n/a	n/a

The amounts in Accumulated Other Comprehensive Income (Loss) that are expected to be recognized as components of net periodic (income) expense during the next fiscal year are as follows (in thousands):

	Pension Plans	Other Postretirement Plans
Prior Service Cost (Credit)	$ (78)	$ —
Net Actuarial Loss	(15,904)	(2,998)

The "Other Postretirement Benefit" plans are unfunded.

For measurement purposes a 5.8% annual rate of increase in the per capita cost of covered health care claims was assumed for the Company for fiscal year 2019 decreasing gradually to 4.5% for the fiscal year 2038. The health care cost trend rate assumptions have a significant effect on the amounts reported. An increase of one percentage point would increase the accumulated postretirement benefit by $0.8 million and would increase the service and interest cost by $41 thousand for fiscal 2019. A corresponding decrease of one percentage point would decrease the accumulated postretirement benefit by $0.8 million and decrease the service and interest cost by $46 thousand for the fiscal year 2019.

During the fourth quarter of fiscal 2018, the Company annuitized a portion of the qualified pension plan obligation which removed approximately $100 million of pension benefit obligation and offsetting assets. This transaction resulted in a non-cash pre-tax charge of $41.2 million ($29.6 million after tax) during 2018.

Plan Assets

A Board of Directors appointed Investment Committee (“Committee”) manages the investment of the pension plan assets. The Committee has established and operates under an Investment Policy. It determines the asset allocation and target ranges based upon periodic asset/liability studies and capital market projections. The Committee retains external investment managers to invest the assets. The Investment Policy prohibits certain investment transactions, such as lettered stock, commodity contracts, margin transactions and short selling, unless the Committee gives prior approval.

The Company’s pension plan’s current target and asset allocations at June 30, 2019 and July 1, 2018, by asset category are as follows:

		Plan Assets at Year-end	
Asset Category	Target %	**2019**	2018
Domestic Equities	14%-25%	**19%**	24%
International Equities	14%-26%	**19%**	16%
Global Equities	2%-8%	**5%**	—%
Hedge Funds	2%-8%	**4%**	—%
Alternatives	3%-9%	**6%**	7%
Fixed Income	37%-53%	**45%**	51%
Cash Equivalents	0%-3%	**2%**	2%
		100%	100%

The plan’s investment strategy is based on an expectation that, over time, equity securities will provide higher total returns than debt securities, but with greater risk. The plan primarily minimizes the risk of large losses through diversification of investments by asset class, by investing in different types of styles within the classes, using a number of different managers, and by structuring a dedicated fixed income allocation to better match future cash flows from plan assets with the future cash flows of the projected benefit obligation. The Committee monitors the asset allocation and investment performance monthly, with a more comprehensive quarterly review with its investment advisor.

The plan’s expected return on assets is based on management’s and the Committee’s expectations of long-term average rates of return to be achieved by the plan’s investments. These expectations are based on the plan’s historical returns and expected returns for the asset classes in which the plan is invested.

The Company has adopted the fair value provisions for the plan assets of its pension plans. The Company categorizes plan assets within a three level fair value hierarchy, as described in Note 6.

Investments stated at fair value as determined by quoted market prices (Level 1) include:

Short-Term Investments: Short-Term Investments include cash and money market mutual funds that invest in short-term securities and are valued based on cost, which approximates fair value.

Equity Securities: U.S. Common Stocks and International Mutual Funds are valued at the last reported sales price on the last business day of the fiscal year.

Investments stated at estimated fair value using significant observable inputs (Level 2) include:

Fixed Income Securities: Fixed Income Securities include investments in domestic bond collective trusts that are not traded publicly, but the underlying assets held in these funds are traded on active markets and the prices are readily observable. The investment in the trusts is valued at the last quoted price on the last business day of the fiscal year. Fixed Income Securities also include corporate and government bonds that are valued using a bid evaluation process with data provided by independent pricing sources.

Investments stated at estimated fair value using net asset value per share as the practical expedient include:

Other Investments: Other Investments include investments in limited partnerships and are valued at estimated fair value, as determined with the assistance of each respective limited partnership, based on the net asset value of the investment as of the balance sheet date, which is subject to judgment.

The fair value of the major categories of the pension plans' investments are presented below (in thousands):

		June 30, 2019			
Category		Total	Level 1	Level 2	NAV
Short-Term Investments:		$ 11,982	$ 11,982	$ —	$ —
Fixed Income Securities:		351,029	—	283,392	67,637
Equity Securities:					
U.S. common stocks		148,967	50,919	—	98,048
International mutual funds		149,899	—	—	149,899
Global equities		36,491	—	—	36,491
Other Investments:					
Venture capital funds	(A)	20,633	—	—	20,633
Hedge funds		32,698	—	—	32,698
Debt funds	(B)	1,777	—	—	1,777
Real estate funds	(C)	770	—	—	770
Private equity funds	(D)	18,929	—	—	18,929
Fair Value of Plan Assets at End of Year		$ 773,175	$ 62,901	$ 283,392	$ 426,882

		July 1, 2018			
Category		Total	Level 1	Level 2	NAV
Short-Term Investments:		$ 17,061	$ 17,061	$ —	$ —
Fixed Income Securities:		394,188	—	394,188	—
Equity Securities:					
U.S. common stocks		183,030	183,030	—	—
International mutual funds		118,674	118,674	—	—
Other Investments:					
Venture capital funds	(A)	26,078	—	—	26,078
Debt funds	(B)	2,778	—	—	2,778
Real estate funds	(C)	1,166	—	—	1,166
Private equity funds	(D)	22,656	—	—	22,656
Fair Value of Plan Assets at End of Year		$ 765,631	$ 318,765	$ 394,188	$ 52,678

(A) This category invests in a combination of public and private securities of companies in financial distress, spin-offs, or new projects focused on technology and manufacturing.
(B) This fund primarily invests in the debt of various entities including corporations and governments in emerging markets, mezzanine financing, or entities that are undergoing, are considered likely to undergo or have undergone a reorganization.

(C) This category invests primarily in real estate related investments, including real estate properties, securities of real estate companies and other companies with significant real estate assets as well as real estate related debt and equity securities.
(D) Primarily represents investments in all sizes of mostly privately held operating companies in the following core industry sectors: healthcare, energy, financial services, technology-media-telecommunications and industrial and consumer.

Contributions

During fiscal 2019, the Company made no voluntary cash contributions to the qualified pension plan. Based upon current regulations and actuarial studies the Company is required to make no minimum contributions to the qualified pension plan in fiscal 2020, but the Company may choose to make discretionary contributions. The Company may be required to make further required contributions in future years or the future expected funding requirements may change depending on a variety of factors including the actual return on plan assets, the funded status of the plan in future periods, and changes in actuarial assumptions or regulations.

Estimated Future Benefit Payments

Projected benefit payments from the plans as of June 30, 2019 are estimated as follows (in thousands):

	Pension Benefits		Other Postretirement Benefits	
Year Ending	Qualified	Non-Qualified	Retiree Medical	Retiree Life
2020	$ 63,368	$ 3,477	$ 5,335	$ 1,425
2021	63,435	3,512	4,236	1,432
2022	63,128	3,586	3,632	1,437
2023	62,664	3,619	3,130	1,437
2024	62,042	3,653	2,605	1,435
2024-2028	293,444	18,316	7,897	7,004

Defined Contribution Plans

Employees of the Company may participate in a defined contribution savings plan that allows participants to contribute a portion of their earnings in accordance with plan specifications. A maximum of 1.5% to 4.0% of each participant's salary, depending upon the participant's group, is matched by the Company. Additionally, all domestic non-bargaining employees receive a Company non-elective contribution of 3.0% of the employee's pay.

The Company contributions totaled $14.9 million in fiscal year 2019 and $14.5 million in 2018 and 2017, respectively.

Postemployment Benefits

The Company accrues the expected cost of postemployment benefits over the years that the employees render service. These benefits apply only to employees who become disabled while actively employed, or who terminate with at least thirty years of service and retire prior to age sixty-five. The items include disability payments, life insurance and medical benefits. These amounts were discounted using a 3.55% interest rate for fiscal 2019 and 4.25% interest rate for fiscal 2018. Amounts are included in Accrued Employee Benefits in the Consolidated Balance Sheets.

(17) Acquisitions:

On July 31, 2018 the Company completed a cash acquisition of certain assets of Hurricane Inc., a designer and manufacturer of commercial stand-on leaf and debris blowers. The purchase price is comprised of $8.7 million of cash consideration and $2.0 million of contingent cash consideration. The Company has accounted for the acquisition in accordance with ASC 805 and it has been included in the Products segment. At June 30, 2019, the Company's final purchase accounting resulted in the recognition of $6.7 million of goodwill and $4.4 million of intangible assets.

(18) Equity:

Share Repurchases

On April 21, 2016, the Board of Directors authorized $50 million in funds for use in the common share repurchase program which expired on June 29, 2018. On April 25, 2018, the Board of Directors authorized an additional $50 million in funds for use in the common share repurchase program expiring June 30, 2020. As of June 30, 2019, the total remaining authorization was $38 million. Share repurchases, among other things, allow the Company to offset any potentially dilutive impacts of share-based compensation. The common share repurchase program authorizes the purchase of shares of the Company's common stock on the open market or in private transactions from time to time, depending on market conditions and certain governing debt covenants. In fiscal 2019, the Company repurchased 725,321 shares on the open market at a total cost of $11.9 million, or $16.46 per share. There were 467,183 shares repurchased in fiscal 2018 at a total cost of $10.3 million, or $22.07 per share.

(19) Subsequent Events:

In accordance with ASC 855 - Subsequent Events, the Company has evaluated events that occurred after the balance sheet date through the issuance date of the Company's financial statements to determine whether adjustments to or additional disclosures in the financial statements are necessary.

On August 15, 2019, the Company announced a plan to consolidate the Company’s production of small vertical shaft engines into its Poplar Bluff, Missouri facility. This decision was made after a comprehensive evaluation of the Company’s manufacturing operations. The Company’s Murray, Kentucky facility currently manufactures small vertical shaft engines and will be closed as a result of this consolidation. The pre-tax expense related to the restructuring activities is estimated to be $30 million to $35 million, of which $15 million to $20 million is expected to be realized in fiscal 2020. The Company anticipates annualized pre-tax savings of $12 million to $14 million due to the restructuring actions, with approximately $10 million recognized by fiscal year 2021.

On August 15, 2019, the first quarter fiscal 2020 dividend of $0.05 per share was announced, which is reduced compared to $0.14 per share paid in the past several quarters.

To the Shareholders and the Board of Directors of Briggs & Stratton Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Briggs & Stratton Corporation and subsidiaries (the "Company") as of June 30, 2019 and July 1, 2018, the related consolidated statements of operations, comprehensive income (loss), shareholders' investment, and cash flows, for each of the three years in the period ended June 30, 2019, and the related notes and the schedules listed in the Index at Item 15(a)(2) (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2019 and July 1, 2018, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 2019, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of June 30, 2019, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated August 27, 2019, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

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

Goodwill - Engines, Turf & Consumer and Jobsite Reporting Units -Refer to Notes 2 and 7 to the financial statements

Critical Audit Matter Description

The Company evaluates goodwill for impairment annually as of the end of the fourth fiscal quarter by comparing the carrying values of each of the Company’s reporting units to their estimated fair values as of the test dates. The estimates of fair value of the reporting units are computed using either an income approach, a market approach, or a combination of both.

Under the income approach, the Company utilizes the discounted cash flow method to estimate the fair value of the reporting units. Some of the significant assumptions inherent in estimating the fair values include the estimated future annual net cash flows for each reporting unit (including net sales, operating income margin, and working capital) and a discount rate that appropriately reflects the risks inherent in each future cash flow stream. The Company selected assumptions used in the financial forecasts using historical data, supplemented by current and anticipated market conditions, estimated growth rates, management’s plans, and guideline companies.

Under the market approach, fair value is derived from metrics of publicly traded companies or historically completed transactions of comparable businesses. The selection of comparable businesses is based on the markets in which the reporting units operate giving consideration to risk profiles, size, geography, and diversity of products and services.

The goodwill balance was $169.7 million as of June 30, 2019, of which $137.1 million is allocated to the Engines reporting unit, $20.6 million to the Turf and Consumer reporting unit and $12 million to the Jobsite reporting unit. The fair values of the reporting units exceeded their carrying values as of the measurement date and, therefore, no impairment was recognized.

We identified goodwill impairment as a critical audit matter because of the significant estimates and assumptions made by management to estimate fair value given the sensitivity of operations to changes in demand for all reporting units and historical results and long-range strategic plan of the Jobsite reporting unit. This required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists, when performing audit procedures to evaluate the reasonableness of management's estimates and assumptions related to the selection of the discount rates and forecasts of future net sales for all reporting units, and the future operating income margins for the Jobsite reporting unit.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the selection of the discount rates and forecasts of future net sales for all reporting units and the future operating margins for the Jobsite reporting unit included the following, among others:

- We tested the effectiveness of controls over management's goodwill impairment evaluation, including those over management's forecasts of future net sales and operating income margins and the selection of the discount rates.
- We evaluated management's ability to accurately forecast future net sales and operating income margins by comparing actual results to management's historical forecasts.
- We evaluated the reasonableness of management's forecasts of future net sales and operating income margins by comparing the forecasts to (1) historical growth of net sales and historical operating income margins, (2) management's long-range strategic plan which was communicated to the Board of Directors, and (3) forecasted information included in Company press releases, as well as, in analyst and industry reports for the Company and companies in its peer group.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the (1) valuation methodology and (2) discount rates by:
    - Testing the source information underlying the determination of the discount rates and the mathematical accuracy of the calculation.
    - Developing a range of independent estimates and comparing those to the discount rates selected by management.

Commitments and Contingencies - Refer to Note 13 to the financial statements

Critical Audit Matter Description

The Company has contingent liabilities related to litigation and claims that arise in the normal course of business. The Company accrues for contingent liabilities when management determines it is probable that a liability has been incurred and the amount can be reasonably estimated. This determination requires significant judgment by management.

In 2010, Exmark Manufacturing Company Inc. ("Exmark") filed suit against the Company alleging that the Company infringed an Exmark patent. On December 20, 2018, the district court entered judgment against the Company in favor of Exmark in the amount of $14.4 million in compensatory damages, an additional $14.4 million in enhanced damages, as well as pre-judgment interest, post-judgment interest and costs to be determined. On April 15, 2019, the district court entered an order denying the Company's post-trial motions related to modification of the jury's damages award, as well as seeking a new trial in light of certain evidentiary rulings. The district court awarded

$6.0 million in pre-judgment interest, as well as post judgment interest after December 19, 2018 and costs to be determined. The Company filed its notice of appeal on May 14, 2019 and has appealed errors made by the district court in construing certain claims of Exmark's patent, granting summary judgment motions filed by Exmark, and altering the prejudgment interest rate.

In assessing whether the Company should accrue a liability in its financial statements as a result of the lawsuit, the Company considered various factors, including the legal and factual circumstances of the case, the trial records and post-trial rulings of the district court, the decision of the appellate court, the current status of the proceedings, applicable law and the views of legal counsel. The Company has concluded that a loss from this case is not probable and reasonably estimable and, therefore, a liability has not been recorded with respect to this case as of June 30, 2019. While the Company believes that the ultimate resolution of this matter will not have a material impact on the Company's financial statements, the outcome of litigation is inherently uncertain and the final resolution of this matter may result in expense to the Company in excess of management's expectations.

We identified this potential contingent liability and disclosure related to the Exmark litigation as a critical audit matter because evaluating the likelihood of potential outcomes of the Exmark litigation involves significant judgment by management. This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate the Company's assertion that a loss from this litigation is not probable and reasonably estimable as of June 30, 2019.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the potential contingent liability and disclosure of the Exmark litigation included the following, among others:

- We tested the effectiveness of control related to management's review of the legal case and approval of the accounting treatment based on the most recent facts and circumstances related to the case.
- We held discussions with the Company's General Counsel to determine the status of the case and to understand the basis for the Company's conclusion that the loss from the case is not probable and reasonably estimable as of June 30, 2019.
- We held discussions with the Company's external counsel regarding the facts of the case to understand the basis for the appeal and to evaluate if contradictory evidence existed.
- We evaluated the detailed exposure analysis of the case, which was prepared by senior personnel within the office of the Company's General Counsel and reviewed by the Company's external counsel. This analysis included considerations regarding the legal defenses available to the Company and the likelihood of the final resolution of the case.
- We obtained and evaluated a legal confirmation from the Company's external counsel involved in the case confirming the facts and circumstances of the case.
- We evaluated the accuracy and completeness of the Company's disclosures in the June 30, 2019 financial statements by comparing the disclosures to the Company's internal analysis of the case and known facts of the case based on the various court rulings.

/s/ Deloitte & Touche LLP

Milwaukee, Wisconsin

August 27, 2019

We have served as the Company's auditor since 2012.

To the Shareholders and the Board of Directors of Briggs & Stratton Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Briggs & Stratton Corporation and subsidiaries (the "Company") as of June 30, 2019, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 30, 2019, based on criteria established in Internal Control - Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended June 30, 2019, of the Company and our report dated August 27, 2019, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Milwaukee, Wisconsin

August 27, 2019

	In Thousands		
Quarter Ended	Net Sales	Gross Profit	Net Income (Loss)
Fiscal 2019			
September (1)	**$ 278,997**	**$ 43,787**	**$ (40,943)**
December (2)	**505,461**	**92,457**	**(2,604)**
March (3)	**580,195**	**96,987**	**8,005**
June (4)	**471,951**	**67,819**	**(18,540)**
Total (5)	**$ 1,836,605**	**$ 301,051**	**$ (54,083)**
Fiscal 2018			
September	$ 329,094	$ 66,265	$ (15,038)
December	446,436	92,866	(16,344)
March	604,069	130,273	31,888
June	501,694	108,677	(11,825)
Total (5)	$ 1,881,293	$ 398,081	$ (11,319)

	Per Share of Common Stock			
			Market Price Range on New York Stock Exchange	
Quarter Ended	Net Income (Loss)	Dividends Declared (6)	High	Low
Fiscal 2019				
September (1)	**$ (0.98)**	**$ 0.14**	**$ 21.31**	**$ 15.65**
December (2)	**(0.07)**	**0.14**	**19.30**	**12.52**
March (3)	**0.19**	**0.14**	**14.41**	**11.26**
June (4)	**(0.45)**	**0.14**	**14.28**	**9.40**
Total (5)	**$ (1.31)**	**$ 0.56**		
Fiscal 2018				
September	$ (0.36)	$ 0.14	$ 24.36	$ 20.12
December	(0.39)	0.14	25.72	22.98
March	0.74	0.14	27.19	20.97
June	(0.29)	0.14	21.15	17.38
Total (5)	$ (0.28)	$ 0.56		

The number of shareholders of record of Briggs & Stratton Corporation Common Stock on June 30, 2019 was 2,190.

(1) For the first quarter of fiscal 2019, results includes business optimization expenses of $19.9 million ($15.0 million after tax or $0.36 per diluted share), bad debt expense after a major retailer filed for bankruptcy protection of $4.1 million ($3.1 million after tax or $0.07 per diluted share), charges for a litigation settlement of $2.0 million ($1.5 million or $0.04 per diluted share), and acquisition integration charges of $0.1 million ($0.1 million of $0.00 per diluted share).

(2) For the second quarter of fiscal 2019, results includes business optimization expenses of $10.7 million ($9.6 million after tax or $0.23 per diluted share), interest charges of $0.2 million ($0.2 million or $0.01 per diluted share) for premiums paid to repurchase senior notes, and acquisition integration charges of $0.2 million ($0.1 million of $0.01 per diluted share).

(3) For the third quarter of fiscal 2019, results includes business optimization expenses of $9.6 million ($6.4 million after tax or $0.14 per diluted share) and acquisition integration charges of $0.3 million ($0.2 million of $0.01 per diluted share).

(4) For the fourth quarter of fiscal 2019, results includes business optimization expenses of $4.7 million ($3.2 million after tax or $0.08 per diluted share), pension settlement charge of $0.5 ($0.3 million or $0.02 per diluted share) and acquisition integration charges of $0.2 million ($0.1 million of $0.01 per diluted share).

(5) Amounts may not total due to rounding.

(6) On August 15, 2019, the first quarter fiscal 2020 dividend of $0.05 per share was announced, which is reduced compared to $0.14 per share paid in the past several quarters.

SCHEDULE 8.08(a)
SUBSIDIARIES

Current Legal Entities Owned	Record Owner	Percent Owned	State or Country of Organization
Briggs & Stratton AG	Briggs & Stratton Corporation	100%	Switzerland
Briggs & Stratton Australia Pty. Limited	Briggs & Stratton Corporation	100%	Australia
Briggs & Stratton Austria Gesellschaft m.b.H.	Briggs & Stratton Corporation	100%	Austria
Briggs & Stratton Canada Inc.	Briggs & Stratton Corporation	100%	Canada
Briggs & Stratton (Chongqing) Engine Co., Ltd.	Briggs & Stratton International, Inc.	95.18%	China
Briggs & Stratton CZ, s.r.o.	Briggs & Stratton Corporation	100%	Czech Republic
Daihatsu-Briggs Co., Ltd.	Briggs & Stratton Corporation	50.0001%	Japan
Briggs & Stratton France	Briggs & Stratton Corporation	100%	France
Briggs & Stratton Germany GmbH	Briggs & Stratton Corporation	100%	Germany
Briggs & Stratton Iberica, S.L.	Briggs & Stratton Corporation	100%	Spain
Briggs & Stratton International Holding B.V.	Briggs & Stratton International, Inc.	100%	Netherlands
Briggs & Stratton International AG	Briggs & Stratton Corporation	100%	Switzerland
Briggs & Stratton International, Inc.	Briggs & Stratton Corporation	100%	Wisconsin
Briggs & Stratton Italy S.r.l.	Briggs & Stratton Corporation	100%	Italy
Briggs & Stratton Japan K.K.	Briggs & Stratton Corporation	100%	Japan
Briggs & Stratton (Malaysia) Sdn. Bhd.	Briggs & Stratton Corporation	100%	Malaysia
Briggs & Stratton Mexico S. de R.L. de C.V.	Briggs & Stratton Corporation	99.999997%	Mexico

Current Legal Entities Owned	Record Owner	Percent Owned	State or Country of Organization
Briggs & Stratton Mexico S. de R.L. de C.V.	Briggs & Stratton International, Inc.	0.000003%	Mexico
Briggs & Stratton Netherlands B.V.	Briggs & Stratton Corporation	100%	Netherlands
Briggs & Stratton New Zealand Limited	Briggs & Stratton Corporation	100%	New Zealand
Branco Motores Ltda	Briggs & Stratton International, Inc.	99.999998%	Brazil
Branco Motores Ltda	Briggs & Stratton Tech, LLC	0.000002%	Brazil
Briggs & Stratton RSA (Proprietary) Limited	Briggs & Stratton Corporation	100%	South Africa
Briggs & Stratton (Shanghai) International Trading Co., Ltd.	Briggs & Stratton International, Inc.	100%	China
Briggs & Stratton (Shanghai) Management Co., Ltd.	Briggs & Stratton International, Inc.	100%	China
Briggs & Stratton Sweden Aktiebalog	Briggs & Stratton Corporation	100%	Sweden
Briggs & Stratton Tech, LLC	Briggs & Stratton Corporation	100%	Wisconsin
Briggs & Stratton U.K. Limited	Briggs & Stratton Corporation	100%	United Kingdom
Briggs & Stratton India Private Limited	Briggs & Stratton International Holding B.V.	100%	India
Victa Lawncare Pty. Ltd.	Briggs & Stratton Australia Pty. Limited	100%	Australia
Victa Ltd	Victa Lawncare Pty. Ltd.	100%	Australia
Billy Goat Industries, Inc.	Briggs & Stratton Corporation	100%	Missouri
Allmand Bros., Inc.	Briggs & Stratton Corporation	100%	Nebraska
Briggs & Stratton Limited Liability Company	Briggs & Stratton International, Inc.	99.99%	Russia
Briggs & Stratton Limited Liability Company	Briggs & Stratton Tech, LLC	0.01%	Russia

Current Legal Entities Owned	Record Owner	Percent Owned	State or Country of Organization
Briggs & Stratton Corporation Foundation Inc.	Briggs & Stratton Corporation	100%	Wisconsin

SCHEDULE 8.08(b)
SUBSCRIPTIONS

1. Pursuant to the Amended and Restated Deferred Compensation Plan for Directors dated as of April 21, 2016 (Exhibit No. 10.9 to the Lead Borrower's 2019 Form 10-K), directors are permitted to defer cash compensation payable to them to a common share unit account which is to be distributed in shares of common stock of the Lead Borrower unless the director elects a cash distribution.

2. Employees who receive restricted stock awards each year have the option of taking the award either in shares of restricted stock or in restricted stock units. If the former is elected, then the employee enters into a restricted stock award agreement with the Lead Borrower (outstanding forms thereof are filed as Exhibit Nos. 10.5(b), 10.5(h), 10.21 and 10.25 to the Lead Borrower's 2019 Form 10-K). If the latter is elected, then no shares are issued at the outset; however, the award agreement provides the employee with the right to receive common stock in the future (outstanding forms thereof are filed as Exhibit Nos. 10.5(c), 10.5(g), 10.22 and 10.26 to the Lead Borrower's 2019 Form 10-K).

SCHEDULE 8.08(a)
SUBSIDIARIES

Current Legal Entities Owned	Record Owner	Percent Owned	State or Country of Organization
Briggs & Stratton AG	Briggs & Stratton Corporation	100%	Switzerland
Briggs & Stratton Australia Pty. Limited	Briggs & Stratton Corporation	100%	Australia
Briggs & Stratton Austria Gesellschaft m.b.H.	Briggs & Stratton Corporation	100%	Austria
Briggs & Stratton Canada Inc.	Briggs & Stratton Corporation	100%	Canada
Briggs & Stratton (Chongqing) Engine Co., Ltd.	Briggs & Stratton International, Inc.	95.18%	China
Briggs & Stratton CZ, s.r.o.	Briggs & Stratton Corporation	100%	Czech Republic
Briggs & Stratton France	Briggs & Stratton Corporation	100%	France
Briggs & Stratton Germany GmbH	Briggs & Stratton Corporation	100%	Germany
Briggs & Stratton Iberica, S.L.	Briggs & Stratton Corporation	100%	Spain
Briggs & Stratton International Holding B.V.	Briggs & Stratton International, Inc.	100%	Netherlands
Briggs & Stratton International AG	Briggs & Stratton Corporation	100%	Switzerland
Briggs & Stratton International, Inc.	Briggs & Stratton Corporation	100%	Wisconsin
Briggs & Stratton Italy S.r.l.	Briggs & Stratton Corporation	100%	Italy
Briggs & Stratton Japan K.K.	Briggs & Stratton Corporation	100%	Japan
Briggs & Stratton (Malaysia) Sdn. Bhd.	Briggs & Stratton Corporation	100%	Malaysia
Briggs & Stratton Mexico S. de R.L. de C.V.	Briggs & Stratton Corporation	99.998%	Mexico
Briggs & Stratton Mexico S. de R.L. de C.V.	Briggs & Stratton International, Inc.	0.002%	Mexico

Current Legal Entities Owned	Record Owner	Percent Owned	State or Country of Organization
Briggs & Stratton Netherlands B.V.	Briggs & Stratton Corporation	100%	Netherlands
Briggs & Stratton New Zealand Limited	Briggs & Stratton Corporation	100%	New Zealand
Branco Motores Ltda	Briggs & Stratton International, Inc.	99.9999992%	Brazil
Branco Motores Ltda	Briggs & Stratton Tech, LLC	0.0000008%	Brazil
Briggs & Stratton RSA (Proprietary) Limited	Briggs & Stratton Corporation	100%	South Africa
Briggs & Stratton (Shanghai) International Trading Co., Ltd.	Briggs & Stratton International, Inc.	100%	China
Briggs & Stratton (Shanghai) Management Co., Ltd.	Briggs & Stratton International, Inc.	100%	China
Briggs & Stratton Sweden Aktiebalog	Briggs & Stratton Corporation	100%	Sweden
Briggs & Stratton Tech, LLC	Briggs & Stratton Corporation	100%	Wisconsin
Briggs & Stratton U.K. Limited	Briggs & Stratton Corporation	100%	United Kingdom
Briggs & Stratton India Private Limited	Briggs & Stratton International Holding B.V.	99.9997%	India
Briggs & Stratton India Private Limited	Briggs & Stratton AG	0.0003%	India
Victa Lawncare Pty. Ltd.	Briggs & Stratton Australia Pty. Limited	100%	Australia
Victa Ltd	Victa Lawncare Pty. Ltd.	100%	Australia
Billy Goat Industries, Inc.	Briggs & Stratton Corporation	100%	Missouri
Allmand Bros., Inc.	Briggs & Stratton Corporation	100%	Nebraska
Briggs & Stratton Limited Liability Company	Briggs & Stratton International, Inc.	99.99%	Russia
Briggs & Stratton Limited Liability Company	Briggs & Stratton Tech, LLC	0.01%	Russia

SCHEDULE 8.08(b)
SUBSCRIPTIONS

1. Pursuant to the Amended and Restated Deferred Compensation Plan for Directors dated as of April 21, 2016 (Exhibit No. 10.9 to the Lead Borrower's 2019 Form 10-K), directors are permitted to defer cash compensation payable to them to a common share unit account which is to be distributed in shares of common stock of the Lead Borrower unless the director elects a cash distribution.

2. Employees who receive restricted stock awards each year have the option of taking the award either in shares of restricted stock or in restricted stock units. If the former is elected, then the employee enters into a restricted stock award agreement with the Lead Borrower (outstanding forms thereof are filed as Exhibit Nos. 10.5(b), 10.5(h), 10.21 and 10.25 to the Lead Borrower's 2019 Form 10-K). If the latter is elected, then no shares are issued at the outset; however, the award agreement provides the employee with the right to receive common stock in the future (outstanding forms thereof are filed as Exhibit Nos. 10.5(c), 10.5(g), 10.22 and 10.26 to the Lead Borrower's 2019 Form 10-K).

3. Joint Venture Contract, dated June 15, 2016 between Briggs & Stratton International, Inc. and Chongqing Machinery & Electronics Holding (Group) Co., Ltd.

SCHEDULE 8.16
ENVIRONMENTAL MATTERS

None.

SCHEDULE 8.20
INSURANCE

Coverage	Deductible/Retention	Territory of Coverage	General Description of What is Covered	Limits	Primary Insurer	Policy Inception
Directors & Officers	$2,000,000 Each Claim/$2,000,000 Securities Claim	Worldwide	Protects individual directors and officers when indemnification is not available because the corporate entity is unwilling/unable to indemnify. Reimburses corporate entity for its indemnification obligation to directors and officers. Covers the corporate entity itself for securities claims.	$75,000,000	Continental Casualty Company	10/27/2019
Employment Practices Liability	$250,000	Worldwide	Protects businesses (including subsidiaries), directors, officers, and all employees against claims alleging employment practices wrongful acts brought by or on behalf of any past, present, or	$10,000,000	Axis Insurance Company	10/27/2019

			prospective employees and by the Equal Opportunity Employment Commission (EEOC) or similar state or local governmental authorities.			
Fiduciary Liability	$250,000	Worldwide	Protects fiduciaries of benefit plans, other employees, the plans themselves, and businesses (plan sponsers) against financial loss caused by claims for alleged mismanagement of plans and/or their assets.	$30,000,000	Axis Insurance Company	10/27/2019
Crime	$150,000	Worldwide	Protection for organizations against employee theft of assets, including money, securities, and other property, and to certain types of acts of non-employees, such as robbery of property located on the Insured's	$10,000,000	Berkley Regional Insurance Company	10/27/2019

			premises or while in transit, loss due to forgery or alteration of negotiable instruments (e.g. securities, checks) or loss due to electronic funds transfer fraud.			
Cyber	$100,000	Worldwide	Protects against losses and expenses associated with a growing range of cyber perils, for example, date breaches, notification costs, third-party liability, business interruption, cyber extortion and reputation damage.	$10,000,000	Indian Harbor Insurance Company	10/27/2019
Work Comp	N/A	California	Workers Compensation (CA)	$1M/$1M/$1M	C N A	12/31/2019
Work Comp	N/A	AZ, AR, CO, CT, ID, IL, IN, IA, KS, LA ME, MD, MA, MI, MN, MS, NH, NJ, NC,	Work Comp (AOS)	$1M/$1M/$1M	Transportation Insurance Company	12/31/2019

		OK, OR, PA, SC, TN, TX, VA				
Business Auto	N/A	United States	Business Auto	$2,000,000	Continental Insurance Company	12/31/2019
Commercial Flood	$5,000/$5,000	Poplar Bluff, MO	National Flood Insurance Program: 3200 Butzen Dr (Poplar Bluff, MO)	$500k/$500k	Wright National Flood Insurance Services	5/9/2020
Commercial Flood	$5,000	Poplar Bluff, MO	National Flood Insurance Program: 1515 Cravens Dr (Poplar Bluff, MO)	$500k	Wright National Flood Insurance Services	2/10/2020
Commercial Flood	$5,000/$5,000	Poplar Bluff, MO	National Flood Insurance Program: 731 Hwy 142 (Poplar Bluff, MO)	$500k/$500k	Wright National Flood Insurance Services	12/8/2019
Lead Umbrella / Excess Liability	UL $3,000,000	Worldwide	Lead $10M Umbrella	$10,000,000	Apollo/AXA XL	4/1/2020
Excess Liability	UL $3,000,000	Worldwide	Lead Punitive Damage Wrap Coverage	$10,000,000	Magna Carta	4/1/2020
Excess Liability	$10,000,000	Worldwide	$15M x $10M	$15,000,000	Allianz/AWAC	4/1/2020
Excess Liability	$25,000,000	Worldwide	$75M x $25M	$75,000,000	Everest/Allianz/Ascot/AXA XL/Apollo/Starr	4/1/2020

Excess Liability	$100,000,000	Worldwide	$25M x $100M	$25,000,000	Ironshore	4/1/2020
Foreign Casualty (Difference-in-Condition Coverage)	Various	Worldwide, except US and Puerto Rico	Foreign, Auto, GL, WC	Various	ACE American Insurance Company	4/1/2020
Special Contingency Risks	N/A	Worldwide	Special Contingency Risks Coverage	$5,000,000	Great American Insurance Group	4/23/2019
Aviation Liability	N/A	Worldwide	Aircraft Products/Completed Operations and Grounding Liability	$10,000,000	QBE Insurance Corporation	4/1/2020
Excess Work Comp	Self-Insured Retention of $600,000 for NY and $500,000 for all other states	AL, GA, KY, MO, NE, NY and WI	Specific Excess Workers' Compensaion and Employers' Liability Insurance	$1M/$1M/$1M	Safety National	12/31/2019
Commercial Property	Various	Worldwide	Risks of physical loss or damage	$650,000,000	XL Insurance America, Inc.	6/1/2020
Product Liability	N/A	Worldwide	Product Liability: Ground Logic	$1M/$2M	Gemini Insurance Company	12/11/2017
Excess Liability	N/A	Worldwide	Excess Liability: Ground Logic	$1,000,000	Evanston Insurance Company	12/11/2017
Marine Cargo	$5,000	Worldwide	Marine Cargo and War Risks and Strikes, Riots & Civil Commotions	$10,000,000	Travelers Property Casualty Company of America	7/1/2021

SCHEDULE 8.21
INTELLECTUAL PROPERTY

None.

SCHEDULE 9.12
POST-CLOSING ITEMS

1. **Stock Certificates and Stock Powers**. Within ten (10) Business Days after the DIP Closing Date (or such later date as may be agreed by the Administrative Agent in its reasonable discretion), the Borrowers shall deliver (or cause to be delivered) to the Collateral Agent all stock certificates and accompanying undated stock powers or other instruments of transfer duly executed in blank for each such stock certificate, in each case required to be delivered to the Collateral Agent pursuant to the Loan Documents that have not previously been so delivered; provided that the stock certificates representing all equity interests in the Swiss Borrower (duly executed in blank for transfer of each such stock certificate) that have not previously been delivered to the Collateral Agent shall be delivered to the Collateral Agent no later than July 24, 2020.

2. **Promissory Notes**. Within ten (10) Business Days after the DIP Closing Date (or such later date as may be agreed by the Administrative Agent in its reasonable discretion), the Borrowers shall deliver (or cause to be delivered) to the Collateral Agent all promissory notes representing intercompany receivables owing to Briggs & Stratton International AG, in each case required to be delivered to the Collateral Agent pursuant to the Loan Documents.

SCHEDULE 9.18
DEPOSIT ACCOUNTS

Owner	Type of Account	Bank	Account Number (Final Four Digits)	Currency
Briggs & Stratton Corporation	Deposit	Bank of America	8011	EUR
Briggs & Stratton Corporation	Deposit	Bank of Montreal	1266	CAD
Briggs & Stratton Corporation	Concentration	JPMorgan Chase Bank, N.A.	4049	USD
Briggs & Stratton Corporation	Concentration	US Bank	1465	USD
Briggs & Stratton Australia Pty. Limited	Deposit	JPMorgan Chase Bank, N.A.	9489	USD
Briggs & Stratton Australia Pty. Limited	Deposit	JPMorgan Chase Bank, N.A.	6702	AUD
Briggs & Stratton AG	Deposit	Bank of America	6018	EUR
Briggs & Stratton AG	Deposit	Bank of America	6034	GBP
Briggs & Stratton AG	Deposit	Bank of America	6026	USD
Briggs & Stratton AG	Deposit	Bank of America	5011	CHF
Briggs & Stratton AG	Deposit	Bank of America	6042	NOK

SCHEDULE 10.01
INDEBTEDNESS

Appeal bond relating to the ongoing Exmark litigation described in Note 13 to the consolidated financial statements of Briggs & Stratton Corporation included in the report on Form 10-K filed with the Securities and Exchange Commission for the fiscal year ended June 30, 2019

Chapter 100 PILOT Project:
Obligation to make payments in lieu of taxes as contemplated by the Performance Agreement dated as of December 1, 2011 between City of Poplar Bluff, Missouri, and Briggs & Stratton Corporation

Indebtedness in connection with the Prepetition Credit Agreement

Indebtedness in connection with capital and operating lease obligations in an aggregate amount of approximately $82,634,338

Indebtedness in connection with floor plan and other finance programs provided in an aggregate amount of approximately $2,500,000

Indebtedness in connection with bonds, debentures, notes or similar instruments in an aggregate amount of approximately $225,739,866

Indebtedness in connection with conditional sale, deferred purchase price or other title retention agreements relating to property or assets purchased in an aggregate amount of approximately $2,000,000

Indebtedness in connection with product liability in an aggregate amount of approximately $7,986,579

Other unsecured Indebtedness in connection with rebates, brand fees, co-op advertising and other programs the ordinary course in an aggregate amount of approximately $45,394,892

SCHEDULE 10.02(a)
LIENS

BRIGGS & STRATTON CORPORATION

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Wisconsin	HYG Financial Services, Inc.	070004650419	04/03/2007	Certain leased equipment.	Continuation #110013976430 filed 11/14/2011; Amendment #110013976531 filed 11/14/2011 changing Secured Party's address; Amendment #160014892630 filed 11/14/2016 changing Secured Party; Continuation #160014901823 filed 11/14/2016
Wisconsin	Cisco Systems Capital Corporation	080001813619	02/05/2008	Certain leased equipment.	Continuation #130001533012 filed 2/1/2013; Continuation #180001348319 filed 1/30/2018
Wisconsin	Citibank NA	130005145924	04/18/2013	Certain accounts owed to Briggs & Stratton Corporation by Husqvarna Professional Products, Inc.	Continuation #180001741518 filed 2/7/2018

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Wisconsin	Hagemeyer North America, Inc.	130014411112	11/04/2013	Certain consigned items, parts and products.	Continuation #180013310412 filed 10/2/2018
Wisconsin	Salem Tools, Inc.	150012911418	10/13/2015	Inventory Consignment Agreement covering Consumable Tooling and Production Supplies.	
Wisconsin	Die-Tech and Engineering, Inc.	160011269726	08/24/2016	Certain equipment.	
Wisconsin	HYG Financial Services, Inc.	160013113312	10/05/2016	Leased equipment.	
Wisconsin	Die-Tech and Engineering, Inc.	170001847525	02/09/2017	Certain equipment.	
Wisconsin	Citibank, N.A., its branches, subsidiaries and affiliates	170003049218	03/08/2017	All right, title and interest of Debtor in and to all accounts and all other forms of obligations owing to Debtor by Stanley Black & Decker, Inc. and its subsidiaries and affiliates.	

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Wisconsin	JPMorgan Chase Bank, N.A.	170011475321	08/22/2017	All accounts receivable which arise out of the sale of goods and services by Debtor to MTD Products Inc. and/or its subsidiaries or affiliates.	
Wisconsin	Tristate Machinery, Inc.	170015370218	11/10/2017	Certain equipment.	
Wisconsin	TCF Equipment Finance, a division of TCF National Bank	180017087124	12/28/2018	Certain equipment.	
Wisconsin	JPMorgan Chase Bank, N.A., as Collateral Agent	20191003000143-0	9/30/2019	All assets of Debtor, whether now existing or hereafter arising.	
Wisconsin	Thompson Tractor Co., Inc.	20191216000039-0	12/16/2019	Proceeds of collateral – certain equipment	
Wisconsin	Thompson Tractor Co. Inc.	20200321000071-6	3/21/2020	Proceeds of collateral – certain equipment	

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Wisconsin	De Lage Landen Financial Services Inc.	20200403000322-0	4/3/2020	All equipment leased or financed by secured party to or for debtor per secured party's contract no. 100-10240013 and all additions, etc. and all proceeds. Lease no. 100-10240013.	

- Those certain Liens securing the NMTC Financing.

ALLMAND BROS., INC.

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Nebraska	Mitsubishi Turbocharger and Engine America, Inc.	9916780079-8	09/20/2016	Certain equipment	
Nebraska	JPMorgan Chase Bank, N.A., as Collateral Agent	1909001430-3	9/30/2019	All assets of Debtor, whether now existing or hereafter arising.	

BRIGGS & STRATTON AUSTRALIA PTY. LIMITED

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
Australia	VISY BOARD PROPRIETARY LIMITED	201201050027782	30/01/2012	**Collateral description**: All goods, services, products and equipment supplied by Visy Board Pty Ltd, acting through its trading divisions, together with the proceeds of sale generated by such supply. **Proceeds**: Yes - All present and after acquired property. **Inventory**: No **PMSI**: Yes
Australia	PRO-PAC PACKAGING (AUST) PTY. LIMITED	201201051973772	30/01/2012	**Collateral description**: All goods supplied by the secured party to the grantor including but not limited to packaging products and related goods. **Proceeds**: Yes – All present and after acquired property. **Inventory**: Yes **PMSI**: Yes
Australia	FLEET PARTNERS PTY LIMITED	201202210008374	21/02/2012	**Collateral description**: All motor vehicles subject to lease arrangements with Fleet Partners Pty Ltd **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: Yes

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
Australia	DULUXGROUP (AUSTRALIA) PTY LTD	201303130045461	13/03/2013	**Collateral description**: All types of products, goods and equipment including, without limitation, decorative coatings, gardening products, adhesives, sealants, surface protecting products, doors & openers, construction supplies and kitchen & laundry products, supplied by or on behalf of the secured party to the grantor, whether DuluxGroup branded or not [together with all attachments, accessories and ancillary products used with or for any of these products, goods or equipment whether DuluxGroup branded or not]. **Proceeds**: Yes - All proceeds (as that term is defined in s.31 of the PPSA) arising from the sale or any other dealing with any of the collateral including, without limitation, goods, money, accounts receivable, chattel paper, intangibles, negotiable instruments, documents of title and investment securities **Inventory**: No **PMSI**: Yes

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
Australia	LOSCAM AUSTRALIA PTY LTD	201308190040786	19/08/2013	**Collateral description**: All equipment leased, rented or otherwise made available to the grantor by the secured party **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: Yes
Australia	CROWN EQUIPMENT PTY. LIMITED	201310150016585	15/10/2013	**Collateral description**: "All motor vehicles including all forklift trucks and sweepers supplied to the Grantor by the Secured Party in accordance with any agreement to rent, purchase, finance or loan motor vehicles to/by the Grantor." **Proceeds**: Yes - All present and after acquired property. **Inventory**: No **PMSI**: Yes

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
Australia	CROWN EQUIPMENT PTY. LIMITED	201310220050259	22/10/2013	**Collateral description**: All motor vehicles including all forklift trucks and sweepers supplied to the Grantor by the Secured Party in accordance with any agreement to rent, purchase, finance or loan motor vehicles to/by the Grantor. **Proceeds**: Yes - All present and after acquired property. **Inventory**: No **PMSI**: Yes
Australia	WELLEN PTY LTD	201311080029381	08/11/2013	**Collateral description**: Collateral supplied by the Secured Party **Proceeds**: Yes - All present and after acquired property. **Inventory**: Yes **PMSI**: Yes

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
Australia	MASPORT AUSTRALIA PTY. LTD.	201401290162377	29/01/2014	**Collateral description**: All Masport Lawnmowers (including ride-ons), Shredders, Barbeques, Outdoor Heating, Garden products, Alko Concord, and other products supplied from time to time by Masport Limited and any services relating thereto, together with all proceeds (including without limitation, goods, money, accounts receivable, chattel paper, intangibles, negotiable instruments, documents of title and investment securities) arising from these goods and services. **Proceeds**: Yes - All present and after acquired property **Inventory**: Yes **PMSI**: Yes

Australia	**1**. VISY LOGISTICS NO 2 PTY LTD **2**. REGIONAL RECYCLERS PTY LTD **3**. VISY AUTOMATION INTERNATIONAL PTY LTD **4**. SOUTHERN PAPER PTY LTD **5**. VISY WEST COAST PTY LTD **6**. VISY INDUSTRIES AUSTRALIA PTY LTD **7**. VISY LEASING PTY LTD **8**. VISY LOGISTICS PTY LTD **9**. VISY CDL SERVICES PTY LTD **10**. SALVAGE PAPER PTY LTD **11**. MASON DUPLEX DISPLAYS PTY. LIMITED **12**. P & I PTY. LTD.	201401300235461	30/01/2014	**Collateral description**: All goods, services, products, materials and equipment sold, supplied, delivered, leased, consigned or otherwise made available to the Grantor by or on behalf of a Secured Party or any of its related entities from time to time, [including but not limited to: any goods, products, materials or equipment marked with a Visy logo or trademark; expressed to be produced, manufactured, delivered or made available by Visy] **Proceeds**: Yes - All present and after acquired property. **Inventory**: Yes **PMSI**: Yes

	13. VISY RECYCLING AUSTRALIA PTY LTD **14**. VISY TECHNOLOGY SYSTEMS PTY LTD **15**. VISY TECH SYSTEMS PTY. LTD. **16**. MPC QUIKPAK PTY LTD **17**. ACE PRINT AND DISPLAY PTY LIMITED **18**. The Trustee for SOUTHERN PAPER CONVERTERS TRUST **19**. VISY PAPER PTY. LTD. **20**. BUILD RUN REPAIR (AUSTRALIA) PTY LTD **21**. VISYPET PTY. LTD. **22**. VISY PACKAGING PTY. LTD.			

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
	23. VISY PULP AND PAPER PTY. LTD. **24**. VISY GLAMA PTY LTD **25**. VISY CARTONS PTY LTD **26**. VISY BOARD PROPRIETARY LIMITED			

Australia	**1**. VISY LOGISTICS NO 2 PTY LTD **2**. REGIONAL RECYCLERS PTY LTD **3**. VISY AUTOMATION INTERNATIONAL PTY LTD **4**. SOUTHERN PAPER PTY LTD **5**. VISY WEST COAST PTY LTD **6**. VISY INDUSTRIES AUSTRALIA PTY LTD **7**. VISY LEASING PTY LTD **8**. VISY LOGISTICS PTY LTD **9**. VISY CDL SERVICES PTY LTD **10**. SALVAGE PAPER PTY LTD **11**. MASON DUPLEX DISPLAYS PTY. LIMITED **12**. P & I PTY. LTD.	201401300235658	30/01/2014	**Collateral description**: All goods, services, products, materials and equipment sold, supplied, delivered, leased, consigned or otherwise made available to the Grantor by or on behalf of a Secured Party or any of its related entities from time to time, [including but not limited to: any goods, products, materials or equipment marked with a Visy logo or trademark; expressed to be produced, manufactured, delivered or made available by Visy]" **Proceeds**: Yes - All present and after acquired property. **Inventory**: Yes **PMSI**: No

	13. VISY RECYCLING AUSTRALIA PTY LTD **14**. VISY TECHNOLOGY SYSTEMS PTY LTD **15**. VISY TECH SYSTEMS PTY. LTD. **16**. MPC QUIKPAK PTY LTD **17**. ACE PRINT AND DISPLAY PTY LIMITED **18**. The Trustee for SOUTHERN PAPER CONVERTERS TRUST **19**. VISY PAPER PTY. LTD. **20**. BUILD RUN REPAIR (AUSTRALIA) PTY LTD **21**. VISYPET PTY. LTD. **22**. VISY PACKAGING PTY. LTD.			

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
	23. VISY PULP AND PAPER PTY. LTD. **24**. VISY GLAMA PTY LTD **25**. VISY CARTONS PTY LTD **26**. VISY BOARD PROPRIETARY LIMITED			
Australia	GPC ASIA PACIFIC PTY LTD	201401300432070	30/01/2014	**Collateral description**: Motor Vehicle Hard Parts & Accessories **Proceeds**: Yes - All present and after acquired property. **Inventory**: Yes **PMSI**: Yes
Australia	BARRON & RAWSON PTY LTD	201406040038832	04/06/2014	**Collateral description**: Goods supplied and all tooling by the secured party to the grantor **Proceeds**: Yes - All present and after acquired property. **Inventory**: Yes **PMSI**: Yes

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
Australia	M P I AUSTRALIA PTY LTD	201406120014424	12/06/2014	**Collateral description**: Autobag Machine Model Bagger AB180 and Model Maximiser Serial Numbers 6291 (Bagger) & 7013 (Maximiser) **Proceeds**: Yes - All present and after acquired property. **Inventory**: No **PMSI**: Yes
Australia	CAPS AUSTRALIA PTY LTD	201505110061948	11/05/2015	**Collateral description**: Collateral supplied by the secured party **Proceeds**: Yes - All present and after acquired property. **Inventory**: Yes **PMSI**: Yes
Australia	R.H. BARE PTY LTD	201505120055909	12/05/2015	**Collateral description**: Other Goods **Proceeds**: No **Inventory**: Yes **PMSI**: Yes
Australia	Komatsu Forklift Australia Pty Ltd	201505140062040	14/05/2015	**Collateral description**: Motor vehicle **Proceeds**: Yes - All present and after acquired property. **Inventory**: No **PMSI**: Yes

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
Australia	A PLUS PLASTICS & TOOLING PTY LTD	201507170003611	17/07/2015	**Collateral description**: Supply of manufactured plastic injected moulded products as described by the Secured Party to the Grantor on associated invoices. All Goods supplied by the Secured Party to the Grantor, pursuant to the signed Credit Application dated 26/03/2015 allowing a security interest, as stated in the Secured Party's terms and conditions, to be taken in all Goods previously supplied (if any) and all Goods that will be supplied in the future by the Secured Party to the Grantor. **Proceeds**: Yes - All present and after-acquired property. If any of the secured Goods are sold by the Grantor prior to payment of the Goods, then proceeds of the sale thereof shall be the property of the Secured Party Group. **Inventory**: Yes **PMSI**: No

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
Australia	TYRE & TUBE AUSTRALIA (SERVICES) PTY LTD	201511050036276	05/11/2015	**Collateral description**: Tyres, Tubes and all relevant components supplied by Tyre & Tube Australia (Services) Pty Ltd **Proceeds**: Yes - All present and after acquired property. **Inventory**: Yes **PMSI**: Yes
Australia	MACQUARIE LEASING PTY LTD	201512220089415	22/12/2015	**Collateral description**: All goods leased to the grantor under novated lease arrangements between Macquarie Leasing Pty Ltd and one or more employees of the grantor, and all proceeds arising from those goods, or novated lease agreements. **Proceeds**: Yes - All present and after acquired property. **Inventory**: No **PMSI**: Yes
Australia	BMW AUSTRALIA FINANCE LIMITED	201603310090147	31/03/2016	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All present and after acquired property. **Inventory**: No **PMSI**: Yes

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
Australia	Komatsu Forklift Australia Pty Ltd	201605180044684	18/05/2016	**Collateral description**: All Equipment, Parts and Consumables supplied by the secured Party to the Grantor **Proceeds**: Yes - All present and after acquired property. **Inventory**: No **PMSI**: Yes
Australia	FLEETPLUS PTY LIMITED	201609300072962	30/09/2016	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes
Australia	FLEETPLUS PTY LIMITED	201610170062246	17/10/2016	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes
Australia	ESSENTRA PTY LTD	201611070027210	07/11/2016	**Collateral description**: Other Goods **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: No

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
Australia	CANON FINANCE AUSTRALIA PTY LTD	201611210011579	21/11/2016	**Collateral description**: All goods or Equipment sold, leased, consigned or otherwise made available from time to time (whether present or future) by the secured party to the grantor including but not limited to the Agreement Number listed as the Giving of Notice Identifier in this financing statement **Proceeds**: Yes - All present and after acquired property. **Inventory**: No **PMSI**: Yes
Australia	FLEETPLUS PTY LIMITED	201701240034311	24/01/2017	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
Australia	ELGAS LIMITED	201704010041553	01/04/2017	**Collateral description**: All goods now and in future supplied, bailed or otherwise made available by the secured party to grantor including but not limited to all gas, bulk gas facilities, exchange cylinders, equipment, consumables and rental cylinders. **Proceeds**: Yes - All present and after acquired property. **Inventory**: No **PMSI**: Yes
Australia	WASTECH (HOLDINGS) PTY. LTD.	201708170052612	17/08/2017	**Collateral description**: Being for Rental of Baler 4-X16 Bramidan Baler serial number PEX 207 097¬2 Located at 8 Dansu Court, Hallam Vic 3803 **Proceeds**: Yes - All present and after acquired property. **Inventory**: No **PMSI**: Yes
Australia	FLEETPLUS PTY LIMITED	201708240062392	24/08/2017	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
Australia	FLEETPLUS PTY LIMITED	201710300024173	30/10/2017	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes
Australia	FLEETPLUS PTY LIMITED	201711270038580	27/11/2017	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes
Australia	FLEETPLUS PTY LIMITED	201711290089470	29/11/2017	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes
Australia	FLEETPLUS PTY LIMITED	201712070063099	07/12/2017	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes
Australia	FLEETPLUS PTY LIMITED	201805100046926	10/05/2018	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
Australia	FLEETPLUS PTY LIMITED	201805160058125	16/05/2018	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes
Australia	FLEETPLUS PTY LIMITED	201806050005905	05/06/2018	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes
Australia	FLEETPLUS PTY LIMITED	201807160026306	16/07/2018	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes
Australia	FLEETPLUS PTY LIMITED	201807190022484	19/07/2018	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes
Australia	CEVOL INDUSTRIES PTY. LIMITED	201808170045766	17/08/2018	**Collateral description**: Cevol Pallets, Skillages, Cages and associated products **Proceeds**: Yes - All present and after acquired property. **Inventory**: No **PMSI**: Yes

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
Australia	FLEETPLUS PTY LIMITED	201808200045697	20/08/2018	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes
Australia	FLEETPLUS PTY LIMITED	201808300046668	30/08/2018	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes
Australia	UCI PROJECTS PTY LTD	201809060071987	06/09/2018	**Collateral description**: All goods sold, hired, rented, leased, bailed or otherwise made available to the grantor by the Secured Party. **Proceeds**: Yes - All present and after acquired property. **Inventory**: Yes **PMSI**: Yes

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
Australia	CANON FINANCE AUSTRALIA PTY LTD	201809270030879	27/09/2018	**Collateral description**: All goods or Equipment sold, leased, consigned or otherwise made available from time to time (whether present or future) by the secured party to the grantor including but not limited to the Agreement Number listed as the Giving of Notice Identifier in this financing statement **Proceeds**: Yes - All present and after acquired property. **Inventory**: No **PMSI**: Yes
Australia	FLEETPLUS PTY LIMITED	201809270066246	27/09/2018	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
Australia	MARS FORKLIFT SERVICES PTY LTD	201811260059873	26/11/2018	**Collateral description**: MR215 Raymond 752-DR32TT Serial: 752-18-BD67672 MR216 Raymond 752-DR32TT Serial: 752-18-BD67677 ME91 Toyota 8FBN30 Serial: 30253 ME92 Toyota 8FBN30 Serial: 30248 ME93 Toyota 8FBN30 Serial: 30249 **Proceeds**: Yes - All present and after acquired property. **Inventory**: Yes **PMSI**: Yes
Australia	MARS FORKLIFT SERVICES PTY LTD	201812110060525	11/12/2018	**Collateral description**: MR217 BT RRE160H Serial: 6602218 MR218 BT RRE160H Serial: 6602223 MR219 BT RRE160H Serial: 6602220 MR220 BT RRE160H Serial: 6602224 MR224 BT RRE160H Serial: 6602219 MR222 BT RRE160H Serial: 6602221 MR223 BT RRE160H Serial: 6602222 MR224 BT RRE160H Serial: 6602225 **Proceeds**: Yes - All present and after acquired property. **Inventory**: Yes **PMSI**: Yes

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
Australia	CAPITAL FINANCE AUSTRALIA LIMITED	201901100000720	10/01/2019	**Collateral description**: 2018 PRECOR TRM 731 Treadmill serial: ANGGJ0118D044 ANGGJ0118D045 **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: Yes
Australia	CAPITAL FINANCE AUSTRALIA LIMITED	201901100000731	10/01/2019	**Collateral description**: 2018 CONCEPT 2 Model D Rower SERIAL: 09281802715430743496 **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: Yes
Australia	CAPITAL FINANCE AUSTRALIA LIMITED	201901100000749	10/01/2019	**Collateral description**: 2018 PRECOR Weight Plate Tree. **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: Yes
Australia	CAPITAL FINANCE AUSTRALIA LIMITED	201901100000754	10/01/2019	**Collateral description**: 2018 PRECOR 113 Adjustable Decline Bench serial: BB02H2180010 **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: Yes

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
Australia	CAPITAL FINANCE AUSTRALIA LIMITED	201901100000765	10/01/2019	**Collateral description**: 2018 PRECOR 408 Olympic Bench serial: BB08I04170008 **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: Yes
Australia	CAPITAL FINANCE AUSTRALIA LIMITED	201901100000777	10/01/2019	**Collateral description**: 2018 PRECOR UBK 835 Recumbent Bike serial: AKCEE09180002 **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: Yes
Australia	FLEETPLUS PTY LIMITED	201902060011995	06/02/2019	**Collateral description**: Any and all goods the subject of any rental agreement, finance lease agreement, chattel mortgage or any other financing arrangements between the Secured Party and the Grantor or otherwise supplied by the Secured Party to the Grantor. **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: Yes

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
Australia	FLEETPLUS PTY LIMITED	201902060012165	06/02/2019	**Collateral description**: Any and all goods the subject of any rental agreement, finance lease agreement, chattel mortgage or any other financing arrangements between the Secured Party and the Grantor or otherwise supplied by the Secured Party to the Grantor **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No
Australia	FLEETPLUS PTY LIMITED	201903130016161	13/03/2019	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes
Australia	FLEETPLUS PTY LIMITED	201904020048833	02/04/2019	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes
Australia	FLEETPLUS PTY LIMITED	201904240046505	24/04/2019	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes

Australia	**1**. VISY LOGISTICS NO 2 PTY LTD **2**. REGIONAL RECYCLERS PTY LTD **3**. VISY AUTOMATION INTERNATIONAL PTY LTD **4**. SOUTHERN PAPER PTY LTD **5**. VISY WEST COAST PTY LTD **6**. VISY INDUSTRIES AUSTRALIA PTY LTD **7**. VISY LEASING PTY LTD **8**. VISY LOGISTICS PTY LTD **9**. VISY CDL SERVICES PTY LTD **10**. SALVAGE PAPER PTY LTD **11**. MASON DUPLEX DISPLAYS PTY. LIMITED **12**. P & I PTY. LTD.	201905070006806	07/05/2019	**Collateral description**: All goods sold, hired, rented, leased, bailed, consigned or otherwise made available to the grantor by the Secured Party. **Proceeds**: Yes - All present and after acquired property. **Inventory**: Yes **PMSI**: Yes

	13. VISY RECYCLING AUSTRALIA PTY LTD **14**. VISY TECHNOLOGY SYSTEMS PTY LTD **15**. VISY TECH SYSTEMS PTY. LTD. **16**. MPC QUIKPAK PTY LTD **17**. ACE PRINT AND DISPLAY PTY LIMITED **18**. The Trustee for SOUTHERN PAPER CONVERTERS TRUST **19**. VISY PAPER PTY. LTD. **20**. BUILD RUN REPAIR (AUSTRALIA) PTY LTD **21**. VISYPET PTY. LTD. **22**. VISY PACKAGING PTY. LTD.			

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
	23. VISY PULP AND PAPER PTY. LTD. **24**. VISY GLAMA PTY LTD **25**. VISY CARTONS PTY LTD **26**. VISY BOARD PROPRIETARY LIMITED			
Australia	CANON FINANCE AUSTRALIA PTY LTD	201905130057757	13/05/2019	**Collateral description**: All goods or equipment sold, leased, consigned or otherwise made available from time to time (whether present or future) by the secured party to the grantor including but not limited to the Agreement Number listed as the Giving of Notice Identifier in this financing statement **Proceeds**: Yes - All present and after acquired property. **Inventory**: No **PMSI**: Yes
Australia	FLEETPLUS PTY LIMITED	201905300043199	30/05/2019	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
Australia	CANON FINANCE AUSTRALIA PTY LTD	201906270126343	27/06/2019	**Collateral description**: All goods or Equipment sold, leased, consigned or otherwise made available from time to time (whether present or future) by the secured party to the grantor including but not limited to the Agreement Number listed as the Giving of Notice Identifier in this financing statement **Proceeds**: Yes - All present and after acquired property. **Inventory**: No **PMSI**: Yes
Australia	NESTLE AUSTRALIA LTD	201908130006465	13/08/2019	**Collateral description**: Other goods **Proceeds**: No **Inventory**: Yes **PMSI**: Yes
Australia	NESTLE AUSTRALIA LTD	201908130006483	13/08/2019	**Collateral description**: Other goods **Proceeds**: No **Inventory**: Yes **PMSI**: Yes
Australia	FLEETPLUS PTY LIMITED	201908230073878	23/08/2019	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
Australia	FLEETPLUS PTY LIMITED	201909200044744	20/09/2019	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes
Australia	FLEETPLUS PTY LIMITED	201909270033421	27/09/2019	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes
Australia	JPMorgan Chase Bank, N.A.	201909270039956	27/09/2019	**Collateral description**: All PAP except any not subject to a security agreement in favor of the secured party. **Proceeds**: Yes - All present and after acquired property. **Inventory**: No
Australia	JPMorgan Chase Bank, N.A.	201909270039960	27/09/2019	**Collateral description**: General intangible – ADI account **Proceeds**: Yes - All present and after acquired property. **Inventory**: No **PMSI**: No
Australia	FLEETPLUS PTY LIMITED	201911200024804	20/11/2019	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
Australia	FLEETPLUS PTY LIMITED	201912100031175	10/12/2019	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes
Australia	FLEETPLUS PTY LIMITED	201912280003518	28/12/2019	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes
Australia	FLEETPLUS PTY LIMITED	202002210049994	21/02/2020	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes
Australia	FLEETPLUS PTY LIMITED	202003020065272	02/03/2020	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes
Australia	FLEETPLUS PTY LIMITED	202003260066067	26/03/2020	**Collateral description**: Motor Vehicle **Proceeds**: Yes - All Present And After Acquired Property **Inventory**: No **PMSI**: Yes

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
Australia	METAL MANUFACTURES LIMITED	202003300021153	30/03/2020	**Collateral description**: Collateral supplied by the third party, including but not limited to electrical goods and related products. **Proceeds**: Yes - All present and after acquired property. **Inventory**: Yes **PMSI**: Yes
Australia	JPMorgan Chase Bank, N.A.	202004090057393	09/04/2020	**Collateral description**: Account **Proceeds**: Yes - All present and after acquired property. **Inventory**: No **Assets subject to control**: yes
Australia	JUBILEE SPRING CO PTY LTD	202004270037380	27/04/2020	**Collateral description**: Collateral supplied by the secured party. **Proceeds**: Yes - All present and after acquired property. **Inventory**: Yes **PMSI**: Yes

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE (DD/MM/YYYY)*	*SUMMARY COLLATERAL DESCRIPTION*
Australia	THOMAS MARSH & CO. PTY. LTD.	202005210012489	21/05/2020	**Collateral description**: All goods, equipment and/or other tangible property (including any accessions to those goods, equipment and/or property) sold, leased, hired, rented, bailed, supplied on consignment, sold subject to a conditional sale agreement including retention of title or otherwise made available by the secured party to the grantor. **Proceeds**: Yes - All present and after acquired property. **Inventory**: Yes **PMSI**: Yes
Australia	CANON FINANCE AUSTRALIA PTY LTD	202006120014084	12/06/2020	**Collateral description**: All goods or Equipment sold, leased, consigned or otherwise made available from time to time (whether present or future) by the secured party to the grantor including but not limited to the Agreement Number listed as the Giving of Notice Identifier in this financing statement **Proceeds**: Yes - All present and after acquired property. **Inventory**: No **PMSI**: Yes

VICTA LTD

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Australia	JPMorgan Chase Bank, N.A.	201909270040335	27/09/2019	**Collateral description**: All PAP except any not subject to a security agreement in favor of the secured party. **Proceeds**: Yes - All present and after acquired property. **Inventory**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270040342	27/09/2019	**Collateral description**: General intangible – ADI account **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Australia	JPMorgan Chase Bank, N.A.	201909270052001	27/09/2019	**Collateral description**: Intangible property – Trade Mark "VICTA" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270052017	27/09/2019	**Collateral description**: Intangible property – Trade Mark "PACE" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270052029	27/09/2019	**Collateral description**: Intangible property – Trade Mark "HUSH-TONE" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Australia	JPMorgan Chase Bank, N.A.	201909270052038	27/09/2019	**Collateral description**: Intangible property – Trade Mark "TIGER" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270052040	27/09/2019	**Collateral description**: Intangible property – Trade Mark "CORVETTE" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270052055	27/09/2019	**Collateral description**: Intangible property – Trade Mark "MUSTANG" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Australia	JPMorgan Chase Bank, N.A.	201909270052064	27/09/2019	**Collateral description**: Intangible property – Trade Mark "LAWNMASTER" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270052072	27/09/2019	**Collateral description**: Intangible property – Trade Mark "TURFMASTER" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270052086	27/09/2019	**Collateral description**: Intangible property – Trade Mark "LAWNKEEPER" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Australia	JPMorgan Chase Bank, N.A.	201909270052093	27/09/2019	**Collateral description**: Intangible property – Trade Mark "CORSAIR" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270052103	27/09/2019	**Collateral description**: Intangible property – Trade Mark "LAWN MAKER" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270052119	27/09/2019	**Collateral description**: Intangible property – Trade Mark "ZIP" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Australia	JPMorgan Chase Bank, N.A.	201909270052126	27/09/2019	**Collateral description**: Intangible property – Trade Mark "VICTA" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270052135	27/09/2019	**Collateral description**: Intangible property – Trade Mark "RAPIER" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270052142	27/09/2019	**Collateral description**: Intangible property – Trade Mark "CONCORDE" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Australia	JPMorgan Chase Bank, N.A.	201909270052157	27/09/2019	**Collateral description**: Intangible property – Trade Mark "MAGIC EYE" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270052161	27/09/2019	**Collateral description**: Intangible property – Trade Mark "VICTA" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270052174	27/09/2019	**Collateral description**: Intangible property – Trade Mark "CHARGER" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Australia	JPMorgan Chase Bank, N.A.	201909270052188	27/09/2019	**Collateral description**: Intangible property – Trade Mark "VICTA" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270052190	27/09/2019	**Collateral description**: Intangible property – Trade Mark "VICTA" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270053546	27/09/2019	**Collateral description**: Intangible property – Trade Mark "VICTA" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Australia	JPMorgan Chase Bank, N.A.	201909270053551	27/09/2019	**Collateral description**: Intangible property – Trade Mark "VICTA" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270053567	27/09/2019	**Collateral description**: Intangible property – Trade Mark "VICTA" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270053579	27/09/2019	**Collateral description**: Intangible property – Trade Mark "TILE A-CUT" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Australia	JPMorgan Chase Bank, N.A.	201909270053580	27/09/2019	**Collateral description**: Intangible property – Trade Mark "WILDCAT" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270053598	27/09/2019	**Collateral description**: Intangible property – Trade Mark "HURRICANE" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270053607	27/09/2019	**Collateral description**: Intangible property – Trade Mark "COMMANDO" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Australia	JPMorgan Chase Bank, N.A.	201909270053611	27/09/2019	**Collateral description**: Intangible property – Trade Mark "SPRINTER" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270053624	27/09/2019	**Collateral description**: Intangible property – Trade Mark "JOGGER" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270053630	27/09/2019	**Collateral description**: Intangible property – Trade Mark "HUSHPOWER" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Australia	JPMorgan Chase Bank, N.A.	201909270053648	27/09/2019	**Collateral description**: Intangible property – Trade Mark "VORTEX" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270053653	27/09/2019	**Collateral description**: Intangible property – Trade Mark "PIONEER" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Australia	JPMorgan Chase Bank, N.A.	201909270053669	27/09/2019	**Collateral description**: Intangible property – Trade Mark "POWER – TORQUE ENGINE" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270053676	27/09/2019	**Collateral description**: Intangible property – Trade Mark "VICTA" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Australia	JPMorgan Chase Bank, N.A.	201909270053682	27/09/2019	**Collateral description**: Intangible property – Trade Mark "VICTA" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270053695	27/09/2019	**Collateral description**: Intangible property – Trade Mark "SPORTS" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270053703	27/09/2019	**Collateral description**: Intangible property – Trade Mark "LEGEND" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Australia	JPMorgan Chase Bank, N.A.	201909270053719	27/09/2019	**Collateral description**: Intangible property – Trade Mark "LAWNKEEPER" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270053726	27/09/2019	**Collateral description**: Intangible property – Trade Mark "VICTA RAZOR" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270053735	27/09/2019	**Collateral description**: Intangible property – Trade Mark "AEROGRIP" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Australia	JPMorgan Chase Bank, N.A.	201909270054712	27/09/2019	**Collateral description**: Intangible property – Trade Mark "RAZOR" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270054720	27/09/2019	**Collateral description**: Intangible property – Trade Mark "MASTERCATCH" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270054731	27/09/2019	**Collateral description**: Intangible property – Trade Mark "MULCHMASTER" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Australia	JPMorgan Chase Bank, N.A.	201909270054749	27/09/2019	**Collateral description**: Intangible property – Trade Mark "ISOVIBE VIBRATION ISOLATION SYSTEM" **Proceeds**: Yes - All present and after acquired property. **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270054754	27/09/2019	**Collateral description**: Intangible property – Trade Mark "ISOVIBE" **Proceeds**: Yes - All present and after acquired property. **Inventory**: No **PMSI**: No	

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Australia	JPMorgan Chase Bank, N.A.	201909270054765	27/09/2019	**Collateral description**: Intangible property – Trade Mark "VICTA TORNADO" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270054777	27/09/2019	**Collateral description**: Intangible property – Trade Mark "BRONCO" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270054783	27/09/2019	**Collateral description**: Intangible property – Trade Mark "VANTAGE" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Australia	JPMorgan Chase Bank, N.A.	201909270054796	27/09/2019	**Collateral description**: Intangible property – Trade Mark "VICTA" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270054806	27/09/2019	**Collateral description**: Intangible property – Trade Mark "VICTA VAC & BLOW" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270054810	27/09/2019	**Collateral description**: Intangible property – Trade Mark "VICTA" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Australia	JPMorgan Chase Bank, N.A.	201909270054823	27/09/2019	**Collateral description**: Intangible property – Trade Mark "SABRE" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270054834	27/09/2019	**Collateral description**: Intangible property – Trade Mark "HAWK BY VICTA" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270054847	27/09/2019	**Collateral description**: Intangible property – Trade Mark "VICTA HAWK" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Australia	JPMorgan Chase Bank, N.A.	201909270054852	27/09/2019	**Collateral description**: Intangible property – Trade Mark "VARI-MULCH" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270054868	27/09/2019	**Collateral description**: Intangible property – Trade Mark "VICTA PROFESSIONAL" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201909270054875	27/09/2019	**Collateral description**: Intangible property – Trade Mark "VICTA PRO" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Australia	JPMorgan Chase Bank, N.A.	201909270054881	27/09/2019	**Collateral description**: Intangible property – Trade Mark "BREEZE" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201910020042071	02/10/2019	**Collateral description**: Intangible property – Trade Mark "MASTER CUT" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	201910020042085	02/10/2019	**Collateral description**: Intangible property – Trade Mark "VICTORIA COMMERCIAL" **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Australia	JPMorgan Chase Bank, N.A.	202004090057408	09/04/2020	**Collateral description**: General intangible **Proceeds**: Yes - All present and after acquired property **Inventory**: No **PMSI**: No	
Australia	JPMorgan Chase Bank, N.A.	202004090057412	09/04/2020	**Collateral description**: Intangible property – account. **Proceeds**: Yes - All present and after acquired property **Inventory**: No **Assets subject to control**: Yes	

BILLY GOAT INDUSTRIES, INC.

JURISDICTION	*SECURED PARTY*	*FILE NUMBER*	*FILING DATE*	*SUMMARY COLLATERAL DESCRIPTION*	*ADDITIONAL FILINGS*
Missouri	JPMorgan Chase Bank, N.A., as Collateral Agent	1910023646267	9/30/2019	All assets of Debtor, whether now existing or hereafter arising	

BRIGGS & STRATTON AG

Liens securing the Prepetition Credit Agreement in favor of JPMorgan Chase Bank, N.A., as Collateral Agent

BRIGGS & STRATTON INTERNATIONAL AG

Liens securing the Prepetition Credit Agreement in favor of JPMorgan Chase Bank, N.A., as Collateral Agent

SCHEDULE 10.04
INVESTMENTS

1. Equity Investments in Subsidiaries valued at $261,277,999 as of 6/28/20
2. Investments in Power Distributors, LLC valued at $23,865,349 as of 6/28/20
3. Investments in Starting USA Corporation valued at $6,684,471 as of 6/28/20
4. Investments in Nikki America Fuel Systems, LLC valued at $0 as of 6/28/20
5. Investments in Toyota Motor Corporation valued at $0 as of 6/28/20
6. Investments in Guru Ventures, Inc. valued at $110,000 as of 6/28/20
7. Investments in Daihatsu valued at $16,983 as of 6/28/20 (residual bank account relating to dissolved joint venture)

SCHEDULE 10.07
TRANSACTIONS WITH AFFILIATES

None.

SCHEDULE 13.03
LENDER ADDRESSES

LOAN PARTIES:

c/o Briggs & Stratton Corporation
12301 W. Wirth Street
Wauwatosa, WI 53222
Attention: Senior Vice President & Chief Financial Officer
Email: schwertferger.mark@basco.com
Telecopy: (414) 975-1716
Telephone: (414) 479-8019

with a copy to, in the case of any notice of Default or Event of Default:

Briggs & Stratton Corporation
12301 W. Wirth Street
Wauwatosa, WI 53222
Attention: Corporate Counsel
Email: generalcounsel@basco.com
Telephone: (414) 259-5308

LENDERS:

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Telephone: 708-831-7246
Email: Thomas.brennan@firstmidwest.com

DIP TERM LENDER NOTICE OFFICE:

Bucephalus Credit, LLC
Kyle Fitzpatrick
485 Lexington Avenue | 31st Floor | New York, NY 10017
kfitzpatrick@kpsfund.com

Ryan Baker
485 Lexington Avenue | 31st Floor | New York, NY 10017
rbaker@kpsfund.com

EXHIBIT A-1

FORM OF NOTICE OF BORROWING

[Date]

JPMorgan Chase Bank, N.A., as Administrative Agent
(the "Administrative Agent") for the Lenders
party to the Credit Agreement referred to below
10 South Dearborn Street, Floor L2
Chicago, Illinois 60603
Attention: John Morrone

Ladies and Gentlemen:

The undersigned refers to the Senior Secured Debtor-in-Possession Revolving and Term Credit Agreement, dated as of July 22, 2020 (as amended, amended and restated, modified, supplemented, extended or renewed from time to time, the "Credit Agreement," the terms defined therein are used herein as therein defined), among BRIGGS & STRATTON CORPORATION, a Wisconsin corporation, as the Lead Borrower, the other Borrowers party thereto from time to time, the Lenders party thereto from time to time, the Issuing Banks party thereto from time to time and the Administrative Agent, and hereby gives you irrevocable notice, subject to Sections 2.09 and 3.01 of the Credit Agreement, pursuant to Section 2.03 of the Credit Agreement that the undersigned hereby requests a Borrowing under the Credit Agreement (the "Proposed Borrowing") and sets forth below the information relating to the Proposed Borrowing as required by Section 2.03 of the Credit Agreement:

(a) The name of the Borrower for whose account the Proposed Borrowing is requested is _____.[1]

(b) The Business Day of the Proposed Borrowing is _____, _____.[2]

(c) The aggregate principal amount of the Proposed Borrowing is _____.[3]

---

[1] Shall be the Lead Borrower in the cases of a Borrowing of DIP Term Loans.

[2] Shall be (i) in the case of a Borrowing by any U.S. Borrower of LIBO Rate Loans under the North American Revolving Facility, not later than 1:00 p.m., New York City time, three (3) Business Days before the date of the proposed Borrowing, (ii) in the case of a Borrowing of LIBO Rate Loans under the Swiss Revolving Facility, not later than 11:00 a.m., London time, four (4) Business Days before the date of the proposed Borrowing, (iii) in the case of a Borrowing by the Lead Borrower of LIBO Rate Loans under the DIP Term Facility, not later than three (3) Business Days (or such shorter period as is approved by the Required DIP Term Lenders) before the date of the proposed Borrowing and (iv) in the case of a Borrowing of Base Rate Loans, not later than 1:00 p.m., New York City time, on the Business Day of the proposed Borrowing.

[3] The currency of the Borrowing shall be (i) with respect to the DIP Term Facility, U.S. Dollars and (ii) with respect to the North American Revolving Facility and Swiss Revolving Facility, U.S. Dollars, Pounds Sterling, Euros, Australian Dollars or Swiss Francs, in each case, together with each other currency that is approved with respect to such Facility in accordance with Section 1.04 of the Credit Agreement. Any Borrowing in the case of LIBO Rate Loans shall be in an aggregate principal amount that is (A) an integral

(d) The Facility under which the Proposed Borrowing is to be made is the [North American Revolving Facility] [Swiss Revolving Facility] [DIP Term Facility].

(e) The Loans to be made pursuant to the Proposed Borrowing shall be initially maintained as [Base Rate Loans][4] [LIBO Rate Loans].

(f) [The initial Interest Period for the Proposed Borrowing is [if Interest Period is less than one month, describe Interest Period] [one month] [two months] [three months] [six months] [twelve months]].[5]

(g) The location and number of the account to which funds shall be disbursed is as follows: [_____].

(h) After adjusting for the Proposed Borrowing amount, the remaining Aggregate Availability is $[_____].

The undersigned hereby certifies that the conditions set forth in [Section 6.01] [Section 6.02] and Section 6.03 [(excluding Section 6.03(b) and (e))][6] of the Credit Agreement are satisfied or waived as of the date hereof.

[Signature Page Follows]

multiple of the Dollar Equivalent of $250,000 and not less than the Dollar Equivalent of $1,000,000 (or, if such Borrowing is denominated in an Alternative Currency, 1,000,000 units of such Alternative Currency), or (B) equal to the remaining available balance of the Revolving Commitments under the applicable Facility.

4 Available in U.S. Dollars only.

5 To be included for a Proposed Borrowing of LIBO Rate Loans. Interest periods of 12 months or less than one month are only permitted if agreed by all Lenders under the applicable Facility.

6 Insert for the funding of any DIP Term Loans.

Very truly yours,

BRIGGS & STRATTON CORPORATION,
as the Lead Borrower

By: _____
Name:
Title:

EXHIBIT A-2

FORM OF NOTICE OF SWINGLINE BORROWING

[Date]

JPMorgan Chase Bank, N.A., as Administrative Agent
(the "Administrative Agent") for the Lenders
party to the Credit Agreement referred to below
10 South Dearborn Street, Floor L2
Chicago, Illinois 60603
Attention: John Morrone

Ladies and Gentlemen:

The undersigned refers to the Senior Secured Debtor-in-Possession Revolving and Term Credit Agreement, dated as of July 22, 2020 (as amended, amended and restated, modified, supplemented, extended or renewed from time to time, the "Credit Agreement," the terms defined therein are used herein as therein defined), among BRIGGS & STRATTON CORPORATION, a Wisconsin corporation, as the Lead Borrower, the other Borrowers party thereto from time to time, the Lenders party thereto from time to time, the Issuing Banks party thereto from time to time and the Administrative Agent, and hereby gives you irrevocable notice pursuant to Section 2.12(b) of the Credit Agreement that the undersigned hereby requests a Swingline Borrowing under the Credit Agreement (the "Proposed Borrowing") and sets forth below the information relating to the Proposed Borrowing as required by Section 2.12(b) of the Credit Agreement:

(a) The name of the Borrower for whose account the Proposed Borrowing is requested is _____.

(b) The Business Day of the Proposed Borrowing is _____, _____.[1]

(c) The aggregate principal amount of the Proposed Borrowing is _____.[2]

(d) The location and number of the account to which funds shall be disbursed is as follows: [_____].

The undersigned hereby certifies that the conditions set forth in Section 6.03 of the Credit Agreement are satisfied or waived as of the date hereof.

---

1 Shall be not later than 12:00 Noon, Local Time, on the Business Day of (or, in the case of a proposed Swingline Loan in Australian Dollars or Swiss Francs, one Business Day prior to) the Proposed Borrowing.

2 The currency of the Borrowing shall be (i) with respect to North American Swingline Loans, U.S. Dollars and (ii) with respect to Swiss Swingline Loans, U.S. Dollars, Pounds Sterling, Euros, Australian Dollars or Swiss Francs, in each case, together with each other currency that is approved with respect to such Facility in accordance with Section 1.04 of the Credit Agreement.

[Signature Page Follows]

Very truly yours,

[__],
as the [__][3] Borrower

By: _____
Name:
Title:

[3] Notices of Borrowing may be executed and delivered by (i) with respect to North American Swingline Loans, the U.S. Borrowers and (ii) with respect to Swiss Swingline Loans, any Borrower.

EXHIBIT A-3

FORM OF NOTICE OF CONVERSION/CONTINUATION

[Date]

JPMorgan Chase Bank, N.A., as Administrative Agent
(the "Administrative Agent") for the Lenders
party to the Credit Agreement referred to below
10 South Dearborn Street, Floor L2
Chicago, Illinois 60603
Attention: John Morrone

Ladies and Gentlemen:

The undersigned refers to the Senior Secured Debtor-in-Possession Revolving and Term Credit Agreement, dated as of July 22, 2020 (as amended, amended and restated, modified, supplemented, extended or renewed from time to time, the "Credit Agreement," the terms defined therein are used herein as therein defined), among BRIGGS & STRATTON CORPORATION, a Wisconsin corporation, as the Lead Borrower, the other Borrowers party thereto from time to time, the Lenders party thereto from time to time, the Issuing Banks party thereto from time to time and the Administrative Agent, and hereby gives you notice pursuant to Section 2.08(b) of the Credit Agreement that the undersigned hereby requests to [convert][continue] the Borrowing of [Revolving Loans][DIP Term Loans] referred to below (the "Proposed [Conversion][Continuation]") and sets forth below the information relating to such Proposed [Conversion][Continuation] as required by Section 2.08(c) of the Credit Agreement:

(i) The Proposed [Conversion][Continuation] relates to the Borrowing of [Revolving Loans][DIP Term Loans] in the principal amount of _____ and currently maintained as a Borrowing of [Base Rate Loans] [LIBO Rate Loans] [with an Interest Period ending on_____ ___, 20__] (the "Outstanding Borrowing").[1]

(ii) The Business Day of the Proposed [Conversion][Continuation] is _____.[2]

---

[1] No Borrowing may be converted into or continued as a Borrowing denominated in a different currency, but instead must be prepaid in the original currency of such Borrowing and reborrowed in the other currency. The currency of the resulting Borrowing in respect of a Borrowing of DIP Term Loans shall be U.S. Dollars.

[2] Shall be (i) in the case of a conversion to, or continuation of, LIBO Rate Loans under the North American Revolving Facility, not later than 1:00 p.m., New York City time, three (3) Business Days before the date of the proposed conversion or continuation, (ii) in the case of a conversion to, or continuation of, LIBO Rate Loans under the Swiss Revolving Facility, not later than 11:00 a.m., London time, four (4) Business Days before the date of the proposed conversion or continuation, (iii) in the case of a conversion to, or continuation of LIBO Rate Loans under the DIP Term Facility, not later than three (3) Business Days (or such shorter period as is approved by the Required DIP Term Lenders) before the date of the proposed Borrowing and (iv) in the case of a conversion to Base Rate Loans, not later than 1:00 p.m., New York City time, on the Business Day of the proposed conversion.

(iii) The Outstanding Borrowing shall be [continued as a Borrowing of [LIBO Rate Loans] [with an Interest Period ending on_____ ___, 20__]] [converted into a Borrowing of [Base Rate Loans] [LIBO Rate Loans] [with an Interest Period ending on_____ ___, 20__]].[3]

[The undersigned hereby certifies that no Event of Default is in existence on the date of the Proposed [Conversion][Continuation]].[4]

[Signature Page Follows]

[3] If any such Notice of Conversion/Continuation requests a Borrowing of LIBO Rate Loans but does not specify an Interest Period, then the Lead Borrower shall be deemed to have selected an Interest Period of one month's duration.

[4] In the case of a Proposed Conversion, insert this sentence only in the event that the conversion is from a Base Rate Loan to a LIBO Rate Loan.

Very truly yours,

BRIGGS & STRATTON CORPORATION,
as the Lead Borrower

By: _____
Name:
Title:

EXHIBIT B

FORM OF NOTE

$_____ New York, New York

_____ __, ____

FOR VALUE RECEIVED, [__] (the "Borrower"), hereby promises to pay to [_____] or its registered assigns (the "Lender"), in lawful money of [__] in immediately available funds, at the Payment Office on (or, to the extent required by the Credit Agreement, before) the Maturity Date for [[North American] [Swiss] Revolving Loans][DIP Term Loans] the principal sum of _____ or, if less, the unpaid principal amount of all [[North American] [Swiss] Revolving Loans][DIP Term Loans] represented by this Note made by the Lender pursuant to the Credit Agreement, payable at such times and in such amounts as are specified in the Credit Agreement[; provided that no payment shall be made in respect of the DIP Term Loans until the Full Senior Obligation Repayment has occurred].

The Borrower also promises to pay interest on the unpaid principal amount of each [[North American] [Swiss] Revolving Loans][DIP Term Loans] represented by this Note and made by the Lender in like money at the Payment Office from the date hereof until payment in full of such [[North American] [Swiss] Revolving Loans][DIP Term Loans] at the rates and at the times provided in Section 2.06 of the Credit Agreement.

This Note is one of the Notes referred to in the Senior Secured Debtor-in-Possession Revolving and Term Credit Agreement, dated as of July 22, 2020 (as amended, amended and restated, modified, supplemented, extended or renewed from time to time, the "Credit Agreement", the terms defined therein are used herein as therein defined), among the Borrower, the other Borrowers (as defined therein) party thereto from time to time, the Lenders party thereto from time to time, the Issuing Banks party thereto from time to time and the Administrative Agent, and is entitled to the benefits thereof and of the other Loan Documents. This Note is secured by the Security Documents and is entitled to the benefits of the Guarantee Agreement. As provided in the Credit Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part, and [Revolving Loans][DIP Term Loans] may be converted from one Type into another Type to the extent provided in the Credit Agreement. This Note may only be transferred to the extent and in the manner set forth in the Credit Agreement.

If an Event of Default shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Credit Agreement.

Except as specifically otherwise provided in the Credit Agreement and the other Loan Documents, the Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

THIS NOTE AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSES OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK AND, TO THE EXTENT APPLICABLE, THE BANKRUPTCY COURT.

[Signature Page Follows]

[__],as the Borrower

By: _____
Name:
Title:

EXHIBIT C-1

UNITED STATES TAX COMPLIANCE CERTIFICATE
(For Non-U.S. Lenders That Are Not Treated As Partnerships For
U.S. Federal Income Tax Purposes)

Reference is made to the Senior Secured Debtor-in-Possession Revolving and Term Credit Agreement, dated as of July 22, 2020 (as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among BRIGGS & STRATTON CORPORATION, a Wisconsin corporation (the "Lead Borrower"), the other Borrowers party thereto from time to time, the lenders party thereto from time to time (the "Lenders"), the Issuing Banks party thereto from time to time and JPMorgan Chase Bank, N.A., as administrative agent for the Lenders (in such capacity, the "Administrative Agent"), Collateral Agent and Swingline Lender. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Credit Agreement.

Pursuant to the provisions of Section 5.01(e)(ii)(3) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the [Revolving Loan(s)][DIP Term Loan(s)] (as well as any Note(s) evidencing such [Revolving Loan(s)][DIP Term Loan(s)]) in respect of which it is providing this certificate, (ii) it is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a 10-percent shareholder of any of the U.S. Borrowers within the meaning of Section 871(h)(3)(B) of the Code, (iv) it is not a "controlled foreign corporation" related to any of the U.S. Borrowers as described in Section 881(c)(3)(C) of the Code, and (v) no payments in connection with any Loan Document are effectively connected with the undersigned's conduct of a U.S. trade or business.

The undersigned has furnished the Administrative Agent and the Lead Borrower with a certificate of its non-U.S. person status on IRS Form W-8BEN or W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Lead Borrower and the Administrative Agent in writing and (2) the undersigned shall furnish the Lead Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which payment is to be made by the Lead Borrower or the Administrative Agent to the undersigned, or in either of the two calendar years preceding each such payment.

[Signature Page Follows]

[Non-U.S. Lender]

By: _____
Name:
Title:

[Address]

Dated: _____, 20[ ]

EXHIBIT C-2

UNITED STATES TAX COMPLIANCE CERTIFICATE
(For Non-U.S. Lenders That Are Treated As Partnerships For
U.S. Federal Income Tax Purposes)

Reference is made to the Senior Secured Debtor-in-Possession Revolving and Term Credit Agreement, dated as of July 22, 2020 (as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among BRIGGS & STRATTON CORPORATION, a Wisconsin corporation (the "Lead Borrower"), the other Borrowers party thereto from time to time, the lenders party thereto from time to time (the "Lenders"), the Issuing Banks party thereto from time to time and JPMorgan Chase Bank, N.A., as administrative agent for the Lenders (in such capacity, the "Administrative Agent"), Collateral Agent and Swingline Lender. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Credit Agreement.

Pursuant to the provisions of Section 5.01(e)(ii)(4) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the [Revolving Loan(s)][DIP Term Loan(s)] (as well as any Note(s) evidencing such [Revolving Loan(s)][DIP Term Loan(s)]) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such [Revolving Loan(s)][DIP Term Loan(s)] (as well as any Note(s) evidencing such [Revolving Loan(s)][DIP Term Loan(s)]), (iii) neither the undersigned nor any of its direct or indirect partners/members that is claiming the portfolio interest exemption ("Applicable Partners/Members") is a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its Applicable Partners/Members is a 10-percent shareholder of any of the U.S. Borrowers within the meaning of Section 871(h)(3)(B) of the Code, (v) none of its Applicable Partners/Members is a "controlled foreign corporation" related to any of the U.S. Borrowers as described in Section 881(c)(3)(C) of the Code, and (vi) no payments in connection with any Loan Document are effectively connected with the conduct of a U.S. trade or business by the undersigned or any of its Applicable Partners/Members.

The undersigned has furnished the Administrative Agent and the Lead Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or W-8BEN-E, as applicable, or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or W-8BEN-E, as applicable, from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Lead Borrower and the Administrative Agent in writing and (2) the undersigned shall have at all times furnished the Lead Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding each such payment.

[Signature Page Follows]

[Non-U.S. Lender]

By: _____
Name:
Title:

[Address]

Dated: _____, 20[ ]

EXHIBIT C-3

UNITED STATES TAX COMPLIANCE CERTIFICATE
(For Non-U.S. Participants That Are Not Treated As Partnerships For
U.S. Federal Income Tax Purposes)

Reference is made to the Senior Secured Debtor-in-Possession Revolving and Term Credit Agreement, dated as of July 22, 2020 (as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among BRIGGS & STRATTON CORPORATION, a Wisconsin corporation (the "Lead Borrower"), the other Borrowers party thereto from time to time, the lenders party thereto from time to time (the "Lenders"), the Issuing Banks party thereto from time to time and JPMorgan Chase Bank, N.A., as administrative agent for the Lenders (in such capacity, the "Administrative Agent"), Collateral Agent and Swingline Lender. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Credit Agreement.

Pursuant to the provisions of Section 5.01(e)(ii)(4) and Section 13.04(c) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a 10-percent shareholder of any of the U.S. Borrowers within the meaning of Section 871(h)(3)(B) of the Code, (iv) it is not a "controlled foreign corporation" related to any of the U.S. Borrowers as described in Section 881(c)(3)(C) of the Code, and (v) no payments in connection with any Loan Document are effectively connected with the undersigned's conduct of a U.S. trade or business.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. person status on IRS Form W-8BEN or W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding each such payment.

[Signature Page Follows]

[Non-U.S. Lender]

By: _____
Name:
Title:

[Address]

Dated: _____, 20[ ]

EXHIBIT C-4

UNITED STATES TAX COMPLIANCE CERTIFICATE
(For Non-U.S. Participants That Are Treated As Partnerships For
U.S. Federal Income Tax Purposes)

Reference is made to the Senior Secured Debtor-in-Possession Revolving and Term Credit Agreement, dated as of July 22, 2020 (as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among BRIGGS & STRATTON CORPORATION, a Wisconsin corporation (the "Lead Borrower"), the other Borrowers party thereto from time to time, the lenders party thereto from time to time (the "Lenders"), the Issuing Banks party thereto from time to time and JPMorgan Chase Bank, N.A., as administrative agent for the Lenders (in such capacity, the "Administrative Agent"), Collateral Agent and Swingline Lender. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Credit Agreement.

Pursuant to the provisions of Section 5.01(e)(ii)(4) and Section 13.04(c) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) neither the undersigned nor any of its direct or indirect partners/members claiming the portfolio interest exemption ("Applicable Partners/Members") is a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its Applicable Partners/Members is a 10-percent shareholder of any of the U.S. Borrowers within the meaning of Section 871(h)(3)(B) of the Code, (v) none of its Applicable Partners/Members is a "controlled foreign corporation" related to any of the U.S. Borrowers as described in Section 881(c)(3)(C) of the Code, and (vi) no payments in connection with the Loan Document are effectively connected with the conduct of a U.S. trade or business by the undersigned or any of its Applicable Partners/Members.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or W-8BEN-E, as applicable, or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or W-8BEN-E, as applicable, from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding each such payment.

[Signature Page Follows]

[Non-U.S. Participant]

By: _____
Name:
Title:

[Address]

Dated: _____, 20[ ]

EXHIBIT D

FORM OF NOTICE OF SECURED BANK PRODUCT PROVIDER

[Date]

JPMorgan Chase Bank, N.A., as Administrative Agent
(the "Administrative Agent") for the Lenders
party to the Credit Agreement referred to below
10 South Dearborn Street, Floor L2
Chicago, Illinois 60603

DIP Term Lender Notice Office
[INSERT ADDRESS]

Briggs & Stratton Corporation
Secured Bank Product Provider

Ladies and Gentlemen:

Reference is hereby made to the Senior Secured Debtor-in-Possession Revolving and Term Credit Agreement, dated as of July 22, 2020 (as amended, amended and restated, modified, supplemented, extended or renewed from time to time, the "Credit Agreement," the terms defined therein are used herein as therein defined), among the Lead Borrower, the other Borrowers party thereto from time to time, the Lenders party thereto from time to time, the Issuing Banks party thereto from time to time and the Administrative Agent.

In accordance with the definition of "Secured Bank Product Provider" as set forth in the Credit Agreement, [ ], [an Affiliate of [ ],] [a Lender] [the Administrative Agent] under the Credit Agreement, hereby notifies the Administrative Agent and the DIP Term Lender Notice Office of the Bank Product[s] set forth on Schedule A hereto (describing [each] such Bank Product and setting forth the maximum amount to be secured by the Collateral) and agrees, in accordance with Section 12.12 of the Credit Agreement, that it is bound by Section 12.12 of the Credit Agreement.

[Signature Pages Follow]

Very truly yours,

[ ]

By: _____
Name:
Title:

Schedule A

Bank Product[s]

[See attached]

EXHIBIT E

[Reserved]

EXHIBIT F

[Reserved]

EXHIBIT G

FORM OF PERFECTION CERTIFICATE

[See attached]

Execution Version

PERFECTION CERTIFICATE

September 27, 2019

Reference is hereby made to (i) that certain Revolving Credit Agreement, dated as of September 27, 2019 (the "Credit Agreement"), among BRIGGS & STRATTON CORPORATION, a Wisconsin corporation (the "Lead Borrower"), each of the other Borrowers party thereto, the Lenders party thereto, the Issuing Banks party thereto from time to time and JPMORGAN CHASE BANK, N.A., as the Administative Agent, the Collateral Agent and the Swingline Lender and (ii) that certain U.S. Collateral Agreement, dated as of September 27, 2019 (the "Collateral Agreement"), among the Lead Borrower, the other Loan Parties party thereto and JPMORGAN CHASE BANK, N.A., as Collateral Agent. Capitalized terms used but not defined herein have the meanings assigned to such terms in the Credit Agreement or the Collateral Agreement, as applicable.

The undersigned hereby certify to the Collateral Agent, as of the date hereof, as follows:

1. Names.

(a) The exact legal name of each Loan Party, as such name appears in its respective certificate of incorporation or any other organizational or constitutional document, is set forth in **Schedule 1(a)**. Each Loan Party is (i) the type of entity disclosed next to its name in **Schedule 1(a)** and (ii) a registered organization or company in the jurisdiction of its incorporation/organization disclosed next to its name, except to the extent disclosed in **Schedule 1(a)**. Also set forth in **Schedule 1(a)** is the organizational identification or company number, if any, of each Loan Party that is a registered organization or company, the Federal Taxpayer Identification Number of each Loan Party (or any equivalent identification number in any applicable jurisdiction) and the jurisdiction of formation or incorporation/organization of each Loan Party.

(b) Set forth in **Schedule 1(b)** hereto is a list of any other corporate, organizational or registered names each Loan Party has had in the past five years, together with the date of the relevant change.

(c) Set forth in **Schedule 1(c)** is a list of all other names (if any) used by each Loan Party, or any other business or organization to which each Loan Party became the successor by merger, amalgamation, consolidation, acquisition, change in form, nature or jurisdiction of organization or otherwise, on any filings with the Internal Revenue Service at any time within the five years preceding the date hereof. Except as set forth in **Schedule 1(c)**, no Loan Party has changed its jurisdiction of organization or incorporation at any time during the past four months.

2. Current Locations. The chief executive office of each Loan Party (to the extent one has been appointed) is located at the address set forth in Schedule 2 hereto.

3. Extraordinary Transactions. Except for those purchases, acquisitions and other transactions described in **Schedule 3** attached hereto, in the past five years, all of the Collateral with a Fair Market Value in excess of $5,000,000 has been originated or acquired by each Loan Party in the ordinary course of business or consists of goods which have been acquired by such Loan Party in the ordinary course of business from a person in the business of selling goods of that kind.

4. File Search Reports. Attached hereto as **Schedule 4** is a true and accurate summary of file search reports from the Uniform Commercial Code (or other similar legislation where such searches can be conducted, including, without limitation, ASIC company searches, insolvency searches and searches of the Australian PPS register and Swiss law and Dutch law equivalents) (i) in each jurisdiction identified in **Schedule 1(a)** or **Schedule 2** with respect to each legal name set forth in **Schedule 1** and (ii) in each jurisdiction described in **Schedule 1(c)** or **Schedule 3** relating to any of the transactions described in **Schedule 1(c)** or **Schedule 3** with respect to each legal name of the person or entity from which each Loan Party purchased or otherwise acquired any of the Collateral.

5. Filings. The financing statements (duly authorized by each Loan Party constituting the debtor therein), including the indications of the collateral, attached as **Schedule 5** relating to the Collateral Agreement or the applicable Mortgage located in the United States, are in the appropriate forms for filing in the filing offices in the jurisdictions identified in **Schedule 6** hereof.

6. Schedule of Filings. Attached hereto as **Schedule 6** is a schedule of (i) the appropriate filing offices for the financing statements attached hereto as **Schedule 5**, (ii) the appropriate filing offices for the filings described in **Schedule 10(d)**, (iii) the appropriate filing offices for the Mortgages and fixture filings relating to the Mortgaged Property set forth in **Schedule 7(a)** and (iv) any other actions required to create, preserve, protect and perfect the security interests in the Collateral granted to the Collateral Agent pursuant to the Security Documents. No other filings or actions are required, other than as may be required under Australian, Dutch or Swiss law, to create, preserve, protect and perfect the security interests in the Collateral granted to the Collateral Agent pursuant to the Security Documents.

7. Real Property. Attached hereto as **Schedule 7(a)** is a list of all (i) real property to be encumbered by a Mortgage and fixture filing, which real property includes, without limitation, all real property located in the United States owned by each Loan Party as of the Closing Date having a Fair Market Value (on a per-property basis) equal to or greater than $5,000,000 (such real property, the "Mortgaged Property"), (ii) common names, addresses and uses of each Mortgaged Property and (iii) other information relating thereto required by such Schedule. Except as described in **Schedule 7(b)** attached hereto: (i) no Loan Party has entered into any leases, subleases, tenancies, franchise agreements, licenses or other occupancy arrangements as owner, lessor, sublessor, licensor, franchisor or grantor with respect to any of the real property described in **Schedule 7(a)** and (ii) no Loan Party has any leases which require the consent of the landlord, tenant or other party thereto in order to grant a mortgage on any of the real property described in **Schedule 7(a)**. Attached hereto as **Schedule 7(c)** is a list of all

locations leased by any Loan Party where any Loan Party stores Collateral. Attached hereto as **Schedule 7(d)** is a list of all locations where any Loan Party stores Collateral that is not listed on **Schedule 7(a)** or **7(c)**.

8. Stock Ownership and Other Equity Interests. Attached hereto as **Schedule 8(a)** is a true and correct list of each of the issued and outstanding, stock, shares, partnership interests, limited liability company membership interests or other equity interest of each Subsidiary of the Loan Parties and the record and beneficial owners of such stock, shares, partnership interests, membership interests or other equity interests setting forth the percentage, class and number of such equity interests pledged under the Security Documents. Also set forth in **Schedule 8(b)** is each equity investment of each Loan Party that represents 50% or less of the equity of the entity in which such investment was made setting forth the percentage of such equity interests pledged under the Security Agreement.

9. Instruments and Tangible Chattel Paper. Attached hereto as **Schedule 9** is a true and correct list of all promissory notes, instruments (other than checks to be deposited in the ordinary course of business), tangible chattel paper, electronic chattel paper and other evidence of indebtedness held by each Loan Party as of the date hereof, including all intercompany notes between or among any two or more Loan Parties or any of their Subsidiaries, in excess of $1,000,000 with respect to each such note or instrument.

10. Intellectual Property.

(a) Attached hereto as **Schedule 10(a)** is a schedule setting forth all of the Loan Parties' Patents and Trademarks applied for or registered with the United States Patent and Trademark Office ("USPTO"), the World Intellectual Property Organization, IP Australia, Benelux Office for Intellectual Property and all other Patents and Trademarks, including, where applicable, the name of the registered owner or applicant and the registration, application, or publication number, as applicable, of each Patent or Trademark owned by each Loan Party.

(b) Attached hereto as **Schedule 10(b)** is a schedule setting forth all of each Loan Party's United States Copyrights (as defined in the Collateral Agreement) applied for or registered with the United States Copyright Office ("USCO"), and all other registered Copyrights, including those applied for or registered with IP Australia and, where applicable, the name of the registered owner and the registration number of each Copyright owned by each Loan Party.

(c) Attached hereto as **Schedule 10(c)** is a schedule setting forth all Patent Licenses, Trademark Licenses and Copyright Licenses, whether or not recorded with the USPTO, USCO, IP Australia and the Dutch Patent Office (*Nederlandsch Octrooibureau*) as applicable, including, but not limited to, the relevant signatory parties to each license along with the date of execution thereof and, if applicable, a recordation number or other such evidence of recordation.

(d) Attached hereto as **Schedule 10(d)** in proper form for filing with the USPTO and USCO are the filings necessary to preserve, protect and perfect the security interests in the

Trademarks, Trademark Licenses, Patents, Patent Licenses, Copyrights and Copyright Licenses set forth in **Schedule 10(a), Schedule 10(b)** and **Schedule 10(c)**, including duly signed copies of each of the Patent Security Agreement, Trademark Security Agreement and the Copyright Security Agreement, as applicable.

11. Commercial Tort Claims. Attached hereto as **Schedule 11** is a true and correct list of all Commercial Tort Claims (as defined in the Collateral Agreement) with an expected value of $5,000,000 or greater, as determined by the Lead Borrower in good faith, held by each Loan Party, including a brief description thereof and stating if such commercial tort claims are required to be pledged under the Collateral Agreement.

12. Insurance. Attached hereto as **Schedule 12** is a true and correct list of all material insurance policies of the Loan Parties.

13. Deposit Accounts, Securities Accounts and Commodity Accounts. Attached hereto as **Schedule 13** is a true and complete list of all Deposit Accounts, Securities Accounts and Commodity Accounts (each as defined in the Collateral Agreement) maintained by each Loan Party, including the name of each institution where each such account is held, the name/type of each such account, the name of each entity that holds each account and stating if such account is required to be subject to a control agreement and/or pledge agreement, as applicable depending on the location of the relevant accounts, pursuant to the Collateral Agreement or the Credit Agreement and the reason for such account to be excluded from the control agreement requirement.

[*The remainder of this page has been intentionally left blank*]

IN WITNESS WHEREOF, we have hereunto signed this Perfection Certificate as of the date first written above.

BRIGGS & STRATTON CORPORATION

By: _____
Name:
Title:

BRIGGS & STRATTON AG

By: _____
Name:
Title:

ALLMAND BROS., INC.

By: _____
Name:
Title:

BILLY GOAT INDUSTRIES, INC.

By: _____
Name:
Title:

BRIGGS & STRATTON AUSTRALIA PTY. LIMITED

By: _____
Name:
Title:

BRIGGS & STRATTON INTERNATIONAL AG

By: _____
Name:
Title:

VICTA LTD

By: _____
Name:
Title:

Schedule 1(a)

Legal Names, etc.

Legal Name	Type of Entity	Registered Organization/Company (Yes/No)	Organizational or Company Number	Federal Taxpayer Identification Number	Jurisdiction of Formation or Incorporation

Schedule 1(b)

Current and Prior Corporate, Organizational or Registered Names

Company/Subsidiary	Prior Name	Date of Change

See also Schedule 1(c).

Schedule 1(c)

Changes in Corporate Identity; Other Names

Company/Subsidiary	Corporate Name of Entity	Action	Date of Action	Jurisdiction of Formation or Incorporation	List of All Other Names Used on Any Filings with the Internal Revenue Service During Past Five Years

See also Schedule 1(b).

Schedule 2

Chief Executive Offices

Company/Subsidiary	Address of Chief Executive Office	County[1]	State / Province[2]	Country

[1] As applicable.

[2] As applicable.

Schedule 3

Transactions Other Than in the Ordinary Course of Business

Schedule 4(a)

File Search Reports from UCC Filing Offices

Schedule 4(b)

File Search Reports from PPSR

Schedule 5

Copy of Financing Statements To Be Filed

Schedule 6

Filings/Filing Offices

Type of Filing	Entity	Applicable Security Document [Mortgage, Collateral Agreement or Other]	Jurisdictions

Schedule 7(a)

Owned Real Property

Entity of Record	Common Name, Address and Tax Parcel ID No(s)	Purpose/Use	To be Encumbered by Mortgage and Fixture Filing	Option to Purchase/ Right of First Refusal

Schedule 7(b)

Required Consents; Company Held Landlord's/ Grantor's Interests

I. Landlord's / Grantor's Consent Required

II. Leases, Subleases, Tenancies, Franchise Agreements, Licenses or Other Occupancy Agreements Pursuant to which any Company holds Landlord's / Grantor's Interest.

Schedule 7(c)

Leased Real Property

Schedule 7(d)

Other Locations

Schedule 8(a)

Equity Interests of Companies and Subsidiaries

Current Legal Entities Owned	Record Owner	Certificate No.[3]	Class	No. Shares/Interest	Percent Pledged[4]	State or Country of Organization

[3] The symbol ^ denotes equity interests certificated on unnumbered certificates.

[4] The symbol * denotes equity interests that are pledged only to the extent they do not constitute "Excluded Securities" as provided in the Credit Agreement.

Schedule 8(b)

Other Equity Interests

Current Legal Entities Owned	Record Owner	Certificate No.	Class	No. Shares/Interest	Percent Pledged	State of Country of Organization

Schedule 9

Instruments and Tangible Chattel Paper

1. Promissory Notes:

Payee	Payor	Currency	Principal Amount	Date of Issuance	Maturity Date	Pledged [Yes/No]

2. Chattel Paper:

3. Other Debt:

.

Schedule 10(a)

Patents and Trademarks

UNITED STATES PATENTS:

Registrations:

Applications:

OTHER PATENTS (including Industrial Designs):

Registrations:

Applications:

UNITED STATES TRADEMARKS:

Registrations:

Applications:

OTHER TRADEMARKS:

Registrations:

Applications:

p

Schedule 10(b)

Copyrights

UNITED STATES COPYRIGHTS

Registrations:

NAME	FULL TITLE	US COPYRIGHT REGISTRATION NO.	DATE

Applications:

OTHER COPYRIGHTS

Registrations:

Applications:

Schedule 10(c)

Intellectual Property Licenses

Patent Licenses:

Trademark Licenses:

Copyright Licenses:

Schedule 10(d)

Intellectual Property Filings

Schedule 11

Commercial Tort Claims

Schedule 12

Insurance

Coverage	Deductible/Retention	Territory of Coverage	General Description of What is Covered	Limits	Primary Insurer	Policy Inception

Schedule 13

Deposit Accounts

Owner	Type of Account	Bank	Account Number	Currency	Subject to Control Agreement?	Reason for Exclusion from control requirement

EXHIBIT H

[Reserved]

Exhibit I

FORM OF U.S. COLLATERAL AGREEMENT

[See attached]

EXECUTION VERSION

THE LIENS AND SECURITY INTERESTS HEREUNDER SECURING THE OBLIGATIONS ARE SUBJECT TO THE TERMS AND CONDITIONS OF THE FINANCING ORDER (AS DEFINED HEREIN).

U.S. SENIOR SECURED DEBTOR-IN-POSSESSION COLLATERAL AGREEMENT

dated and effective as of

July 22, 2020

among

BRIGGS & STRATTON CORPORATION,
as the Lead Borrower,

each other Loan Party
party hereto

and

JPMORGAN CHASE BANK, N.A.,
as Collateral Agent

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ARTICLE V

Miscellaneous

Schedules

Exhibits

U.S. SENIOR SECURED DEBTOR-IN-POSSESSION COLLATERAL AGREEMENT, dated and effective as of July 22, 2020 (this "***Agreement***"), is among BRIGGS & STRATTON CORPORATION, a Wisconsin corporation (the "***Lead Borrower***") and a debtor and debtor-in-possession under Chapter 11 of the Bankruptcy Code, each other Pledgor (as defined below) from time to time party hereto and JPMorgan Chase Bank, N.A., as collateral agent for the Secured Parties referred to herein (together with its successors and assigns in such capacity, the "***Collateral Agent***").

PRELIMINARY STATEMENT

Reference is made to the Senior Secured Debtor-in-Possession Revolving and Term Credit Agreement, dated as of the date hereof (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), among the Borrowers (as defined therein), the Lenders party thereto from time to time, the Issuing Banks party thereto from time to time and JPMorgan Chase Bank, N.A., as the Administrative Agent, the Collateral Agent, the Australian Security Trustee and the Swingline Lender.

The Lenders, the Issuing Banks and the Swingline Lender have agreed to extend credit to the Borrowers subject to the terms and conditions set forth in the Credit Agreement. The obligations of the Lenders, the Issuing Banks and the Swingline Lender to extend such credit from time to time are conditioned upon, among other things, the execution and delivery of this Agreement on or prior to the DIP Closing Date. The Borrowers and the other Loan Parties, as affiliates of the Borrowers, will derive substantial benefits from the extension of credit to the Borrowers pursuant to the Credit Agreement. The Loan Parties that are parties hereto are willing to execute and deliver this Agreement in order to induce the Lenders, the Issuing Banks and the Swingline Lender to extend such credit under the Credit Agreement.

Therefore, to induce the Lenders, the Issuing Banks and the Swingline Lender to make their respective extensions of credit under the Credit Agreement from time to time, without in any way diminishing or limiting the effect of the Financing Order or the security interests, pledges and liens granted thereunder, the parties hereto desire to more fully set forth their respective rights in connection with such security interests, pledges and liens:

ARTICLE I

Definitions

SECTION 1.1. ***Credit Agreement.***

(a) Capitalized terms used in this Agreement and not otherwise defined herein have the respective meanings assigned thereto in the Credit Agreement. All terms defined in the Uniform Commercial Code or the PPSA, as applicable (as defined herein) and not defined in this Agreement or the Credit Agreement have the meanings specified therein. The term "instrument" shall have the meaning specified in the Uniform Commercial Code.

(b) The rules of construction specified in Section 1.02 of the Credit Agreement also apply to this Agreement.

SECTION 1.2. ***Other Defined Terms***. As used in this Agreement, the following terms have the meanings specified below:

"***Account Debtor***" means any person who is or who may become obligated to any Pledgor under, with respect to or on account of an Account, Chattel Paper or General Intangibles.

"***Agreement***" has the meaning assigned to such term in the introductory paragraph of this agreement, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"***Article 9 Collateral***" has the meaning assigned to such term in Section 3.1.

"***CIPO***" means the Canadian Intellectual Property Office.

"***Collateral***" means Article 9 Collateral and Pledged Collateral. For the avoidance of doubt, the term "Collateral" does not include any Excluded Property or Excluded Securities.

"***Collateral Agent***" has the meaning assigned to such term in the introductory paragraph of this Agreement.

"***Copyright License***" means any written agreement, now or hereafter in effect, granting any right to any Pledgor under any Copyright now or hereafter owned by any third party, and all rights of any Pledgor under any such agreement (including any such rights that such Pledgor has the right to sublicense).

"***Copyrights***" means all of the following: (a) all copyright rights in any work subject to the copyright laws of the United States and Canada or any other country or group of countries, whether as author, assignee, transferee or otherwise; (b) all registrations and applications for registration of any such Copyright in the United States and Canada or any other country or group of countries, including registrations, supplemental registrations and pending applications for registration in the United States Copyright Office or CIPO and the right to obtain all renewals thereof, including those listed on *Schedule III*; (c) all claims for, and rights to sue for, past or future infringements of any of the foregoing; (d) all income, royalties, damages and payments now or hereafter due and payable with respect to any of the foregoing, including damages and payments for past or future infringement thereof; and (e) all other rights accruing thereunder or pertaining thereto throughout the world.

"***Credit Agreement***" has the meaning assigned to such term in the preliminary statement of this Agreement.

"***Federal Securities Laws***" has the meaning assigned to such term in Section 4.3.

"***Financing Order***" shall have the meaning assigned to the term "DIP Orders" in the Credit Agreement.

"***General Intangibles***" means all "general intangibles" as defined in the Uniform Commercial Code, including all choses in action and causes of action and all other intangible personal property of any Pledgor of every kind and nature (other than Accounts) now owned or

hereafter acquired by any Pledgor, including corporate or other business records, indemnification claims, contract rights (including rights under leases, whether entered into as lessor or lessee, swap agreements and other agreements), Intellectual Property, goodwill, registrations, franchises, tax refund claims and any guarantee, claim, security interest or other security held by or granted to any Pledgor to secure payment by an Account Debtor of any of the Accounts.

"***Grants of Security Interest in Intellectual Property***" means the grants of security interest substantially in the form attached hereto as *Exhibit II* or such other form as shall be reasonably acceptable to the Collateral Agent.

"***Intellectual Property***" means (a) all intellectual property of every kind and nature of any Pledgor, whether now owned or hereafter acquired by any Pledgor, including, inventions, designs, Patents, Copyrights, Trademarks, trade secrets, domain names, confidential or proprietary technical and business information, know-how, show-how or other data or information and all related documentation; (b) all IP Agreements now or hereafter held by any Pledgor; (c) all claims for, and rights to sue for, past or future infringements, misappropriations, dilutions and other violations of any of the foregoing; (d) all income, royalties, damages and payments now or hereafter due and payable with respect to any of the foregoing, including damages and payments for past or future infringement thereof; and (e) all other rights accruing thereunder or pertaining thereto throughout the world.

"***Intellectual Property Collateral***" has the meaning assigned to such term in Section 3.2.

"***IP Agreements***" means all material Copyright Licenses, Patent Licenses and Trademark Licenses, including, without limitation, the agreements set forth on *Schedule III* hereto.

"***Lead Borrower***" has the meaning assigned to such term in the introductory paragraph of this Agreement.

"***Patent License***" means any written agreement, now or hereafter in effect, granting to any Pledgor any right to make, have made, use, sell, offer to sell, or import any invention or design covered by a Patent, now or hereafter owned by any third party (including any such rights that such Pledgor has the right to license).

"***Patents***" means all of the following: (a) all letters patent and industrial designs of the United States and Canada or the equivalent thereof in any other country or jurisdiction or group of countries, including those listed on *Schedule III*, and all applications for letters patent and industrial designs of the United States and Canada or the equivalent thereof in any other country or jurisdiction or group of countries, including those listed on *Schedule III*; (b) all provisionals, reissues, extensions, continuations, divisions, continuations-in-part, reexaminations or revisions thereof, including the right to exclude others from making, using, importing and/or selling the inventions or designs disclosed or claimed in any of the foregoing in the immediately preceding sub-part (a) or this sub-part (b); (c) all claims for, and rights to sue for, past or future infringements of any of the foregoing; (d) all income, royalties, damages and payments now or hereafter due and payable with respect to any of the foregoing, including damages and payments for past or future

infringement thereof; and (e) all other rights accruing thereunder or pertaining thereto throughout the world.

"***Permitted Liens***" means Liens that are permitted pursuant to Section 10.02 of the Credit Agreement.

"***Pledged Collateral***" has the meaning assigned to such term in Section 2.1.

"***Pledged Debt***" has the meaning assigned to such term in Section 2.1

"***Pledged Securities***" means any promissory notes, stock certificates or other certificated securities now or hereafter included in the Pledged Collateral, including all certificates, instruments or other documents representing or evidencing any Pledged Collateral.

"***Pledged Stock***" has the meaning assigned to such term in Section 2.1.

"***Pledgor***" means the Lead Borrower and each other Loan Party set forth on *Schedule I* and any other Loan Party that becomes a party hereto pursuant to Section 5.16. Notwithstanding anything to the contrary set forth herein, any entity that ceases to be a Loan Party in accordance with the terms of Section 12.11 of the Credit Agreement shall automatically cease to be a Pledgor.

"***PPSA***" means the Personal Property Security Act (Ontario), including the regulations thereto and related Minister's Orders, provided that, if perfection or the effect of perfection or non-perfection or the priority of any Lien created hereunder or under any other Loan Document on the PPSA Collateral is governed by the personal property security legislation or other applicable legislation with respect to personal property security in effect in any applicable jurisdiction in Canada, "PPSA" means the Personal Property Security Act or such other applicable legislation (including, the Civil Code of Quebec) in effect from time to time in such other jurisdiction in Canada for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"***Proceeds***" means all "Proceeds" as defined in the Uniform Commercial Code and the PPSA, including all proceeds of, and all other profits, products, rents or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing or other disposition of, or other realization upon, any Collateral, including all claims of the relevant Pledgor against third parties for loss of, damage to or destruction of, or for proceeds payable under, or unearned premiums with respect to, policies of insurance in respect of, any Collateral, and any condemnation or requisition payments with respect to any Collateral.

"***Receiver***" has the meaning assigned to such term in Section 4.1.

"***Security Interest***" has the meaning assigned to such term in Section 3.1.

"***Trademark License***" means any written agreement, now or hereafter in effect, granting to any Pledgor any right to use any Trademark now or hereafter owned by any third party (including any such rights that such Pledgor has the right to license).

"***Trademarks***" means all of the following: (a) all trademarks, service marks, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos and other source or business identifiers, and all designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations thereof (if any), and all registration and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office, CIPO or any similar offices in any State of the United States or any other country or group of countries or any political subdivision of any of the foregoing, and all renewals thereof, including those listed on *Schedule III*; (b) all goodwill associated with or symbolized by the foregoing; (c) all claims for, and rights to sue for, past or future infringements, dilutions or other violations of any of the foregoing; (d) all income, royalties, damages and payments now or hereafter due and payable with respect to any of the foregoing, including damages and payments for past or future infringement, dilutions or other violations thereof; and (e) all other rights accruing thereunder or pertaining thereto throughout the world.

ARTICLE II

Pledge of Securities

SECTION 2.1. ***Pledge***. Subject to the terms of the Financing Order, as security for the payment or performance when due (whether at the stated maturity, by acceleration or otherwise), as the case may be, in full of the Obligations, each Pledgor hereby assigns and pledges to the Collateral Agent, its successors and permitted assigns, for the benefit of the Secured Parties, and hereby grants to the Collateral Agent, its successors and permitted assigns, for the benefit of the Secured Parties, a security interest in all of such Pledgor's right, title and interest in, to and under (whether now owned or hereafter acquired and whether coming into existence prior to, on or following the Petition Date):

(a) all Equity Interests directly owned by it (including those listed on *Schedule II*) and any other Equity Interests obtained in the future by such Pledgor and any certificates representing all such Equity Interests (any such Equity Interests, the "***Pledged Stock***"); *provided* that the Pledged Stock shall not include any Excluded Securities or Excluded Property;

(b) (i) the debt obligations owed to such Pledgor listed opposite the name of such Pledgor on *Schedule II,* (ii) all other debt obligations existing on the DIP Closing Date or in the future issued to such Pledgor, and (iii) the certificates, promissory notes and any other instruments, if any, evidencing such debt obligations (the property described in clauses (b)(i), (ii) and (iii) above, the "***Pledged Debt***"); *provided* that the Pledged Debt shall not include any Excluded Securities or Excluded Property;

(c) subject to Section 2.6, all payments of principal or interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of, in exchange for or upon the conversion of, and all other Proceeds received in respect of the Pledged Stock and the Pledged Debt;

(d) subject to Section 2.6, all rights and privileges of such Pledgor with respect to the Pledged Stock, Pledged Debt and other property referred to in clause (c) above; and

(e) all Proceeds of any of the foregoing (the Pledged Stock, Pledged Debt and other property referred to in this clause (e) and in clauses (c) through (d) above being collectively referred to as the "***Pledged Collateral***"); provided that the Pledged Collateral shall not include any Excluded Securities or Excluded Property;

TO HAVE AND TO HOLD, the Pledged Collateral together with all right, title, interest, powers, privileges and preferences pertaining or incidental thereto, unto the Collateral Agent, its successors and permitted assigns, for the benefit of the Secured Parties, forever; subject, however, to the terms, covenants and conditions hereinafter set forth.

SECTION 2.2. ***Delivery of the Pledged Collateral***.

(a) Each Pledgor agrees to deliver or cause to be delivered to the Collateral Agent, for the benefit of the Secured Parties, on the DIP Closing Date or on such other applicable date pursuant to Section 9.12 of the Credit Agreement, or if acquired after the date hereof, within thirty (30) calendar days after receipt by such Pledgor (or, in each case, such longer period as the Administrative Agent may agree in its reasonable discretion), any and all certificates or other instruments (if any) representing any Pledged Securities, to the extent such Pledged Securities are either (i) Pledged Stock or (ii) in the case of promissory notes or other instruments evidencing Pledged Debt, are required to be delivered pursuant to paragraph (b) of this Section 2.2.

(b) To the extent any Indebtedness for borrowed money constituting Pledged Collateral owed to any Pledgor (other than intercompany Indebtedness owed to such Pledgor by another Pledgor or other Loan Party that has pledged substantially all of its assets to the Collateral Agent for the benefit of the Secured Parties pursuant to a Security Document governed by the Specified Foreign Laws) is evidenced by a duly executed promissory note in an individual principal amount in excess of $1,000,000, such Pledgor shall cause such promissory note to be pledged and delivered to the Collateral Agent, for the benefit of the Secured Parties, on the DIP Closing Date or on such other applicable date pursuant to Section 9.12 of the Credit Agreement, as applicable, or if acquired after the date hereof, within thirty (30) calendar days after receipt by such Pledgor (or, in each case, such longer period as the Administrative Agent may agree in its reasonable discretion), pursuant to the terms hereof (except to the extent that delivery of such promissory note would violate applicable law). To the extent any such promissory note is a demand note, each Pledgor party thereto agrees, if requested by the Collateral Agent, to immediately demand payment thereunder upon the occurrence and during the continuance of an Event of Default, unless such demand would expose such Pledgor to liability to the maker of such promissory note.

(c) Upon delivery to the Collateral Agent, (i) any Pledged Securities required to be delivered pursuant to the foregoing paragraphs (a) and (b) of this Section 2.2 shall be accompanied by stock powers or allonges, as applicable, duly executed in blank or other instruments of transfer reasonably satisfactory to the Collateral Agent, and by such other instruments and documents as the Collateral Agent may reasonably request and (ii) all other property comprising part of the Pledged Collateral delivered pursuant to the terms of this Agreement shall be accompanied to the extent necessary to perfect the security interest in or allow realization on the Pledged Collateral by proper instruments of assignment duly executed by the applicable Pledgor and such other instruments or documents (including issuer acknowledgments

in respect of uncertificated securities that are created pursuant to Section 2.4(b)) as the Collateral Agent may reasonably request. Each delivery of Pledged Securities shall be accompanied by a schedule describing the securities, which schedule shall be deemed to be attached hereto as *Schedule II* (or a supplement to *Schedule II*, as applicable) and made a part hereof; *provided* that failure to attach any such schedule hereto shall not affect the validity of such pledge of such Pledged Securities. Each schedule so delivered shall supplement any prior schedules so delivered.

SECTION 2.3. ***Representations, Warranties and Covenants.*** Each Pledgor, as applicable represents, warrants and covenants to and with the Collateral Agent, for the benefit of the Secured Parties, that:

(i) *Schedule II* correctly sets forth (or, with respect to any Pledged Stock issued by an issuer that is not a Subsidiary of the Lead Borrower, correctly sets forth, to the knowledge of the relevant Pledgor), as of the DIP Closing Date, the percentage of the issued and outstanding units of each class of the Equity Interests of the issuer thereof represented by the Pledged Stock and includes (i) all Equity Interests pledged hereunder and (ii) Pledged Debt pledged hereunder and in an individual principal amount in excess of $1,000,000;

(ii) the Pledged Stock and Pledged Debt (with respect to any Pledged Stock or Pledged Debt issued by an issuer that is not a Subsidiary of the Lead Borrower, to the knowledge of the relevant Pledgor), as of the DIP Closing Date, (x) have been duly and validly authorized and issued by the issuers thereof and (y) (i) in the case of Pledged Stock, are fully paid and, with respect to Equity Interests constituting capital stock of a corporation, nonassessable and (ii) in the case of Pledged Debt, are legal, valid and binding obligations of the issuers thereof, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding at law or in equity) and any implied covenant of good faith and fair dealing;

(iii) except for the security interests granted hereunder (and other security interests not prohibited by the Loan Documents), each Pledgor (i) is and, subject to any transfers or transactions not in violation of the Credit Agreement, will continue to be the direct owner, beneficially and of record, of the Pledged Securities indicated on *Schedule II* (as may be supplemented from time to time pursuant to Section 2.2(c)) as owned by such Pledgor, (ii) holds the same free and clear of all Liens, other than Permitted Liens, (iii) will make no assignment, pledge, hypothecation or transfer of, or create or permit to exist any security interest in or other Lien on, the Pledged Collateral, other than pursuant to a transaction not prohibited by the Credit Agreement and other than Permitted Liens and (iv) subject to the rights of such Pledgor under the Loan Documents to Dispose of Pledged Collateral, will use commercially reasonable efforts to defend its title or interest thereto or therein against any and all Liens (other than Permitted Liens), however arising, of all persons;

(iv) other than as set forth in the Credit Agreement, and except for restrictions and limitations imposed by the Loan Documents or securities laws generally or otherwise not prohibited by the Credit Agreement, the Pledged Stock (other than partnership

interests) is and will continue to be freely transferable and assignable, and none of the Pledged Stock is or will be subject to any option, right of first refusal, shareholders agreement, charter, by-law, memorandum of association or articles of association provisions or contractual restriction of any nature that might prohibit, impair, delay or otherwise affect the pledge of such Pledged Stock hereunder, the Disposition thereof pursuant hereto or the exercise by the Collateral Agent of rights and remedies hereunder other than under any applicable Requirement of Law;

(v) subject (with respect to the Debtors only) to the entry by the Bankruptcy Court of the Interim Order and, after entry thereof, the Final Order and to the terms thereof, each Pledgor has the power and authority to pledge the Pledged Collateral, pledged by it hereunder in the manner hereby done or contemplated;

(vi) subject (with respect to the Debtors only) to the entry by the Bankruptcy Court of the Interim Order and, after entry thereof, the Final Order and to the terms thereof, other than as set forth in the Credit Agreement, as of the DIP Closing Date, no consent or approval of any Governmental Authority, any securities exchange or any other person was or is necessary to the validity of the pledge effected hereby other than such as have been obtained and are in full force and effect;

(vii) by virtue of the execution and delivery by the respective Pledgors of this Agreement or any supplement hereto, when any Pledged Securities are delivered to the Collateral Agent, for the benefit of the Secured Parties, in accordance with this Agreement (to the extent required hereunder) and financing statements naming the Collateral Agent as the secured party described in Section 3.2 are filed in the appropriate filing office, and/or upon entry of the Financing Order, the Collateral Agent will obtain, for the benefit of the Secured Parties, a legal, valid and perfected lien upon and security interest in the Pledged Collateral under the Uniform Commercial Code or its equivalent in any applicable jurisdiction and the Bankruptcy Code, subject only to Permitted Liens; and

(viii) each Pledgor that is an issuer of the Pledged Collateral confirms that it has received notice of the security interest granted hereunder and consents to such security interest and agrees to transfer record ownership of the Pledged Collateral issued by it in connection with any request by the Collateral Agent if an Event of Default has occurred and is continuing.

SECTION 2.4. ***Certification of Limited Liability Company and Limited Partnership Interests***.

(a) As of the DIP Closing Date, except as set forth on *Schedule II*, the Equity Interests in limited liability companies and limited partnerships that are pledged by the Pledgors hereunder and do not have a certificate described on *Schedule II* do not constitute a security under Section 8-103 of the Uniform Commercial Code or the corresponding code or statute of any other applicable jurisdiction.

(b) The Pledgors shall at no time elect to treat any interest in any limited liability company or limited partnership Controlled by a Pledgor and pledged hereunder as a

"security" within the meaning of Article 8 of the Uniform Commercial Code or its equivalent in any jurisdiction or issue any certificate representing such interest, unless promptly thereafter (and in any event within 30 days or such longer period as the Collateral Agent may permit in its sole discretion) the applicable Pledgor provides notification to the Collateral Agent of such election and takes all action necessary to establish the Collateral Agent's control (within the meaning of Section 8-106 of the Uniform Commercial Code or the PPSA, as applicable) thereof.

SECTION 2.5. ***Registration in Nominee Name; Denominations***. The Collateral Agent, on behalf of the Secured Parties, shall have the right (in its sole and absolute discretion) to hold the Pledged Securities in the name of the applicable Pledgor, endorsed or assigned in blank or in favor of the Collateral Agent or, if an Event of Default shall have occurred and be continuing, in its own name as pledgee or the name of its nominee (as pledgee or as sub-agent). If an Event of Default shall have occurred and be continuing, each Pledgor will promptly give to the Collateral Agent copies of any notices or other communications received by it with respect to Pledged Securities registered in the name of such Pledgor. If an Event of Default shall have occurred and be continuing, the Collateral Agent shall have the right to exchange the certificates representing Pledged Securities held by it for certificates of smaller or larger denominations for any purpose consistent with this Agreement. Each Pledgor shall cause any Subsidiary that is not a party to this Agreement to comply with a request by the Collateral Agent, pursuant to this Section 2.5, to exchange certificates representing Pledged Securities of such Subsidiary for certificates of smaller or larger denominations.

SECTION 2.6. ***Voting Rights; Dividends and Interest, Etc.***

(a) Unless and until an Event of Default shall have occurred and be continuing and the Collateral Agent shall have given written notice to the relevant Pledgors of the Collateral Agent's intention to exercise its rights hereunder:

(i) Each Pledgor shall be entitled to exercise any and all voting and/or other consensual rights and powers inuring to an owner of Pledged Collateral or any part thereof for any purpose not prohibited by the terms of this Agreement or the Loan Documents; *provided* that, except as not prohibited by the Credit Agreement, such rights and powers shall not be exercised in any manner that would materially and adversely affect the rights and remedies of any of the Collateral Agent or any other Secured Parties under this Agreement or any Loan Document or the ability of the Secured Parties to exercise the same.

(ii) The Collateral Agent shall promptly execute and deliver to each Pledgor, or cause to be executed and delivered to such Pledgor, all such proxies, powers of attorney and other instruments as such Pledgor may reasonably request for the purpose of enabling such Pledgor to exercise the voting and/or consensual rights and powers it is entitled to exercise pursuant to subparagraph (i) above.

(iii) Subject to Section 2.2 and paragraph (b) below, each Pledgor shall be entitled to receive and retain any and all dividends, interest, principal and other distributions paid on or distributed in respect of the Pledged Collateral.

(b) Notwithstanding anything to the contrary in any other Loan Document, upon the occurrence and during the continuance of an Event of Default and after written notice by the Collateral Agent to the relevant Pledgor or Pledgors of the Collateral Agent's intention to exercise its rights hereunder, all rights of any Pledgor to receive dividends, interest, principal or other distributions that such Pledgor is authorized to receive pursuant to paragraph (a)(iii) of this Section 2.6 shall cease, and all such rights shall thereupon become vested, for the benefit of the Secured Parties, in the Collateral Agent which shall have the sole and exclusive right and authority to receive and retain such dividends, interest, principal or other distributions. All dividends, interest, principal or other distributions received by any Pledgor contrary to the provisions of this Section 2.6 shall not be commingled by such Pledgor with any of its other funds or property but shall be held separate and apart therefrom, shall be held in trust for the benefit of the Collateral Agent, for the benefit of the Secured Parties, and shall be forthwith delivered to the Collateral Agent, for the benefit of the Secured Parties, in the same form as so received (endorsed in a manner reasonably satisfactory to the Collateral Agent). Any and all money and other property paid over to or received by the Collateral Agent pursuant to the provisions of this paragraph (b) shall be retained by the Collateral Agent in an account to be established by the Collateral Agent upon receipt of such money or other property and shall be applied in accordance with the provisions of Section 4.2. After all Events of Default have been cured (to the extent such Events of Default are permitted to be cured under the Loan Documents) or waived and the Lead Borrower has delivered to the Collateral Agent a certificate of a Responsible Officer to that effect, the Collateral Agent shall promptly repay to each Pledgor (without interest) all dividends, interest, principal or other distributions that such Pledgor would otherwise be permitted to retain pursuant to the terms of paragraph (a)(iii) of this Section 2.6 solely to the extent that such dividends, interest, principal or other distributions remain in such account and have not been applied in accordance with the provisions of Section 4.2.

Upon the occurrence and during the continuance of an Event of Default and after written notice by the Collateral Agent to the Lead Borrower of the Collateral Agent's intention to exercise its rights hereunder, all rights of any Pledgor to exercise the voting and/or consensual rights and powers it is entitled to exercise pursuant to paragraph (a)(i) of this Section 2.6, and the obligations of the Collateral Agent under paragraph (a)(ii) of this Section 2.6, shall cease, and all such rights shall thereupon become vested in the Collateral Agent, for the benefit of the Secured Parties, which shall have the sole and exclusive right and authority to exercise such voting and consensual rights and powers; *provided* that the Collateral Agent shall have the right (in its sole discretion) from time to time following and during the continuance of an Event of Default to permit the Pledgors to exercise such rights. After all Events of Default have been cured (to the extent such Events of Default are permitted to be cured under the Loan Documents) or waived and the Lead Borrower has delivered to the Collateral Agent a certificate of a Responsible Officer to that effect, each Pledgor shall have the right to exercise the voting and/or consensual rights and powers that such Pledgor would otherwise be entitled to exercise pursuant to the terms of paragraph (a)(i) above and the obligations of the Collateral Agent under paragraph (a)(ii) shall be in effect.

ARTICLE III

Security Interests in Other Personal Property

SECTION 3.1. ***Security Interest.***

(a) Subject to the terms of the Financing Order, as security for the payment or performance when due (whether at the stated maturity, by acceleration or otherwise), as the case may be, in full of the Obligations, each Pledgor hereby assigns and pledges to the Collateral Agent, its successors and permitted assigns, for the benefit of the Secured Parties, and hereby grants to the Collateral Agent, its successors and permitted assigns, for the benefit of the Secured Parties, a security interest (the "***Security Interest***") in all right, title and interest in, to and under any and all of its present and after-acquired personal property, including the following assets and properties now owned or at any time hereafter acquired by such Pledgor or in which such Pledgor now has or at any time in the future may acquire any right, title or interest, whether coming into existence prior to, on or following the Petition Date (collectively, the "***Article 9 Collateral***"):

(i) all Accounts;

(ii) all Chattel Paper;

(iii) all cash and Deposit Accounts;

(iv) all Documents and Documents of Title;

(v) all Equipment;

(vi) all Fixtures and other Goods;

(vii) all General Intangibles and Intangibles (including, without limitation, all Intellectual Property);

(viii) all Instruments (other than Pledged Debt which is governed by Article II);

(ix) all Inventory and all other Goods not otherwise described above;

(x) all Investment Property (other than the Pledged Collateral, which is governed by Article II);

(xi) all Letters of Credit and Letter of Credit Rights;

(xii) all Commercial Tort Claims, as described on *Schedule IV* (as may be supplemented from time to time pursuant to Section 3.4 or the Supplement hereto substantially in the form of *Exhibit I*);

(xiii) all books and records, customer lists, credit files, programs, printouts and other computer materials and records pertaining to the Article 9 Collateral; and

(xiv) to the extent not otherwise included, all Proceeds, Supporting Obligations and products of any and all of the foregoing and all collateral security and guarantees given by any person with respect to any of the foregoing.

Notwithstanding anything to the contrary in this Agreement or the other Loan Documents, this Agreement shall not constitute a grant of a security interest in (and the Article 9 Collateral shall not include), and the other provisions of the Loan Documents with respect to Collateral need not be satisfied with respect to, the Excluded Property, the Excluded Securities, Consumer Goods or the last day of the term of any lease or agreement for lease of real property; provided that, upon enforcement of the Security Interest, each Pledgor shall stand possessed of such last day in trust or assign the same to any person acquiring such term.

Each Pledgor confirms that value has been given by the Secured Parties to such Pledgor, that such Pledgor has rights in its Collateral existing at the date of this Agreement, and that such Pledgor and the Collateral Agent have not agreed to postpone the time for attachment of the Security Interest granted to the Collateral Agent in any of the PPSA Collateral of such Pledgor pursuant to this Agreement.

(b) Each Pledgor hereby irrevocably authorizes the Collateral Agent at any time and from time to time to file in any relevant United States or Canadian jurisdiction any initial financing statements (including fixture filings) with respect to the Article 9 Collateral, the Pledged Collateral or any part thereof, and amendments thereto and continuations thereof that contain the information required by Article 9 of the Uniform Commercial Code, the PPSA or their equivalent in each applicable jurisdiction for the filing of any financing statement or amendment, including (i) whether such Pledgor is an organization, the type of organization and any organizational identification number issued to such Pledgor, (ii) in the case of a financing statement filed as a fixture filing, a sufficient description of the real property to which such Article 9 Collateral relates and (iii) a description of collateral that describes such property in any other manner as the Collateral Agent may reasonably determine is necessary or advisable to ensure the perfection of the security interest in the Collateral granted under this Agreement, including describing such property as "all assets" or "all personal property" or words of similar effect. Each Pledgor agrees to provide such information to the Collateral Agent promptly upon request.

The Collateral Agent is further authorized to file with the United States Patent and Trademark Office, United States Copyright Office, CIPO (or any successor office) or the analogous offices in Australia or any state or territory thereof, as applicable, such documents as may be reasonably necessary or advisable for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interest granted by each Pledgor in such Pledgor's Patents, Trademarks and Copyrights, without the signature of such Pledgor, and naming such Pledgor or the Pledgors as debtors and the Collateral Agent as secured party.

(c) The security interest granted hereunder is security only and shall not subject the Collateral Agent or any other Secured Party to, or in any way alter or modify, any obligation or liability of any Pledgor with respect to or arising out of the Collateral.

(d) Notwithstanding anything to the contrary in this Agreement, in no event shall (A) any control agreements or control, lockbox or similar agreements or arrangements be

required with respect to any Securities Accounts or Commodities Accounts constituting Excluded Property, or (B) any landlord, mortgagee and bailee waivers or subordination agreements be required (other than subordination agreements expressly required by the Credit Agreement); *provided* that, if any Pledgor does not obtain and maintain a landlord, mortgagee or bailee waiver or subordination agreement with respect to the location of any Inventory (including any such waiver or agreement delivered to the Prepetition Agent), the Administrative Agent shall have the right at any time to establish a Reserve against the applicable Borrowing Base with respect to the Inventory at such location.

SECTION 3.2. ***Representations and Warranties***. On the DIP Closing Date and the date of each Credit Extension, each of the Pledgors, as applicable, represents and warrants to the Collateral Agent, for the benefit of the Secured Parties, that:

(a) Each Pledgor has good and valid rights in and title to the Collateral with respect to which it has purported to grant a security interest hereunder, except where the failure to have such rights and title would not reasonably be expected to have individually or in the aggregate, a Material Adverse Effect. Subject (with respect to the Debtors only) to the entry by the Bankruptcy Court of the Interim Order and, after entry thereof, the Final Order and to the terms thereof, each of (i) the Pledgors has full power and authority to grant to the Collateral Agent the Security Interest in such Article 9 Collateral pursuant hereto, and (ii) the Pledgors has full power and authority to execute, deliver and perform its obligations in accordance with the terms of this Agreement (or any supplement hereto, as applicable), in each case, without the consent or approval of any other person as of the DIP Closing Date other than any consent or approval that has been obtained and is in full force and effect or has otherwise been disclosed herein or in the Credit Agreement.

(b) Pursuant to the terms of the Financing Order, no filing or other action will be necessary to perfect or protect the Liens and the Liens on all Collateral shall be deemed automatically perfected upon the entry of the Financing Order. Except as provided in Section 9.10 of the Credit Agreement, the PPSA financing statements constitute all the filings, recordings and registrations (other than filings required to be made in CIPO in order to perfect the Security Interest in Article 9 Collateral consisting of Canadian Patents, Canadian registered Trademarks and Canadian registered Copyrights) that are necessary as of the DIP Closing Date to publish notice of and protect the validity of and to establish a legal, valid and perfected security interest in favor of the Collateral Agent (for the benefit of the Secured Parties) in respect of all Collateral in which a security interest may be perfected by filing, recording or registration in Canada (or any political subdivision thereof), and no further or subsequent filing, refiling, recording, rerecording, registration or reregistration is necessary in any such jurisdiction, except as provided under applicable law with respect to the filing of continuation statements or amendments. Except as provided in Section 9.10 of the Credit Agreement, each Pledgor represents and warrants that the Grants of Security Interest in Intellectual Property executed by the applicable Pledgors containing descriptions of all Article 9 Collateral that consists of Canadian federally issued Patents (and Patents for which Canadian federal registration applications are pending), Canadian federally registered Trademarks (and Trademarks for which Canadian federal registration applications are pending) and Canadian registered Copyrights have been delivered to the Collateral Agent for recording with CIPO and reasonably requested by the Collateral Agent, to protect the validity of and to establish a legal, valid and perfected security interest (or, in the case of Patents and

Trademarks, notice thereof) in favor of the Collateral Agent, for the benefit of the Secured Parties, in respect of all Article 9 Collateral consisting of such Intellectual Property described in such Grants of Security Interest in Intellectual Property as of the DIP Closing Date in which a security interest may be perfected by recording with CIPO, and no further or subsequent filing, refiling, recording, rerecording, registration or reregistration is necessary (other than the PPSA financing statements, and other than such actions as are necessary to perfect the Security Interest with respect to any Article 9 Collateral consisting of Canadian federally issued, registered or pending Patents, Trademarks and Copyrights acquired or developed after the DIP Closing Date).

(c) Upon, and subject to, entry of the Financing Order, the Security Interest constitutes (i) a legal and valid security interest in all the Article 9 Collateral securing the payment and performance of the Obligations, and (ii) a perfected security interest in all Article 9 Collateral. The Security Interest constitutes (i) subject to the filings described in Section 3.2(b), as of the DIP Closing Date, a perfected security interest in all Article 9 Collateral in which a security interest may be perfected by filing, recording or registering a financing statement or analogous document in Canada (or any political subdivision thereof) pursuant to the PPSA or other applicable law in such jurisdiction and (ii) a security interest that shall be perfected in all Article 9 Collateral in which a security interest may be perfected upon the receipt and recording of the Grants of Security Interest in Intellectual Property with CIPO (and, as applicable, upon the filing, recording and registering actions described in the immediately preceding sub-part (i)) upon the making of such filings with such offices (and, as applicable, upon the filing, recording and registering actions described in the immediately preceding sub-part (i)). The Security Interest is and shall be prior to any other Lien on any of the Article 9 Collateral other than Permitted Liens.

(d) The Collateral is owned by the Pledgors free and clear of any Lien, other than Permitted Liens. None of the Pledgors has filed or consented to the filing of (i) any financing statement or analogous document under the Uniform Commercial Code, the PPSA or any other applicable laws covering any Collateral, (ii) any assignment in which any Pledgor assigns any Article 9 Collateral or any security agreement or similar instrument covering any Article 9 Collateral with the United States Patent and Trademark Office, the United States Copyright Office or CIPO for the benefit of a third party or (iii) any assignment in which any Pledgor assigns any Article 9 Collateral or any security agreement or similar instrument covering any Article 9 Collateral with any foreign governmental, municipal or other office, in each case (of the immediately preceding sub-parts (i)-(iii)), which financing statement or analogous document, assignment, security agreement or similar instrument is still in effect, except, in each case, for Permitted Liens.

(e) No Pledgor holds any Commercial Tort Claim individually reasonably estimated to exceed $5,000,000 as of the DIP Closing Date except as indicated on *Schedule IV*.

(f) As to itself and its Article 9 Collateral consisting of Intellectual Property (the "***Intellectual Property Collateral***"):

(i) The Intellectual Property Collateral set forth on *Schedule III* includes a true and complete list of all of the issued and applied for United States and Canadian federal Patents and Australian Patents, registered and applied for United States and Canadian federal Trademarks and Australian Trademarks, and material United States and Canadian

federal registered Copyrights and Australian registered Copyrights owned by such Pledgor as of the date hereof.

(ii) The Intellectual Property Collateral is subsisting and has not been adjudged invalid or unenforceable in whole or in part and, to the best of such Pledgor's knowledge, is valid and enforceable, except as would not reasonably be expected to have a Material Adverse Effect. Such Pledgor is not aware of any current uses of any item of Intellectual Property Collateral that would be expected to lead to such item becoming invalid or unenforceable, except as would not reasonably be expected to have a Material Adverse Effect.

(iii) Except as would not reasonably be expected to have a Material Adverse Effect, (A) such Pledgor has made or performed all commercially reasonable acts, including without limitation filings, recordings and payment of all required fees and taxes, required to maintain and protect its interest in each and every item of Intellectual Property Collateral in full force and effect in the United States, Canada and Australia and (B) such Pledgor has used proper statutory notice in connection with its use of each Patent, Trademark and Copyright in the Intellectual Property Collateral.

(iv) With respect to each IP Agreement, the absence, termination or violation of which would reasonably be expected to have a Material Adverse Effect: (A) such Pledgor has not received any notice of termination or cancellation under such IP Agreement; (B) such Pledgor has not received a notice of a breach or default under such IP Agreement, which breach or default has not been cured or waived; and (C) such Pledgor is not in breach or default thereof in any material respect, and no event has occurred that, with notice or lapse of time or both, would constitute such a breach or default by any Pledgor under such IP Agreement, including in a manner that would permit termination, modification or acceleration under such IP Agreement.

(v) Except as would not reasonably be expected to have a Material Adverse Effect, no item of Intellectual Property Collateral is subject to any outstanding consent, settlement, decree, order, injunction, judgment or ruling restricting the use of such Intellectual Property Collateral or that would impair the validity or enforceability of such Intellectual Property Collateral.

SECTION 3.3. ***Covenants***.

(a) [Reserved].

(b) Subject to any rights of such Pledgor to Dispose of Collateral provided for in the Loan Documents, each Pledgor shall, at its own expense, use commercially reasonable efforts to defend title to the Collateral against all persons and to defend the security interest of the Collateral Agent granted hereunder, for the benefit of the Secured Parties, in the Collateral and the priority thereof against any Lien that is not a Permitted Lien.

(c) Each Pledgor agrees, at its own expense, to execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all such actions as the Collateral Agent may from time to time reasonably request to better assure, preserve, protect,

defend and perfect the security interest granted hereunder and the rights and remedies created hereby, including the payment of any fees and taxes together with any interest and penalties, if any, required in connection with the execution and delivery of this Agreement and the granting of the security interest granted hereunder and the filing of any financing statements (including fixture filings) or other documents in connection herewith or therewith, all in accordance with the terms hereof and the terms of the Credit Agreement. Without limiting the generality of the foregoing, each Pledgor hereby authorizes the Collateral Agent, with prompt notice thereof to the Pledgors, to supplement this Agreement by supplementing *Schedule III* or adding additional schedules hereto to identify specifically any asset or item that may constitute a material issued or applied for United States or Canadian federal Patent of such Pledgor, material registered or applied for United States or Canadian Trademark of such Pledgor or material registered United States or Canadian federal Copyright of such Pledgor; *provided* that any Pledgor shall have the right, exercisable within 90 days after the Lead Borrower has been notified by the Collateral Agent of the specific identification of such Article 9 Collateral (or such later date as the Collateral Agent may agree in its sole discretion), to advise the Collateral Agent in writing of any inaccuracy of the representations and warranties made by such Pledgor hereunder with respect to such Article 9 Collateral. Each Pledgor agrees that it will use its commercially reasonable efforts to take such action as shall be necessary in order that all representations and warranties hereunder shall be true and correct with respect to such Article 9 Collateral within 45 days after the date it has been notified by the Collateral Agent of the specific identification of such Article 9 Collateral (or such later date as the Collateral Agent may agree in its sole discretion).

(d) After the occurrence and during the continuance of an Event of Default, each Pledgor will permit any representatives designated by the Collateral Agent or any Secured Party (pursuant to a request made through the Collateral Agent), at reasonable times upon reasonable prior notice, (i) to inspect the Collateral (including to verify under reasonable procedures the validity, amount, quality, quantity, value, condition and status of, or any other matter relating to, the Collateral), and including, in the case of Accounts or Article 9 Collateral in the possession of any third person, by contacting Account Debtors or the third person possessing such Article 9 Collateral for the purpose of making such a verification, (ii) to examine and make copies of the records of such Pledgor relating to the Collateral and (iii) to discuss the Collateral and related records of such Pledgor with, and to be advised as to the same by, such Pledgor's officers and employees. The Collateral Agent shall have the right to share any information it gains from such inspection or verification with any Secured Party, subject to Section 13.15 of the Credit Agreement.

(e) The Collateral Agent may discharge past due taxes, assessments, charges, fees, Liens, security interests or other encumbrances at any time levied or placed on the Collateral and not a Permitted Lien, and may pay for the maintenance and preservation of the Collateral to the extent any Pledgor fails to do so as required by the Credit Agreement or this Agreement, and each Pledgor jointly and severally agrees to reimburse the Collateral Agent on demand for any reasonable and documented payment made or any reasonable and documented out-of-pocket expense incurred by the Collateral Agent pursuant to the foregoing authorization, which demand shall be accompanied by a written statement setting forth in reasonable detail the calculation of the amount of such payment or expense; *provided*, *however*, that nothing in this Section 3.3(e) shall be interpreted as excusing any Pledgor from the performance of, or imposing any obligation on the Collateral Agent or any Secured Party to cure or perform, any covenants or other promises of

any Pledgor with respect to taxes, assessments, charges, fees, Liens, security interests or other encumbrances and maintenance as set forth herein or in the other Loan Documents.

(f) Each Pledgor (rather than the Collateral Agent or any Secured Party) shall remain liable for the observance and performance of all the conditions and obligations to be observed and performed by it under each contract, agreement or instrument relating to the Collateral and each Pledgor jointly and severally agrees to indemnify and hold harmless the Collateral Agent and the Secured Parties from and against any and all liability for such performance.

(g) None of the Pledgors shall make or permit to be made an assignment, pledge or hypothecation of the Article 9 Collateral owned by it or in which it has an interest, and no Pledgor shall grant any other Lien in respect of the Collateral owned by it or in which it has an interest, in each case, except as not prohibited by the Credit Agreement. None of the Pledgors shall make or permit to be made any transfer of the Collateral owned by it or in which it has an interest, except as not prohibited by the Credit Agreement.

(h) Each Pledgor irrevocably makes, constitutes and appoints the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as such Pledgor's true and lawful agent (and attorney-in-fact) for the purpose, during the continuance of an Event of Default of making, settling and adjusting claims in respect of the Collateral under policies of insurance, endorsing the name of such Pledgor on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect thereto. In the event that any Pledgor at any time or times shall fail to obtain or maintain any of the policies of insurance required by the Loan Documents or to pay any premium in whole or part relating thereto, the Collateral Agent may, without waiving or releasing any obligation or liability of the Pledgors hereunder or any Event of Default, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect thereto as the Collateral Agent reasonably deems advisable. All sums disbursed by the Collateral Agent in connection with this Section 3.3(h), including reasonable and documented attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by the Pledgors to the Collateral Agent and shall be additional Obligations secured hereby.

(i) Each Pledgor shall keep and maintain, in all material respects, complete, accurate and proper books and records with respect to the Collateral owned by such Pledgor, and, after the occurrence and during the continuance of an Event of Default, furnish to the Collateral Agent, subject to the Disclosure Exceptions, such reports relating to the Collateral as the Collateral Agent shall from time to time reasonably request.

SECTION 3.4. ***Other Actions.*** In order to further ensure the attachment, and perfection of, and the ability of the Collateral Agent to enforce, for the benefit of the Secured Parties, the Security Interest in the Article 9 Collateral, each Pledgor agrees, in each case at such Pledgor's own expense, to take the following actions with respect to the following Article 9 Collateral:

(a) *Instruments, Tangible Chattel Paper and Chattel Paper*. If any Pledgor shall at any time own or acquire any Instruments, Tangible Chattel Paper or Chattel Paper (other than debt obligations which constitute Pledged Debt which is governed by Article II and checks received and processed in the ordinary course of business), in each case evidencing an individual amount in excess of $1,000,000, such Pledgor shall promptly (and in any event within 30 days of its acquisition or such longer period as the Collateral Agent may permit in its sole discretion) endorse, assign and deliver the same to the Collateral Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Collateral Agent may from time to time reasonably request.

(b) *Commercial Tort Claims*. If any Pledgor shall at any time hold or acquire a Commercial Tort Claim in an amount reasonably estimated to exceed $5,000,000, such Pledgor shall promptly notify the Collateral Agent thereof in a writing signed by such Pledgor, including a summary description of such claim, and deliver to the Collateral Agent in writing a supplement to *Schedule IV* including such description.

(c) *Pledgor Changes*. Each Pledgor will not change its legal name, type of entity, jurisdiction or organization or chief executive office, in each case, without giving the Collateral Agent at least 10 days' prior written notice thereof and taking such action, if any, as may be required to ensure that the Collateral Agent retains a perfected security interest in the Article 9 Collateral and Pledged Collateral granted by it.

(d) *Certificate of Title*. During a Liquidity Period, upon the written request of the Collateral Agent, each Pledgor shall deliver to the Collateral Agent the original of any certificate of title on any motor vehicle, Equipment or other Collateral included in any Borrowing Base and, upon the written request of the Collateral Agent, take any action necessary to ensure the perfection of the Collateral Agent's security interest therein and Lien thereon, including by providing, executing and/or filing any documents or instruments necessary to have the Lien of the Collateral Agent noted on any such certificate and/or with the appropriate Governmental Authority.

SECTION 3.5. ***Covenants Regarding Patent, Trademark and Copyright Collateral***. Except as not prohibited by the Credit Agreement:

(a) Each Pledgor agrees that it will not knowingly do any act or omit to do any act (and will exercise commercially reasonable efforts to prevent its licensees from doing any act or omitting to do any act) whereby any Patent that is material to the normal conduct of such Pledgor's business would become prematurely invalidated, abandoned, lapsed or dedicated to the public.

(b) Each Pledgor will for each Trademark that is material to the normal conduct of such Pledgor's business, (i) use its commercially reasonable efforts to maintain such Trademark in full force free from any adjudication of abandonment or invalidity for non-use and (ii) maintain (and use its commercially reasonable efforts to cause its licensees or its sublicensees to maintain) the quality of products and services offered under such Trademark in a manner consistent with the operation of such Pledgor's business.

(c) Each Pledgor shall notify the Collateral Agent promptly if it knows that any United States or Canadian federally issued or applied for Patent, United States or Canadian federally registered or applied for Trademark or United States or Canadian federally registered Copyright material to the normal conduct of such Pledgor's business is likely to imminently become abandoned, lapsed or dedicated to the public, or of any materially adverse determination or development, excluding office actions and similar determinations or developments in the United States Patent and Trademark Office, United States Copyright Office, CIPO, any court or any similar office of any country, regarding such Pledgor's ownership of any such material Patent, Trademark or Copyright or its right to register or to maintain the same.

(d) Each Pledgor, either by itself or through any agent, employee, licensee or designee, shall (i) inform the Collateral Agent on a quarterly basis (concurrently with the delivery of each Compliance Certificate in accordance with Section 9.04(c) of the Credit Agreement) of each application for, or registration or issuance of, any Patent or Trademark with the United States Patent and Trademark Office and CIPO and each registration of any Copyright with the United States Copyright Office and CIPO filed by or on behalf of, or issued to, or acquired by, any Pledgor during the preceding quarterly period and (ii) upon the reasonable request of the Collateral Agent, execute, deliver and file with the United States Patent and Trademark Office, United States Copyright Office and/or CIPO, as applicable, any and all agreements, instruments, documents and papers necessary, or as reasonably requested by the Collateral Agent, to evidence the Collateral Agent's Security Interest in such Patent, Trademark or Copyright and the perfection thereof, *provided* that any such Patent, Trademark or Copyright shall automatically become subject to the Security Interest and constitute Collateral to the extent such would have constituted Collateral if owned at the DIP Closing Date without further action by any party.

(e) Each Pledgor shall exercise its reasonable business judgment consistent with its past practice in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or CIPO with respect to maintaining and pursuing each application relating to any Patent, Trademark and/or Copyright (and obtaining the relevant grant or registration) material to the normal conduct of such Pledgor's business, and use its commercially reasonable efforts to maintain (i) each United States and Canadian federally issued Patent that is material to the normal conduct of such Pledgor's business and (ii) the registrations of each United States and Canadian federally registered Trademark and each United States and Canadian federally registered Copyright, in each case that is material to the normal conduct of such Pledgor's business, including, when applicable and necessary in such Pledgor's reasonable business judgment, timely filings of applications for renewal, affidavits of use, affidavits of incontestability and payment of maintenance fees, and, if any Pledgor believes necessary in its reasonable business judgment, to initiate opposition, interference and cancellation proceedings against third parties.

(f) In the event that any Pledgor knows or has reason to know that any Intellectual Property Collateral consisting of a Patent, Trademark or Copyright material to the normal conduct of its business has been materially infringed, misappropriated or diluted by a third party, such Pledgor shall promptly notify the Collateral Agent and shall take all actions as such Pledgor shall, in its reasonable business judgment, deem reasonably appropriate under the circumstances.

(g) Upon and during the continuance of an Event of Default, at the request of the Collateral Agent, each Pledgor shall use commercially reasonable efforts to obtain all requisite consents or approvals from each licensor under each Copyright License, Patent License or Trademark License that constitutes Intellectual Property Collateral to effect the assignment or sub-license of all such Pledgor's right, title and interest thereunder to (in the Collateral Agent's sole discretion) the designee of the Collateral Agent or the Collateral Agent; *provided*, *however*, that nothing contained in this Section 3.5(g) should be construed as an obligation of any Pledgor to incur any costs or expenses in connection with obtaining such approval.

ARTICLE IV

Remedies

SECTION 4.1. ***Remedies Upon Default.*** Upon the occurrence and during the continuance of an Event of Default, each Pledgor agrees to deliver each item of Collateral, as applicable, to the Collateral Agent on demand. It is agreed that the Collateral Agent shall have the right to take any of or all the following actions at the same or different times upon the occurrence and during the continuance of an Event of Default: (a) exercise those rights and remedies provided in this Agreement, the Credit Agreement or any other Loan Document, (b) with respect to any Intellectual Property Collateral, on demand, to cause the Security Interest to become an assignment, transfer and conveyance of any of or all such Intellectual Property Collateral by the applicable Pledgors to the Collateral Agent or to license or sublicense (subject to any such licensee's obligation to maintain the quality of the goods and/or services provided under any Trademark consistent with the quality of such goods and/or services provided by the Pledgors immediately prior to the Event of Default), whether general, special or otherwise, and whether on an exclusive or a nonexclusive basis, and on a royalty-fee basis, any such Intellectual Property Collateral throughout the world on such terms and conditions and in such manner as the Collateral Agent shall determine (other than in violation of any then-existing licensing or Trademark co-existence arrangements to the extent that waivers thereunder cannot be obtained with the use of commercially reasonable efforts, which each Pledgor hereby agrees to use), (c) with or without legal process and with or without prior notice or demand for performance, to take possession of the Article 9 Collateral and without liability for trespass to the applicable Pledgor to enter any premises where the Article 9 Collateral or any records relating to the Article 9 Collateral may be located for the purpose of taking possession of or removing the Article 9 Collateral and, generally, to exercise any and all rights afforded to a secured party under the Uniform Commercial Code or other applicable law (including, without limitation, any law governing the exercise of a bank's right of setoff or bankers' lien) or in equity. The Collateral Agent agrees and covenants not to exercise any of the rights or remedies set forth in the preceding sentence unless and until the occurrence and during the continuance of an Event of Default. Without limiting the generality of the foregoing, each Pledgor agrees that the Collateral Agent shall have the right, subject to the mandatory requirements of applicable law, to sell or otherwise Dispose of all or any part of the Collateral at a public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery, as the Collateral Agent shall deem appropriate. The Collateral Agent shall be authorized in connection with any sale of a security (if it deems it advisable to do so) pursuant to the foregoing to restrict the prospective bidders or purchasers to persons who represent and agree that they are purchasing such security for their own account, for investment, and not with a view to the distribution or sale thereof. Upon consummation of any

such Disposition of Collateral pursuant to this Section 4.1 the Collateral Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold (other than in violation of any then-existing licensing or trademark co-existence arrangements to the extent that waivers thereunder cannot be obtained with the use of commercially reasonable efforts, which each Pledgor hereby agrees to use). Each such purchaser at any such Disposition shall hold the property sold absolutely, free from any claim or right on the part of any Pledgor, and each Pledgor hereby waives and releases (to the extent permitted by law) all rights of redemption, stay, valuation and appraisal that such Pledgor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted and (d) if it so elects, shall have the right to, seek the appointment of a receiver, interim receiver, receiver-manager, or a receiver and manager or keeper (each, a "***Receiver***") to take possession of Collateral and to enforce any of the Collateral Agent's remedies, or may institute proceedings in any court of competent jurisdiction for the appointment of such Receiver and each Pledgor hereby consents to such rights and such appointment and hereby waives any objection such Pledgor may have thereto or the right to have a bond or other security posted by the Collateral Agent. Any such Receiver given and shall have the same powers and rights and exclusions and limitations of liability as the Collateral Agent has under this Agreement, at law or in equity. To the extent permitted by applicable law, any Receiver appointed by the Collateral Agent shall (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the agent of any such Pledgor and not of the Collateral Agent. The Collateral Agent may from time to time fix the Receiver's remuneration and the Pledgors shall pay the amount of such remuneration to the Collateral Agent. The Collateral Agent may appoint one or more Receivers hereunder and may remove any such Receiver or Receivers and appoint another or others in his or their stead from time to time. Any Receiver so appointed may be an officer or employee of the Collateral Agent. A court need not appoint, ratify the appointment by the Collateral Agent, or otherwise supervise in any manner the actions, of any Receiver. Upon a Pledgor receiving notice from the Collateral Agent of the taking of possession of the Collateral or the appointment of a Receiver, all powers, functions, rights and privileges of each of the directors and officers of the Pledgors with respect to the Collateral shall cease, unless specifically continued by the written consent of the Collateral Agent.

Except as provided in Section 9-611(d) of the Uniform Commercial Code, the Collateral Agent shall give the applicable Pledgors 10 Business Days' written notice (which each Pledgor agrees is reasonable notice within the meaning of Section 9-611 of the Uniform Commercial Code, the PPSA, any applicable Debtor Relief Laws or their equivalent in other jurisdictions) of the Collateral Agent's intention to make any sale of Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale and, in the case of a sale at a broker's board or on a securities exchange, shall state the board or exchange at which such sale is to be made and the day on which the Collateral, or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Collateral Agent may fix and state in the notice (if any) of such sale, and each Pledgor agrees that the internet shall constitute a "place" for purposes of Section 9-610(b) of the Uniform Commercial Code or its equivalent in any applicable jurisdiction. At any such sale, the Collateral, or the portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Collateral Agent may (in its sole and absolute discretion) determine. The Collateral Agent shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. The Collateral Agent may, without notice or publication, adjourn

any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In the case of any sale of all or any part of the Collateral made on credit or for future delivery, the Collateral so sold may be retained by the Collateral Agent until the sale price is paid by the purchaser or purchasers thereof, but the Collateral Agent shall not incur any liability in the event that any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in the case of any such failure, such Collateral may be sold again upon notice given in accordance with provisions above. At any public (or, to the extent permitted by law, private) sale made pursuant to this Section 4.1, any Secured Party may bid for or purchase for cash, free (to the extent permitted by law) from any right of redemption, stay, valuation or appraisal on the part of any Pledgor (all such rights being also hereby waived and released to the extent permitted by law), the Collateral or any part thereof offered for sale and such Secured Party may, upon compliance with the terms of sale, hold, retain and Dispose of such property in accordance with Section 4.2 without further accountability to any Pledgor therefor. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Collateral Agent shall be free to carry out such sale pursuant to such agreement and no Pledgor shall be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Collateral Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Collateral Agent may proceed by a suit or suits at law or in equity to foreclose this Agreement and to sell the Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver. Any sale pursuant to the provisions of this Section 4.1 shall be deemed to conform to the commercially reasonable standards as provided in Section 9-610(b) of the Uniform Commercial Code, the PPSA or their equivalent in other jurisdictions.

Without limiting any other rights of the Collateral Agent granted pursuant to this Agreement, each Pledgor hereby grants to the Collateral Agent a royalty-free (and also free of any other obligation of payment), non-exclusive license (such license to be effective and exercisable only upon the occurrence and during the continuance of any Event of Default), to use or otherwise exploit any Intellectual Property or to exercise any of such Pledgor's rights under any IP Agreements (to the extent permitted under such IP Agreements), solely in connection with the Collateral Agent's sale or other disposition of Inventory in connection with its enforcement of rights or remedies hereunder; *provided*, that the foregoing license shall be subject, in the case of Trademarks, to sufficient rights of quality control and inspection in favor of such Pledgor to avoid the risk of invalidation of such Trademarks.

SECTION 4.2. ***Application of Proceeds***. The Collateral Agent shall promptly apply the proceeds, moneys or balances of any collection or sale of Collateral realized through the exercise by the Collateral Agent of its remedies hereunder, as well as any Collateral consisting of cash at any time when remedies are being exercised hereunder, on the terms set forth in Section 11.02 of the Credit Agreement.

The Collateral Agent shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement. Upon the request of the Collateral Agent prior to any distribution under this Section 4.2, the Administrative Agent shall

provide to the Collateral Agent certificates, in form and substance reasonably satisfactory to the Collateral Agent, setting forth the respective amounts referred to in this Section 4.2 that each applicable Secured Party or its authorized representative believes it is entitled to receive, and the Collateral Agent shall be fully entitled to rely on such certificates. Upon any sale of Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the purchase money by the Collateral Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Agent or such officer or be answerable in any way for the misapplication thereof.

SECTION 4.3. ***Securities Act, Etc***. In view of the position of the Pledgors in relation to the Pledged Collateral or because of other current or future circumstances, a question may arise under the Securities Act of 1933, as amended, or any similar federal statute hereafter enacted analogous in purpose or effect (such Act and any such similar statute as from time to time in effect being called the "***Federal Securities Laws***") with respect to any Disposition of the Pledged Collateral permitted hereunder. Each Pledgor understands that compliance with the Federal Securities Laws might very strictly limit the course of conduct of the Collateral Agent if the Collateral Agent were to attempt to Dispose of all or any part of the Pledged Collateral, and might also limit the extent to which or the manner in which any subsequent transferee of any Pledged Collateral could Dispose of the same. Similarly, there may be other legal restrictions or limitations affecting the Collateral Agent in any attempt to Dispose of all or part of the Pledged Collateral under applicable Blue Sky or other state securities laws or similar laws analogous in purpose or effect. Each Pledgor acknowledges and agrees that in light of such restrictions and limitations, the Collateral Agent, in its sole and absolute discretion, (a) may proceed to make such a sale whether or not a registration statement for the purpose of registering such Pledged Collateral or, in each case, part thereof shall have been filed under the Federal Securities Laws or, to the extent applicable, Blue Sky or other state securities laws and (b) may approach and negotiate with a single potential purchaser to effect such sale. Each Pledgor acknowledges and agrees that any such sale might result in prices and other terms less favorable to the seller than if such sale were a public sale without such restrictions. In the event of any such sale, the Collateral Agent shall incur no responsibility or liability for selling all or any part of the Pledged Collateral at a price that the Collateral Agent, in its sole and absolute discretion, may in good faith deem reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might have been realized if the sale were deferred until after registration as aforesaid or if more than a single purchaser were approached. The provisions of this Section 4.3 will apply notwithstanding the existence of a public or private market upon which the quotations or sales prices may exceed substantially the price at which the Collateral Agent sells.

SECTION 4.4. ***Collection of Receivables Assets***. The Collateral Agent may at any time after the occurrence and during the continuance of an Event of Default, by giving each Pledgor written notice, elect to require that any Accounts of any Pledgor be paid directly to the Collateral Agent for the benefit of the Secured Parties. In such event, each such Pledgor shall, and shall permit the Collateral Agent to, promptly notify the account debtors or obligors under the Accounts owned by such Pledgor of the Collateral Agent's interest therein and direct such account debtors or obligors to make payment of all amounts then or thereafter due under such Accounts directly to the Collateral Agent. Upon receipt of any such notice from the Collateral Agent, each

Pledgor shall, so long as an Event of Default is continuing, thereafter hold in trust for the Collateral Agent, on behalf of the Secured Parties, all amounts and proceeds received by it with respect to the Accounts and other Collateral and promptly deliver to the Collateral Agent all such amounts and proceeds in the same form as so received, whether by cash, check, draft or otherwise, with any necessary endorsements. The Collateral Agent shall hold and apply funds so received as provided by the terms of Sections 4.2 and 4.5 hereof.

SECTION 4.5. ***Special Collateral Account.*** The Collateral Agent may, at any time after the occurrence and during the continuation of an Event of Default, require all cash proceeds of the Collateral to be deposited in a special non-interest bearing cash collateral account with the Collateral Agent promptly after receipt thereof by a Pledgor and held in such cash collateral account as security for its Obligations. No Pledgor shall have any control whatsoever over such cash collateral account; *provided* that the Collateral Agent shall at the request of the Lead Borrower, release all funds in such cash collateral account (less any amounts that have been applied in accordance with the immediately following sentence) to the applicable Pledgor promptly upon the cure (to the extent such Events of Default are permitted to be cured by the Loan Documents) or waiver of all Events of Default and the delivery by the Lead Borrower to the Collateral Agent of a certificate of a Responsible Officer to that effect. The Collateral Agent may (and shall, at the direction of the Required Lenders), from time to time, apply the collected balances in said cash collateral account to the payment of the Obligations then due in accordance with the terms of Section 4.2 hereof.

SECTION 4.6. ***Pledgors' Obligations Upon Event of Default.*** Upon the request of the Collateral Agent after the occurrence and during the continuance of an Event of Default, each Pledgor will:

(a) assemble and make available to the Collateral Agent the Collateral at a place or places specified by the Collateral Agent that is reasonably convenient to the Collateral Agent and such Pledgor; and

(b) permit the Collateral Agent, by the Collateral Agent's representatives and agents, to enter, occupy and use any premises owned or, to the extent lawful and permitted, leased by any of the Pledgors where all or any part of the Collateral is located, to take possession of all or any part of the Collateral, to remove all or any part of the Collateral, and to conduct sales of the Collateral, without any obligation to pay the Pledgor for such use and occupancy; *provided* that the Collateral Agent shall provide the applicable Pledgor with notice thereof prior to such occupancy or use.

ARTICLE V

Miscellaneous

SECTION 5.1. ***Notices.*** All communications and notices hereunder shall (except as otherwise expressly permitted herein) be in writing and given as provided in Section 13.03 of the Credit Agreement. All communications and notices hereunder to any Pledgor shall be given to it in care of the Lead Borrower, with such notice to be given as provided in Section 13.03 of the Credit Agreement.

SECTION 5.2. ***Security Interest Absolute; Further Assurances.*** To the extent permitted by law, subject to the Financing Order, all rights of the Collateral Agent hereunder, the Security Interest in the Article 9 Collateral, the security interest in the Pledged Collateral and all obligations of each Pledgor hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of any Loan Document, any other agreement with respect to any of the Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from any Loan Document or any other agreement or instrument, (c) any exchange, release or non-perfection of any Lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Obligations or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Pledgor in respect of the Obligations or this Agreement (other than a defense of payment or performance of such Obligations (other than contingent indemnification and reimbursement obligations for which no claim has been made)). Each Pledgor and the Collateral Agent agree that the provisions of Section 9.10 of the Credit Agreement shall apply *mutatis mutandis* to such Pledgor and the Collateral Agent under this Agreement.

SECTION 5.3. ***Limitation By Law.*** All rights, remedies and powers provided in this Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Agreement are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they shall not render this Agreement invalid, unenforceable, in whole or in part, or not entitled to be recorded, registered or filed under the provisions of any applicable law.

SECTION 5.4. ***Binding Effect; Several Agreements.*** This Agreement shall become effective as to any party to this Agreement when a counterpart hereof executed on behalf of such party shall have been delivered to the Collateral Agent and a counterpart hereof shall have been executed on behalf of the Collateral Agent, and thereafter shall be binding upon such party and the Collateral Agent and their respective permitted successors and assigns, and shall inure to the benefit of such party, the Collateral Agent and the other Secured Parties and their respective permitted successors and assigns, except that no party shall have the right to assign or transfer its rights or obligations hereunder or any interest herein or in the Collateral (and any such assignment or transfer shall be void) except as permitted under this Agreement or the Credit Agreement. This Agreement shall be construed as a separate agreement with respect to each party and may be amended, modified, supplemented, waived or released in accordance with Section 5.9 or 5.15, as applicable.

SECTION 5.5. ***Successors and Assigns.*** Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party and all covenants, promises and agreements by or on behalf of any Pledgor or the Collateral Agent that are contained in this Agreement shall bind and inure to the benefit of their respective permitted successors and assigns, *provided* that no Pledgor may assign, transfer or delegate any of its rights or obligations under this Agreement except as permitted by Section 5.4.

SECTION 5.6. ***Collateral Agent's Fees and Expenses; Indemnification***.

(a) The parties hereto agree that the Collateral Agent shall be entitled to reimbursement of its expenses incurred hereunder by the Pledgors, and the Collateral Agent and other Indemnified Persons shall be indemnified by the Pledgors, in each case of this clause (a), *mutatis mutandis*, as provided in Section 13.01 of the Credit Agreement.

(b) Any such amounts payable as provided hereunder shall be additional Obligations secured hereby and by the other Security Documents. The provisions of this Section 5.6 shall remain operative and in full force and effect regardless of the resignation of the Collateral Agent, the termination of this Agreement or any other Loan Document or the consummation of the transactions contemplated hereby, the repayment of any of the Obligations, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Collateral Agent or any other Secured Party.

SECTION 5.7. ***Collateral Agent Appointed Attorney-in-Fact, Authorization of Financing Statements***.

(a) Each Pledgor hereby appoints the Collateral Agent as the attorney-in-fact of such Pledgor for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instrument that the Collateral Agent may deem necessary or advisable to accomplish the purposes hereof, in each case upon the occurrence and during the continuance of an Event of Default, which appointment is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, subject to any applicable Requirements of Law, the Collateral Agent shall have the right, upon the occurrence and during the continuance of an Event of Default and reasonable notice by the Collateral Agent to the Lead Borrower of its intent to exercise such rights, with full power of substitution either in the Collateral Agent's name or in the name of such Pledgor, (a) to receive, endorse, assign or deliver any and all notes, acceptances, checks, drafts, money orders or other evidences of payment relating to the Collateral or any part thereof; (b) to demand, collect, receive payment of, give receipt for and give discharges and releases of all or any of the Collateral; (c) to ask for, demand, sue for, collect, receive and give acquittance for any and all moneys due or to become due under and by virtue of any Collateral; (d) to sign the name of any Pledgor on any invoice or bill of lading relating to any of the Collateral; (e) to send verifications of Accounts to any Account Debtor; (f) to commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect or otherwise, realize on all or any of the Collateral or to enforce any rights in respect of any Collateral; (g) to settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to all or any of the Collateral; (h) to notify, or to require any Pledgor to notify, Account Debtors to make payment directly to the Collateral Agent as contemplated by Section 4.4; and (i) to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral, and to do all other acts and things necessary to carry out the purposes of this Agreement, as fully and completely as though the Collateral Agent were the absolute owner of the Collateral for all purposes; *provided* that nothing herein contained shall be construed as requiring or obligating the Collateral Agent to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Collateral Agent, or to present or file any claim or notice, or to take any action with respect to the Collateral or any part thereof or the moneys

due or to become due in respect thereof or any property covered thereby. Notwithstanding anything in this Section 5.7 to the contrary, the Collateral Agent agrees that it will not exercise any rights under the power of attorney provided for in this Section 5.7 unless an Event of Default shall have occurred and be continuing. The Collateral Agent and the other Secured Parties shall be accountable only for amounts actually received as a result of the exercise of the powers granted to them herein, and neither they nor their officers, directors, employees or agents shall be responsible to any Pledgor for any act or failure to act hereunder, except for their own or their Related Parties' gross negligence, bad faith or willful misconduct, as determined by a court of competent jurisdiction in a final and non-appealable judgment. For the avoidance of doubt, Section 12.03 of the Credit Agreement shall apply to the Collateral Agent as agent for the Secured Parties hereunder.

(b) Each Pledgor acknowledges that, pursuant to Section 9-509(b) of the Uniform Commercial Code, the PPSA and any other applicable law, the Collateral Agent is authorized to file or record financing or continuation statements, and amendments thereto, and other filing or recording documents or instruments with respect to the Article 9 Collateral and the Pledged Collateral in such form and in such offices as the Collateral Agent reasonably determines appropriate to perfect or maintain the perfection of the security interests of the Collateral Agent under this Agreement. Each Pledgor agrees that such financing statements may describe the collateral in the same manner as described in the Security documents or as "all assets" or "all personal property" of such Pledgor, whether now owned or hereafter existing or acquired by such Pledgor or such other description as the Agent, in its reasonable judgment, determines is necessary or advisable.

SECTION 5.8. ***Governing Law.*** **THIS AGREEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSES OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK AND, TO THE EXTENT APPLICABLE, THE BANKRUPTCY CODE; PROVIDED THAT THE AGENTS AND THE LENDERS SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW**.

SECTION 5.9. ***Waivers; Amendment.***

(a) No failure or delay by the Collateral Agent or any other Secured Party in exercising any right, power or remedy hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy, or any abandonment or discontinuance of steps to enforce such a right, power or remedy, preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The rights, powers and remedies of the Collateral Agent and the other Secured Parties hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights, powers or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any Pledgor therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section 5.9, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default or Event of Default, regardless of whether the Collateral Agent or any other Secured Party may have had

notice or knowledge of such Default or Event of Default at the time. No notice or demand on any Pledgor in any case shall entitle any Pledgor to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Collateral Agent and the Pledgor or Pledgors with respect to which such waiver, amendment or modification is to apply, subject to any consent required in accordance with Section 13.12 of the Credit Agreement. For the avoidance of doubt, the Collateral Agent is authorized to amend, supplement or otherwise modify this Agreement without further consent of any Lender in the circumstances expressly contemplated by the definition of "Junior Liens" in the Credit Agreement. The Collateral Agent may conclusively rely on a certificate of an officer of the Lead Borrower as to whether any amendment contemplated by this Section 5.9(b) is permitted.

(c) Notwithstanding anything to the contrary contained herein, the Collateral Agent may (in its sole discretion) grant extensions of time or waivers of the requirement for the creation or perfection of security interests in or the obtaining of insurance (including title insurance) or surveys with respect to particular assets (including extensions beyond the DIP Closing Date for the perfection of security interests in the assets of the Pledgors on such date) where it reasonably determines, in consultation with the Lead Borrower, that perfection or obtaining of such items cannot be accomplished without undue effort or expense by the time or times at which it would otherwise be required by this Agreement or the other Loan Documents.

SECTION 5.10. ***WAIVER OF JURY TRIAL***. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 5.10.

SECTION 5.11. ***Severability***. In the event any one or more of the provisions contained in this Agreement or any other Loan Document should be held invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby as to such jurisdiction, and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 5.12. ***Counterparts***. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which, when taken together, shall constitute but one contract, and shall become effective as provided in Section 5.4. Delivery of an executed counterpart of a signature page of this Agreement by telecopy, emailed pdf. or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, 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; *provided* that nothing herein shall require the Administrative Agent to accept electronic signatures in any form or format without its prior written consent.

SECTION 5.13. ***Headings***. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 5.14. ***Jurisdiction; Consent to Service of Process.***

(a) Each Pledgor hereby irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against any other party to this Agreement or any Affiliate thereof, in any way relating to this Agreement, any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York County, Borough of Manhattan, and of the United States District Court of the Southern District of New York, sitting in New York County, Borough of Manhattan, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Notwithstanding the foregoing or any other provision of this Agreement, (i) nothing in this Agreement or in any other Loan Document shall affect any right that the Collateral Agent or any other Secured Party may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Pledgor or its properties in the courts of any jurisdiction, and (ii) in the case of any bankruptcy, insolvency or similar proceedings with respect to any Pledgor, actions or proceedings related to this Agreement may be brought in such court holding such bankruptcy, insolvency or similar proceedings, including, in the case of the Debtors, the Bankruptcy Court.

(b) Each party to this Agreement hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now

or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (a) of this Section 5.14. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 5.1. Nothing in this Agreement will affect the right of any party to this Agreement or any other Loan Document to serve process in any other manner permitted by law.

SECTION 5.15. ***Termination or Release***.

(a) This Agreement and the pledges made by the Pledgors herein and all other security interests granted by the Pledgors hereby shall automatically terminate and be released upon the occurrence of the Termination Date.

(b) (i) A Pledgor shall automatically be released from its obligations hereunder if such Pledgor is released from its obligations under the Guarantee Agreement in accordance with Section 13.18(a)(1)(v) of the Credit Agreement and/or (ii) the security interest granted hereunder in any portion of the Collateral shall be automatically released upon the occurrence of any of the circumstances set forth in Section 13.18(a) of the Credit Agreement (other than Section 13.18(a)(1)(v) thereof) with respect to such portion of the Collateral, in the case of each of preceding clauses (i) and (ii), in accordance with the requirements of such Section (or clause thereof, as applicable), and all rights to the applicable Collateral shall revert to any applicable Pledgor.

(c) [Reserved.]

(d) In connection with any termination or release pursuant to this Section 5.15, the Collateral Agent shall execute and deliver to any Pledgor all documents that such Pledgor shall reasonably request to evidence such termination or release (including Uniform Commercial Code termination statements), and will duly assign and transfer to such Pledgor, any of such released Collateral that is in the possession of the Collateral Agent and has not theretofore been sold or otherwise applied or released pursuant to this Agreement; *provided* that the Collateral Agent shall not be required to execute any such document on terms which, in the Collateral Agent's reasonable opinion, would expose the Collateral Agent to liability or create any obligation or entail any consequence other than such termination or release without representation or warranty. Any execution and delivery of documents pursuant to this Section 5.15 shall be made without recourse to or warranty by the Collateral Agent. In connection with any release pursuant to this Section 5.15, the applicable Pledgor shall be permitted to take any action in connection therewith consistent with such release including, without limitation, the filing of Uniform Commercial Code partial release amendments or termination statements, or PPSA financing change statements or discharges, as applicable, in each case, as may be reasonably acceptable to the Collateral Agent with respect to the released portion of the Collateral. Upon the receipt of any necessary or proper instruments of termination, satisfaction or release prepared by the Lead Borrower, the Collateral Agent shall execute, deliver or acknowledge such instruments or releases to evidence the release of any Collateral permitted to be released pursuant to this Agreement; *provided* that the Collateral

Agent shall not be required to execute, deliver or acknowledge any such document on terms which, in the Collateral Agent's reasonable opinion, would expose the Collateral Agent to liability or create any obligation or entail any consequence other than such termination or release without representation or warranty. The Pledgors agree to pay all reasonable and documented out-of-pocket expenses incurred by the Collateral Agent (and its representatives and counsel) in connection with the execution and delivery of such release documents or instruments.

SECTION 5.16. ***Additional Subsidiaries.*** Upon execution and delivery by any Subsidiary that is required or permitted to become a party hereto by Section 9.10 of the Credit Agreement or the Collateral and Guarantee Requirement of the Credit Agreement of a Supplement hereto substantially in the form of *Exhibit I* hereto (or another instrument reasonably satisfactory to the Collateral Agent and the Lead Borrower), such Subsidiary shall become a Pledgor hereunder with the same force and effect as if originally named as a Pledgor herein. The execution and delivery of any such instrument shall not require the consent of any other party to this Agreement. The rights and obligations of each party to this Agreement shall remain in full force and effect notwithstanding the addition of any new party to this Agreement.

SECTION 5.17. ***General Authority of the Collateral Agent.***

(a) By acceptance of the benefits of this Agreement and any other Security Documents, each Secured Party (whether or not a signatory hereto) shall be deemed irrevocably (i) to consent to the appointment of the Collateral Agent as its agent hereunder and under such other Security Documents, (ii) to confirm that the Collateral Agent shall have the authority to act as the exclusive agent of such Secured Party for the enforcement of any provision of this Agreement and such other Security Documents against any Pledgor, the exercise of remedies hereunder or thereunder and the giving or withholding of any consent or approval hereunder thereunder relating to any Collateral or any Pledgor's obligations with respect thereto, (iii) to agree that it shall not take any action to enforce any provisions of this Agreement or any other Security Document against any Pledgor, to exercise any remedy hereunder or thereunder or to give any consents or approvals hereunder or thereunder except as expressly provided in this Agreement or any other Security Document and (iv) to agree to be bound by the terms of this Agreement and any other Security Documents then in effect.

(b) Each Pledgor acknowledges that the rights and responsibilities of the Collateral Agent under this Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Collateral Agent and the Secured Parties, be governed by Article 12 of the Credit Agreement and such other agreements with respect thereto as may exist from time to time among them, but, as between the Collateral Agent and the Pledgors, the Collateral Agent shall be conclusively presumed to be acting as agent for the applicable Secured Parties with full and valid authority so to act or refrain from acting, and no Pledgor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

(c) It is expressly understood and agreed that the obligations of the Collateral Agent as holder of the Collateral and interests therein and with respect to the disposition thereof, and otherwise under this Agreement, are only those expressly set forth in this Agreement and

Article 12 of the Credit Agreement. The Collateral Agent shall act hereunder on the terms and conditions set forth herein and in Article 12 of the Credit Agreement.

SECTION 5.18. ***Prepetition Agent***. The Prepetition Agent hereby acknowledges that, to the extent that it holds, or a third party holds on its behalf, physical possession of or "control" (as defined in the Uniform Commercial Code) over Collateral pursuant to the Prepetition Loan Documents (including, without limitation, each account control agreement or similar agreement or arrangement entered into by a Pledgor, the applicable depositary bank and the Prepetition Agent in connection with the Prepetition Credit Agreement and the other Prepetition Loan Documents (the "***Existing Control Agreements***")), such possession or control is also for the benefit of the Collateral Agent and the other Secured Parties, as applicable, solely to the extent required to perfect their security interest (if any) in such Collateral and to implement cash dominion pursuant to Section 9.18 of the Credit Agreement. It is understood and agreed that any such Prepetition Loan Documents shall be deemed to perfect the security interest of the Collateral Agent in the Obligations (for the avoidance of doubt, including all DIP ABL Obligations and DIP Term Obligations). Each Pledgor shall, within 10 days of any request of the Collateral Agent, use commercially reasonable efforts to obtain any new account control agreement or similar agreement or arrangement with respect to any of its Deposit Accounts or any amendment to any Existing Control Agreement that the Collateral Agent reasonably requests. The Prepetition Agent agrees to follow the direction of the Collateral Agent as to the exercise of all rights under the Existing Control Agreements, including, without limitation, implementing the U.S. Sweep under Section 9.18 of the Credit Agreement. The Prepetition Agent further hereby acknowledges that, to the extent it has entered into a bailee waiver, landlord agreement or other similar agreement or arrangement in connection with the Prepetition Credit Agreement and the other Prepetition Loan Documents (the "***Existing Bailee/Landlord Agreements***"), such Existing Bailee/Landlord Agreements are also for the benefit of the Collateral Agent and the other Secured Parties. Each Pledgor shall, within 10 days of any request of the Collateral Agent, obtain any new bailee waiver, landlord agreement or similar agreement or arrangement with respect to any of its leased locations, warehouses or similar locations or any amendment to any Existing Bailee/Landlord Agreement that the Collateral Agent reasonably requests. The Prepetition Agent agrees to follow the direction of the Collateral Agent as to the exercise of all rights under the Existing Bailee/Landlord Agreements.

SECTION 5.19. ***Financing Order; Matters Relating to Security***.

(a) Notwithstanding anything herein to the contrary, the provisions of this Agreement are subject to the terms, covenants, conditions and provisions of the Financing Order. In the event of any conflict between the terms of this Agreement and the Financing Order, the terms of the Financing Order shall govern and control.

(b) The security interest granted by and pursuant to this Agreement may be independently granted by the Financing Order and the Loan Documents. This Agreement, the Financing Order and such other Loan Documents supplement each other, and the grants, priorities, rights and remedies of the Agents and Secured Parties hereunder and thereunder are cumulative.

(c) The security interest hereunder shall be deemed valid, binding, continuing, enforceable and fully perfected Liens on the Collateral by entry of, and subject to, the Financing Order. Notwithstanding anything in this Agreement, neither the Administrative Agent nor the Collateral Agent shall be required to file any financing statements, notices of Lien or similar instruments in any jurisdiction or filing office or to take any other action in order to validate or perfect the Liens and security interests granted by or pursuant to this Agreement, the Financing Order or any other Loan Document.

(d) The security interest, the priority of the security interest and the other rights and remedies granted to the Collateral Agent pursuant to this Agreement, the Financing Order and the other Loan Documents (specifically including but not limited to the existence, validity, enforceability, extent, perfection and priority of the security interest) and the administrative superpriority provided herein and therein shall not be modified, altered or impaired in any manner by any other financing or extension of credit or incurrence of debt by any Pledgor (pursuant to Section 364 of the Bankruptcy Code or otherwise), or by any dismissal or conversion of any of the Chapter 11 Cases, or by any other act or omission whatsoever.

SECTION 5.20. ***Person Serving as Collateral Agent.*** On the DIP Closing Date, the Collateral Agent hereunder is also the Administrative Agent. Written notice of resignation by the Administrative Agent under (and as defined in) the Credit Agreement pursuant to the Credit Agreement shall also constitute notice of resignation as the Collateral Agent under this Agreement. Upon the acceptance of any appointment as the Administrative Agent under (and as defined in) the Credit Agreement by a successor, that successor shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent pursuant hereto. The Collateral Agent immediately prior to any change in Collateral Agent pursuant to this Section 5.20 (the "***Prior Collateral Agent***") shall be deemed to have assigned all of its rights, powers and duties hereunder to the successor Collateral Agent determined in accordance with this Section 5.20 (the "***Successor Collateral Agent***") and the Successor Collateral Agent shall be deemed to have accepted, assumed and succeeded to such rights, powers and duties. The Prior Collateral Agent shall cooperate with the Pledgors and such Successor Collateral Agent to ensure that all actions are taken that are necessary or reasonably requested by the Successor Collateral Agent to vest in such Successor Collateral Agent the rights granted to the Prior Collateral Agent hereunder with respect to the Collateral, including (a) the filing of amended financing statements in the appropriate filing offices, (b) to the extent that the Prior Collateral Agent holds, or a third party holds on its behalf, physical possession of or "control" (as defined in the Uniform Commercial Code, the PPSA or their equivalent in any other applicable jurisdiction) (or any similar concept under foreign law) over Collateral pursuant to this Agreement or any other Security Document, the delivery to the Successor Collateral Agent of the Collateral in its possession or control together with any necessary endorsements to the extent required by this Agreement, and (c) the execution and delivery of any further documents, financing statements or agreements and the taking of all such further action that may be required under any applicable law, or that the Successor Collateral Agent may reasonably request, all without recourse to, or representation or warranty by, the Collateral Agent, and at the sole cost and expense of the Pledgors.

SECTION 5.21. ***Survival of Agreement.*** All covenants, agreements, representations and warranties made by the Pledgors in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan

Document shall be considered to have been relied upon by the Secured Parties and shall survive the execution and delivery of the Loan Documents and the making of any Loans under the Loan Documents, regardless of any investigation made by or on behalf of any Secured Party or any other person and notwithstanding that any Secured Party or any other person may have had notice or knowledge of any Default or incorrect representation or warranty at the time any Loan Document is executed and delivered or any credit is extended under the Credit Agreement, and shall continue in full force and effect until the Termination Date.

SECTION 5.22. ***Secured Bank Product Obligations***. No Secured Party that obtains the benefit of this Agreement shall have any right to notice of any action or to consent to, direct or object to, any action hereunder or otherwise in respect of the Collateral (including, without limitation, the release or impairment of any Collateral) other than in its capacity as a Lender, an Issuing Bank, the Administrative Agent or Collateral Agent, and, in any such case, only to the extent expressly provided in the Loan Documents, including without limitation Article 12 of the Credit Agreement. Each Secured Party not a party to the Credit Agreement that obtains the benefit of this Agreement shall be deemed to have acknowledged and accepted the appointment of the Collateral Agent pursuant to the terms of the Credit Agreement, including, without limitation, under Article 12 of the Credit Agreement and the appointment.

SECTION 5.23. ***Judgement Currency***. If, for the purposes of enforcing judgment in any court or for any other purpose hereunder or in connection herewith, it is necessary to convert a sum due hereunder in any currency into another currency, such conversion should be carried out to the extent and in the manner provided in the Credit Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written

BRIGGS & STRATTON CORPORATION

By: _____
Name:
Title:

BILLY GOAT INDUSTRIES, INC.

By: _____
Name:
Title:

ALLMAND BROS, INC.

By: _____
Name:
Title:

BRIGGS & STRATTON INTERNATIONAL, INC.

By: _____
Name:
Title:

BRIGGS & STRATTON TECH, LLC

By: _____
Name:
Title:

JPMORGAN CHASE BANK, N.A., as Collateral Agent and, for purposes of Section 5.18, as Prepetition Agent

By: _____
Name:
Title:

Schedule I to the
U.S. Senior Secured Debtor-in-Possession
Collateral Agreement

Loan Parties

Briggs & Stratton Corporation
Allmand Bros., Inc.
Billy Goat Industries, Inc.
Briggs & Stratton International, Inc.
Briggs & Stratton Tech, LLC

Schedule II to the
U.S. Senior Secured Debtor-in-Possession
Collateral Agreement

Pledged Stock; Pledged Debt

A. **Pledged Stock**

[ ]

B. **Pledged Debt**

[ ]

Schedule III to the
U.S. Senior Secured Debtor-in-Possession
Collateral Agreement

Intellectual Property

A. U.S. and Canadian Federally Issued or Applied for Patents and Australian Issued or Applied for Patents

[ ]

B. **U.S. and Canadian Federally Registered Copyrights and Australian Registered Copyrights**

[ ]

C. U.S. and Canadian Federally Registered or Applied for Trademarks and Australian Registered or Applied for Trademarks

[ ]

Schedule IV to the
U.S. Senior Secured Debtor-in-Possession
Collateral Agreement

Commercial Tort Claims

[ ]

Exhibit I to the
U.S. Senior Secured Debtor-in-Possession Collateral Agreement

Form of Supplement to the U.S. Senior Secured Debtor-in-Possession Collateral Agreement

SUPPLEMENT NO. [●] (this "***Supplement***"), dated as of [●], 20[●] to the U.S. Senior Secured Debtor-in-Possession Collateral Agreement, dated as of July 22, 2020 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "***Collateral Agreement***"), among BRIGGS & STRATTON CORPORATION, a Wisconsin corporation (the "***Lead Borrower***"), each other Pledgor (as defined therein) from time to time party thereto and JPMORGAN CHASE BANK, N.A., as collateral agent (together with its successors and assigns in such capacity, the "***Collateral Agent***") for the Secured Parties (as defined therein).

A. Reference is made to the Senior Secured Debtor-in-Possession Revolving and Term Credit Agreement, dated as of July 22, 2020 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), among the Borrowers (as defined therein), the Lenders party thereto from time to time, JPMorgan Chase Bank, N.A., as administrative agent and collateral agent, and the other parties party thereto.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Collateral Agreement or the Credit Agreement, as applicable.

C. The Pledgors have entered into the Collateral Agreement pursuant to the requirements set forth in Section 9.10 of the Credit Agreement. Section 5.16 of the Collateral Agreement provides that additional Loan Parties may become Pledgors under the Collateral Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned (the "***New Pledgor***") is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Pledgor under the Collateral Agreement.

Accordingly, the New Pledgor agrees as follows:

SECTION 1. In accordance with Section 5.16 of the Collateral Agreement, the New Pledgor by its signature below becomes a Pledgor under the Collateral Agreement with the same force and effect as if originally named therein as a Pledgor and the New Pledgor hereby (a) agrees to all the terms and provisions of the Collateral Agreement applicable to it as a Pledgor thereunder and (b) represents and warrants that the representations and warranties made by it as a Pledgor thereunder are true and correct in all material respects on and as of the date hereof. In furtherance of the foregoing, the New Pledgor, as security for the payment and performance in full of its Obligations, does hereby create and grant to the Collateral Agent, its successors and assigns, for the benefit of the Secured Parties, their successors and assigns, a security interest in and lien on all of the New Pledgor's right, title and interest in and to the Collateral (as defined in the Collateral Agreement) of the New Pledgor. Each reference to a "Pledgor" in the Collateral Agreement shall be deemed to include the New Pledgor (except as otherwise provided in clause (ii) of the definition of Pledgor to the extent applicable). The Collateral Agreement is hereby incorporated herein by reference.

SECTION 2. The New Pledgor represents and warrants to the Collateral Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, fraudulent conveyance or other similar laws affecting creditors' rights generally, (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (iii) implied covenants of good faith and fair dealing.

SECTION 3. This Supplement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Collateral Agent shall have received a counterpart of this Supplement that bears the signature of the New Pledgor. Delivery of an executed signature page to this Supplement by facsimile or other electronic transmission shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. The New Pledgor hereby represents and warrants that, as of the date hereof, (a) set forth on *Schedule I* attached hereto is a true and correct schedule of any and all of (and, with respect to any Pledged Stock issued by an issuer that is not a Subsidiary of the Lead Borrower, correctly sets forth, to the knowledge of the New Pledgor) the percentage of the issued and outstanding units of each class of the Equity Interests of the issuer thereof represented by the Pledged Stock and includes (i) all Equity Interests pledged hereunder and (ii) all Pledged Debt pledged hereunder in an individual principal amount in excess of $1,000,000 now owned by the New Pledgor required to be pledged in order to satisfy the Collateral and Guarantee Requirement or delivered pursuant to Section 2.2(a) and 2.2(b) of the Collateral Agreement, (b) set forth on *Schedule II* attached hereto is a list of any and all Intellectual Property now owned by the New Pledgor consisting of material Patents and Trademarks applied for or registered with the United States Patent and Trademark Office and material Copyrights registered with the United States Copyright Office, (c) set forth on *Schedule III* attached hereto is a list of any and all Commercial Tort Claims individually in excess of $5,000,000, and (d) set forth under its signature hereto is the true and correct legal name of the New Pledgor, its jurisdiction of organization and the location of its chief executive office. *Schedule III* hereto shall supplement *Schedule IV* to the Collateral Agreement.

SECTION 5. Except as expressly supplemented hereby, the Collateral Agreement shall remain in full force and effect.

SECTION 6. THIS SUPPLEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSES OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS SUPPLEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK AND, TO THE EXTENT APPLICABLE, THE BANKRUPTCY CODE; PROVIDED THAT THE AGENTS AND THE LENDERS SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

SECTION 7. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality

and enforceability of the remaining provisions contained herein and in the Collateral Agreement shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 8. All communications and notices hereunder shall (except as otherwise expressly permitted by the Collateral Agreement) be in writing and given as provided in Section 5.1 of the Collateral Agreement.

SECTION 9. The New Pledgor agrees to reimburse the Collateral Agent for its reasonable and documented out-of-pocket expenses in connection with this Supplement, including the reasonable and documented fees, other charges and disbursements of counsel for the Collateral Agent.

IN WITNESS WHEREOF, the New Pledgor has duly executed this Supplement to the Collateral Agreement as of the day and year first above written.

[Signature Page Follows]

[NAME OF NEW PLEDGOR]

By: _____
Name:
Title:

Address:
Legal Name:
Jurisdiction of Formation:

Schedule I to
Supplement No. __ to the
U.S. Senior Secured Debtor-in-Possession Collateral Agreement

Pledged Stock; Pledged Debt

A. Pledged Stock

Issuer	Record Owner	Certificate No.	Number and Class	Percentage of Equity Interest Owned	Percent Pledged

B. Pledged Debt

Payee	Payor	Principal	Date of Issuance	Maturity Date

Schedule II to
Supplement No. __ to the
U.S. Senior Secured Debtor-in-Possession Collateral Agreement

Intellectual Property

A. U.S. and Canadian Federally Issued or Applied for Patents Owned by [New Pledgor]

U.S. and Canadian Patent Registrations

Title	Patent No.	Issue Date

U.S. and Canadian Patent Applications

Title	Application No.	Filing Date

B. **U.S. and Canadian Federally Registered Copyrights Owned by [New Pledgor]**

U.S. and Canadian Copyright Registrations

Title	Registration No.	Registration Date

C. U.S. and Canadian Federally Registered or Applied for Trademarks Owned by [New Pledgor]

U.S. and Canadian Trademark Registrations

Mark	Registration No.	Registration Date

U.S. and Canadian Trademark Applications

Mark	Application No.	Filing Date

Schedule III to
Supplement No. __ to the
U.S. Senior Secured Debtor-in-Possession Collateral Agreement

Commercial Tort Claims

Exhibit II to the
U.S. Senior Secured Debtor-in-Possession Collateral Agreement

Form of Grant of Security Interest in [Copyrights][Patents][Trademarks]

THIS GRANT OF SECURITY INTEREST IN [COPYRIGHTS] [PATENTS] [TRADEMARKS], dated as of [●] (this "***Agreement***"), is made by [●], a [●] (the "***Granting Pledgor[s]***"), in favor of JPMORGAN CHASE BANK, N.A., as Collateral Agent (as defined below).

WHEREAS, pursuant to that certain Senior Secured Debtor-in-Possession Revolving and Term Credit Agreement, dated as of July 22, 2020, by and among BRIGGS & STRATTON CORPORATION, a Wisconsin corporation (the "***Lead Borrower***"), each of the other Borrowers, the Lenders, the Issuing Banks, and JPMORGAN CHASE BANK, N.A., as administrative agent collateral agent (together with its successors and assigns in such capacity, the "***Collateral Agent***"), and the other parties from time to time party thereto (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), the Lenders have agreed to make extensions of credit to the Borrowers upon the terms and conditions set forth therein; and

WHEREAS, as a condition precedent to the obligation of the Lenders to make their respective extension of credit to the Borrowers under the Credit Agreement, the Pledgors (as defined therein) party thereto entered into that certain U.S. Senior Secured Debtor-in-Possession Collateral Agreement, dated as of July 22, 2020 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "***Collateral Agreement***"), by and among the Lead Borrower, each of the Pledgors from time to time party thereto, and JPMORGAN CHASE BANK, N.A., as collateral agent (together with its successors and assigns in such capacity, the "Collateral Agent"), pursuant to which [the Granting Pledgor][each Granting Pledgor] assigned, and granted to the Collateral Agent, for the benefit of the Secured Parties, a security interest in the [Copyright Collateral][Patent Collateral][Trademark Collateral] [of such Granting Pledgor] (as defined below);

WHEREAS, pursuant to the Collateral Agreement, the Granting Pledgor[s] agreed to execute and deliver this Agreement, in order to record the security interest granted to the Collateral Agent for the benefit of the Secured parties with the [United States Copyright Office][United States Patent and Trademark Office][CIPO].

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Granting Pledgor[s] hereby agrees with the Agent as follows:

SECTION 1. ***Terms***. Capitalized terms used in this Agreement and not otherwise defined herein have the meanings specified in the Collateral Agreement or the Credit Agreement, as applicable. The rules of construction specified in Section 1.1(b) of the Collateral Agreement also apply to this Agreement.

SECTION 2. ***Grant of Security Interest***. As security for the payment or performance when due (whether at the stated maturity, by acceleration or otherwise), as

the case may be, in full of the Obligations, [the][each] Granting Pledgor pursuant to the Collateral Agreement did, and hereby does, assign and pledge to the Collateral Agent, for the benefit of the Secured Parties, and grant to the Collateral Agent, for the benefit of the Secured Parties, a security interest in all of such Granting Pledgor's right, title and interest in, to and under any and all of the following assets and properties (collectively, but excluding any Excluded Property, the "***[Copyright][Patent][Trademark] Collateral***"):

[: (a) all copyright rights in any work subject to the copyright laws of the United States, Canada or any other country, whether as author, assignee, transferee or otherwise; (b) all registrations and applications for registration of any such copyright in the United States or any other country, including registrations, supplemental registrations and pending applications for registration in the United States Copyright Office, CIPO and the right to obtain all renewals thereof, including those registered United States and Canadian Copyrights listed on Schedule I; (c) all claims for, and rights to sue for, past or future infringements of any of the foregoing; (d) all income, royalties, damages and payments now or hereafter due and payable with respect to any of the foregoing, including damages and payments for past or future infringement thereof; and (e) all other rights accruing thereunder or pertaining thereto throughout the world.]

[all (a) all letters patent and industrial designs of the United States and Canada or the equivalent thereof in any other country or jurisdiction, and all applications for letters patent and industrial designs of the United States and Canada or the equivalent thereof in any other country or jurisdiction, including those United States and Canadian patents and patent applications listed on Schedule I; (b) all provisionals, reissues, extensions, continuations, divisions, continuations-in-part, reexaminations or revisions thereof, including the right to exclude others from making, using, importing and/or selling the inventions or designs disclosed or claimed in any of the foregoing in the immediately preceding sub-part (a) or this sub-part (b); (c) all claims for, and rights to sue for, past or future infringements of any of the foregoing; (d) all income, royalties, damages and payments now or hereafter due and payable with respect to any of the foregoing, including damages and payments for past or future infringement thereof; and (e) all other rights accruing thereunder or pertaining thereto throughout the world.]

[(a) all trademarks, service marks, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos and other source or business identifiers, and all designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations thereof (if any), and all registration and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office, CIPO or any similar offices in any State of the United States, any Province of Canada or any other country or any political subdivision thereof, and all renewals thereof, including those United States and Canadian registrations and applications listed on Schedule I; (b) all goodwill associated with or symbolized by the foregoing; (c) all claims for, and rights to sue for, past or future infringements, dilutions or other violations of any of the foregoing; (d) all income, royalties, damages and payments now or hereafter due and payable with respect to any of the foregoing, including damages and payments for past or future

infringement, dilutions or other violations thereof; and (e) all other rights accruing thereunder or pertaining thereto throughout the world ("***Trademarks***").]

Notwithstanding any provision to the contrary herein, the foregoing assignment and grant of security interest will not cover any Excluded Property.

SECTION 3. ***Collateral Agreement***. The security interests granted to the Collateral Agent herein are granted in furtherance of, and not in limitation of, the security interests granted to the Collateral Agent pursuant to the Collateral Agreement. [Each][The] Granting Pledgor hereby acknowledges and affirms that the rights and remedies of the Collateral Agent with respect to the IP Collateral are more fully set forth in the Collateral Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein. In the event of any conflict between the terms of this Agreement and the Collateral Agreement, the terms of the Collateral Agreement shall govern.

SECTION 4. ***Counterparts***. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract. Delivery of an executed counterpart to this Agreement by facsimile or other electronic transmission shall be as effective as delivery of a manually signed original.

SECTION 5. ***Governing Law***. **THIS AGREEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSES OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK AND, TO THE EXTENT APPLICABLE, THE BANKRUPTCY CODE; PROVIDED THAT THE AGENTS AND THE LENDERS SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW**.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

[NAME OF GRANTING PLEDGOR[S]]

By: _____
Name:
Title:

JPMORGAN CHASE BANK, N.A.,
as Collateral Agent,

By: _____
Name:
Title:

Schedule I
to Grant of Security Interest in Patents

Patents Owned by [Name of Pledgor]

U.S. and Canadian Patent Registrations

Title	Patent No.	Issue Date

U.S. and Canadian Patent Applications

Title	Application No.	Filing Date

Schedule I
to Grant of Security Interest in Copyrights

Copyrights Owned by [Name of Pledgor]

U.S. and Canadian Copyright Registrations

Title	Registration No.	Registration Date

Schedule I
to Grant of Security Interest in Trademarks

Trademarks Owned by [Name of Pledgor]

U.S. and Canadian Trademark Registrations

Mark	Registration No.	Registration Date

U.S. and Canadian Trademark Applications

Mark	Application No.	Filing Date

EXHIBIT J

FORM OF COMPLIANCE CERTIFICATE

[Date]

This Compliance Certificate is delivered to you pursuant to Section 9.04(c) of the Senior Secured Debtor-in-Possession Revolving and Term Credit Agreement, dated as of July 22, 2020 (as amended, amended and restated, modified, supplemented, extended or renewed from time to time, the "Credit Agreement," the terms defined therein are used herein as therein defined), among BRIGGS & STRATTON CORPORATION, a Wisconsin corporation, the other Borrowers party thereto from time to time, the Lenders party thereto from time to time, the Issuing Banks party thereto from time to time and JPMorgan Chase Bank, N.A, as Administrative Agent, Collateral Agent and Swingline Lender.

1. I am a duly elected, qualified and acting Financial Officer of the Lead Borrower.

2. I have reviewed and am familiar with the contents of this Compliance Certificate. I am providing this Compliance Certificate solely in my capacity as a Financial Officer of the Lead Borrower and not in my individual capacity.

3. I have reviewed the terms of the Credit Agreement and the other Loan Documents and have made or caused to be made under my supervision a review in reasonable detail of the transactions and condition of the Lead Borrower and its Subsidiaries during the accounting period covered by the financial statements attached hereto as ANNEX 1 (the "Financial Statements"). Such review did not disclose the existence during or at the end of the accounting period covered by the Financial Statements, and I have no knowledge of the existence, as of the date of this Compliance Certificate, of any condition or event which constitutes a Default or an Event of Default[, except as set forth below and described in detail, the nature and extent thereof and what corrective actions, if any, the Lead Borrower has taken or proposes to take with respect thereto].

[Signature Page Follows]

IN WITNESS WHEREOF, I have executed this Compliance Certificate as of the date first set forth above.

BRIGGS & STRATTON CORPORATION,
as the Lead Borrower

By: _____
Name:
Title:

Exhibit J
ANNEX 1

Financial Statements

EXHIBIT K

FORM OF ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (this "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [the][each][1] Assignor identified in item 1 below ([the][each, an] "Assignor") and [the][each][2] Assignee identified in item 2 below ([the][each, an] "Assignee"). [It is understood and agreed that the rights and obligations of the [Assignors][Assignees][3] hereunder are several and not joint.][4] Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, restated, amended and restated, supplemented and/or modified from time to time, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto (the "Standard Terms and Conditions") are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to the [Assignee][respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from the [Assignor][respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the [Assignor's][respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the [Assignor][respective Assignors] as further detailed below (including without limitation any guarantees), and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the [Assignor (in its capacity as a Lender)][respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "Assigned Interest"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: _____

---

1 For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

2 For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

3 Select as appropriate.

4 Include bracketed language if there are either multiple Assignors or multiple Assignees.

Assignor is [not] a Defaulting Lender

2. Assignee[s]: _____

_____

[for each Assignee, indicate if an Affiliate or an Approved Fund of [*identify Lender*]]

3. Lead Borrower: Briggs & Stratton Corporation

4. Administrative Agent: JPMorgan Chase Bank, N.A., as the administrative agent under the Credit Agreement

5. Credit Agreement: The Senior Secured Debtor-in-Possession Revolving and Term Credit Agreement, dated as of July 22, 2020, among Briggs & Stratton Corporation, the other Borrowers party thereto from time to time, the Lenders party thereto from time to time, the Issuing Banks party thereto from time to time and JPMorgan Chase Bank, N.A., as Administrative Agent, Collateral Agent and Swingline Lender

6. Assigned Interest[s]:

Assignor[s][5]	Assignee[s][6]	Class/ Facility Assigned	Amount of [Commitment/ Revolving Loans][DIP Term Loans] for all Lenders[7]		Amount of [Commitment/ Revolving Loans][DIP Term Loans] Assigned[8]		Percentage Assigned of [Commitment/ Revolving Loans][DIP Term Loans][8]		CUSIP Number
			Class/ Facility	Aggregate	Class/ Facility	Aggregate	Class/ Facility	Aggregate	
			$	$	$	$	%	%	
			$	$	$	$	%	%	
			$	$	$	$	%	%	

[7. Trade Date: _____][9]

5 List each Assignor, as appropriate.

6 List each Assignee, as appropriate.

7 Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

8 Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

9 To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: _____ ___, 20___ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S][10]

[NAME OF ASSIGNOR]

By: _____
Title:

[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE[S][11]

[NAME OF ASSIGNEE]

By: _____
Title:

[NAME OF ASSIGNEE]

By: _____
Title:

10 Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

11 Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

Consented to and Accepted:

[JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: _____
Title:][12]

[[_____],
as Issuing Bank

By: _____
Title:][13]

[[_____],
as Swingline Lender

By: _____
Title:][14]

[Consented to:[15]

BRIGGS & STRATTON CORPORATION

By: _____
Title:]

[12] To be included only if consent of the Administrative Agent is required under the Credit Agreement.

[13] To be included only if consent of the Issuing Banks is required under the Credit Agreement.

[14] To be included only if consent of the Swingline Lender is required under the Credit Agreement.

[15] To be included only if the consent of the Lead Borrower is required by the Credit Agreement.

ANNEX 1

CREDIT AGREEMENT

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrowers, any of their Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document, or (iv) the performance or observance by the Borrowers, any of their Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an Eligible Transferee (subject to such consents, if any, as may be required under Section 13.04 of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement [and the Lender Loss Sharing Agreement, in each case][16] as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 9.04 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vii) attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, in each case duly completed and executed by [the][such] Assignee and (viii) [it is not a DIP Term Lender or,][17] to the extent if the status as a Swiss Non-Qualifying Lender causes a breach of any Swiss Non-Bank Rules, a Swiss Non-Qualifying Lender and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, [the][any] Assignor 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 decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance

[16] Applicable in the case of an assignment of Revolving Loans or Revolving Commitments.

[17] Applicable in the case of an assignment of Revolving Loans or Revolving Commitments.

with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the][the relevant] Assignee.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York and to the extent applicable, the Bankruptcy Court.

EXHIBIT L

FORM OF INTERIM ORDER

[See attached]

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
SOUTHEASTERN DIVISION

	§	**Chapter 11**
In re:	§	
	§	**Case No. 20-43597-339**
BRIGGS & STRATTON CORPORATION, *et al.*,	§	**(Jointly Administered)**
	§	
	§	
Debtors.[1]	§	Related Docket No. 35

INTERIM ORDER (I) AUTHORIZING DEBTORS TO OBTAIN POSTPETITION FINANCING, (II) AUTHORIZING DEBTORS TO USE CASH COLLATERAL, (III) GRANTING LIENS AND SUPERPRIORITY CLAIMS, (IV) GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED PARTIES, (V) MODIFYING AUTOMATIC STAY, AND (VI) SCHEDULING A FINAL HEARING

Upon the motion (the "Motion") of Briggs & Stratton Corporation (the "Company") and the other debtors in possession (collectively, the "Debtors") in the above-captioned chapter 11 cases (the "Chapter 11 Cases") under sections 105, 361, 362, 363, 364, 503, 506, and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the "Bankruptcy Code") and Rules 2002, 4001, 6003, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (as amended, the "Bankruptcy Rules"), for entry of an interim order (this "Order") and a final order substantially in the form of this Order and otherwise in form and substance acceptable to the DIP Agent (as defined below) at the direction of the Required Lenders (as defined in the DIP Credit Agreement) (the "Final DIP Order;" this Order or the Final DIP Order in effect as of any date of termination, the "Applicable DIP Order"):

(I) authorizing the Debtors to obtain senior secured priming debtor-in-possession financing in an aggregate principal amount not to exceed $677.5 million pursuant to the terms and conditions of the *Senior Secured Debtor-in-Possession Revolving*

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number are: Billy Goat Industries, Inc. (4442), Briggs & Stratton Corporation (2330), Allmand Bros., Inc. (4710), Briggs & Stratton International, Inc. (9957), and Briggs & Stratton Tech, LLC (2102). The address of the Debtors' corporate headquarters is 12301 West Wirth Street, Wauwatosa, Wisconsin 53222.

and Term Credit Agreement attached hereto as **Exhibit A** (as amended, supplemented, or otherwise modified in accordance with its term and the terms of the Applicable DIP Order, the "DIP Credit Agreement"), and all other agreements, documents, and instruments executed and delivered in connection with the DIP Credit Agreement (collectively with the DIP Credit Agreement, the "DIP Documents"), with such debtor-in-possession financing consisting of:

a) a first-out, asset based revolving facility in an aggregate principal amount not to exceed on the DIP Closing Date $412.5 million, subject to a reduction on the DIP Term Loan Closing Date to $350 million (the "**DIP ABL Facility**," and all extensions of credit thereunder, the "**DIP ABL Loans**"), with up to $6 million (other than the Prepetition Letters of Credit (as defined below)) available under a letter of credit sublimit plus the deemed issuance of the Prepetition Letters of Credit as letters of credit issued under the DIP ABL Facility (all such letters of credit, the "**DIP Letters of Credit**"), provided that (i) not more than, on the DIP Closing Date, $383.7 million and, on the DIP Term Loan Closing Date, $321.2 million, in principal amount of the DIP ABL Facility shall be made available to Briggs & Stratton Corporation (the "**North American Revolving Facility**") and (ii) not more than, both on the DIP Closing Date and on the DIP Term Loan Closing Date, $28.8 million in principal amount of the DIP ABL Facility shall be made available to Briggs & Stratton AG (the "**Swiss Revolving Facility**"), among:

1. as borrowers, the Company and Briggs & Stratton AG (the "Non-Debtor DIP ABL Borrower") (collectively, "DIP ABL Borrowers"),

2. as guarantors, (a) Billy Goat Industries, Inc., Allmand Bros., Inc., Briggs & Stratton International, Inc., and Briggs & Stratton Tech, LLC, (b) Briggs & Stratton International AG, Briggs & Stratton Australia Pty. Limited and Victa Ltd. and subject to customary exceptions consistent with the Prepetition ABL Agreement, each other subsidiary of the Company organized in a jurisdiction outside the United States (the "Non-Debtor Foreign DIP Guarantors"), and (c) to the extent not otherwise listed above, each other Debtor (the entities referenced in the immediately preceding clauses (a) through (c), together with the DIP ABL Borrowers, collectively, the "DIP Guarantors," and together with the DIP ABL Borrowers, the "DIP ABL Loan Parties"),[2]

[2] In addition and notwithstanding the foregoing, the Debtors will guaranty the Swiss Revolving Facility, and Briggs & Stratton AG and the Non-Debtor Foreign DIP Guarantors will guaranty the North American Revolving Facility, subject to the terms of the DIP Credit Agreement.

3. as administrative agent and collateral agent, JPMorgan Chase Bank, N.A. (in such capacity, the "DIP Agent"),

4. as lead-left arranger and lead-left bookrunner, JPMorgan Chase Bank, N.A. (the "DIP Arranger"),

5. as swingline lender, JP Morgan Chase Bank, N.A. (the "Swingline Lender"), and

6. the lenders from time to time party thereto (collectively with the Swingline Lender, the "DIP ABL Lenders" and collectively with the DIP Agent and all other secured parties in connection with the DIP ABL Facility, collectively, the "DIP ABL Secured Parties"); and

b) a superpriority senior secured priming last-out term loan facility in an aggregate principal amount of $265 million (the "DIP Term Loan Facility," and together with the DIP ABL Facility, the "DIP Facilities"; all extensions of credit under the DIP Term Loan Facility, the "DIP Term Loans," and together with the DIP ABL Loans, the "DIP Loans"), among:

1. as borrower, the Company (the "DIP Term Loan Borrower," and together with the DIP ABL Borrowers, the "DIP Borrowers"),

2. as guarantors, the DIP Guarantors (together with the DIP Term Loan Borrower, the "DIP Term Loan Parties"; the DIP Term Loan Parties and the DIP ABL Loan Parties shall be collectively referred to herein as the "DIP Loan Parties"),

3. as administrative agent and collateral agent, the DIP Agent,

4. as sole lead arranger and sole bookrunner, the DIP Arranger, and

5. the lenders from time to time party thereto (the "DIP Term Loan Lenders," and together with the DIP ABL Lenders, the "DIP Lenders," and the DIP Term Loan Lenders, the DIP Agent and all other secured parties in connection with the DIP Term Loan Facility, collectively, the "DIP Term Secured Parties");

(II) authorizing the Debtors to borrow (a) up to $158 million under the DIP ABL Facility, of which $137 million shall be made available to the Company under the North American Revolver Facility and $21 million shall be made available to Briggs & Stratton AG under the Swiss Revolving Facility, and (b) up to $20 million under the DIP Term Loan Facility (the "DIP Term Interim Funding Amount"), each upon entry of this Order;

(III) authorizing the Debtors to use Cash Collateral (as defined in paragraph 8 below) and all other Prepetition Collateral (as defined in paragraph 7(b) below) pursuant to section 363 of the Bankruptcy Code in accordance with this Order to repay the Prepetition ABL Obligations;

(IV) authorizing the Debtors to provide adequate protection to the Prepetition Secured Parties (as defined in this clause) under the Revolving Credit Agreement, dated as of September 27, 2019 (as amended, supplemented or otherwise modified prior to the Petition Date, the "Prepetition ABL Agreement," and together with all security, pledge, and guaranty agreements and all other documentation executed in connection therewith (including all "Loan Documents" under, and as defined in, the Prepetition ABL Agreement), each as amended, supplemented, or otherwise modified, the "Prepetition ABL Documents"), among (A) the Company and the subsidiary borrowers and guarantors from time to time party thereto (collectively, the "Prepetition ABL Loan Parties"), (B) the lenders from time to time party thereto (the "Prepetition ABL Lenders"), and (C) JPMorgan Chase Bank, N.A., as administrative agent and collateral agent for the Prepetition ABL Lenders (in such capacity, the "Prepetition ABL Agent," and together with the Prepetition ABL Lenders and all other secured parties under the Prepetition ABL Documents, the "Prepetition Secured Parties");

(V) granting to the DIP Agent, the DIP Lenders and all other secured parties under the DIP Documents (collectively, the "DIP Secured Parties"), pursuant to section 364 of the Bankruptcy Code, allowed superpriority administrative expense claims in respect of all DIP Obligations (as defined in paragraph 10(g) below) and valid, enforceable, non-avoidable, and automatically perfected security interests in and liens on all of the DIP Collateral (as defined in paragraph 20 below) to secure the DIP Obligations, in each case as and to the extent set forth herein;

(VI) authorizing the DIP Agent, on behalf of the DIP Secured Parties at the direction of either the Required Revolving Lenders (as defined in the DIP Credit Agreement) or the Required DIP Term Lenders (as defined in the DIP Credit Agreement) and subject to the terms and conditions herein, to exercise remedies under the DIP Documents and the Applicable DIP Order upon the occurrence and during the continuance of an Event of Default (as defined in the DIP Credit Agreement) (each, a "DIP Event of Default");

(VII) Upon entry of the Proposed Final DIP Order, and subject to the Carve Out, the Termination Payment and the Expense Reimbursement Payment (each as defined in the Proposed DIP Orders), authorizing the Debtors to waive (a) their right to surcharge the Prepetition Collateral (as defined in the Proposed DIP Orders) pursuant to section 506(c) of the Bankruptcy Code and (b) any "equities of the case" exception under section 552(b) of the Bankruptcy Code;

(VIII) scheduling, pursuant to Bankruptcy Rule 4001, a final hearing (the "Final Hearing") for this Court to consider entry of the Final DIP Order authorizing and approving on a final basis the relief requested in the Motion, including without limitation, for

the DIP Borrowers to borrow the balance of the DIP Loans and use the proceeds of the DIP Term Loans to repay the Prepetition ABL Obligations in full in cash as provided herein; and

(IX) granting related relief.

The Court having considered the Motion, the *Declaration of Jeffrey Ficks, Financial Advisor of Briggs & Stratton Corporation, in Support of the Debtors' Chapter 11 Petitions and First Day Relief* (ECF No. 51), the *Declaration of Jeffrey Lewis In Support of Motion of Debtors for Interim and Final Orders (I) Authorizing Debtors to Obtain Postpetition Financing, (II) Authorizing Debtors to Use Cash Collateral, (III) Granting Liens and Superpriority Claims, (IV) Granting Adequate Protection to Prepetition Lenders, (V) Modifying Automatic Stay, (VI) Scheduling Final Hearing, and (VII) Granting Related Relief* (ECF No. 36), any exhibits attached to the foregoing, and the evidence submitted or adduced and the arguments of counsel made at the interim hearing held on the Motion by this Court on July 21, 2020 (the "Interim Hearing"); and notice of the Interim Hearing having been given in accordance with Bankruptcy Rules 4001(b), (c), and (d); and the Interim Hearing to consider the interim relief requested in the Motion having been held and concluded; and it appearing to the Court that granting the interim relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates pending the Final Hearing, otherwise is fair and reasonable and in the best interests of the Debtors and their estates, creditors, and equity holders, and is essential for the preservation of the value of the Debtors' assets; and it appearing that the Debtors' entry into the DIP Documents is a sound and prudent exercise of the Debtors' business judgment; and after due deliberation and consideration, and for good and sufficient cause appearing therefor;

IT IS FOUND, DETERMINED, ORDERED, AND ADJUDGED, that:[3]

1. ***Petition Date***. On July 19, 2020 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Eastern District of Missouri, Southeastern Division (the "Court"). On July 21, 2020, this Court entered an order approving the joint administration of the Chapter 11 Cases.

2. ***Debtors in Possession***. The Debtors are authorized to continue operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee has been appointed in these Chapter 11 Cases.

3. ***Jurisdiction and Venue***. This Court has jurisdiction over the Chapter 11 Cases, the Motion, and the persons and property affected hereby pursuant to 28 U.S.C. §§ 157(b) and 1334. Consideration of the Motion constitutes a core proceeding under 28 U.S.C. § 157(b)(2). Venue for the Chapter 11 Cases and proceedings on the Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The predicates for the relief sought herein are sections 105, 361, 362, 363(c), 363(e), 363(m), 364(c), 364(d)(1), 364(e), and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6004 and 9014, and Bankruptcy Local Rules 2002-1, 4001-1(b), 4002-1(i), and 9013-1.

4. ***Committee Formation***. As of the date hereof, the United States Trustee for the Eastern District of Missouri (the "U.S. Trustee") has not appointed an official committee of unsecured creditors in these Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code.

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[3] The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent that any of the following conclusions of law constitute findings of fact, they are adopted as such.

5. ***Notice***. The Debtors have represented that adequate and proper notice of the Motion, the interim relief requested therein, and the Interim Hearing has been provided in accordance with and satisfaction of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules of Bankruptcy Procedure for the United States Bankruptcy Court of the Eastern District of Missouri. Such notice is adequate and appropriate under the circumstances, and no other or further notice need be provided.

6. ***Approval of Motion***. The relief requested in the Motion is granted on an interim basis as set forth herein. Except as otherwise expressly provided in this Order, any objection, reservation of rights, or other statement with respect to the entry of this Order that has not been withdrawn, waived, resolved, or settled is hereby denied and overruled on the merits.

7. ***Stipulations***. Without prejudice to the rights of any other party, and subject to the limitations thereon contained in paragraphs 9 and 18 below, the Debtors represent, admit, stipulate, and agree as follows:

(a) Prepetition ABL Obligations. As of the Petition Date, the Debtors hereby stipulate and agree that they were truly and justly indebted and liable to the Prepetition Secured Parties, without defense, counterclaim, or offset of any kind, in the aggregate principal amount of not less than $325,897,815.58 in respect of loans, other extensions of credit made, letters of credit issued (the "Prepetition Letters of Credit"), and other financial accommodations made, in each case pursuant to the Prepetition ABL Documents, plus accrued and unpaid interest thereon and any fees and expenses (including fees and expenses of attorneys) related thereto as provided in the Prepetition ABL Documents, plus all other outstanding amounts that would constitute "Obligations" under, and as defined in, the Prepetition ABL Agreement (collectively, the "Prepetition ABL Obligations"). No portion of the Prepetition ABL Obligations shall be subject

to avoidance, recharacterization, recovery, or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law.

(b) Prepetition ABL Secured Liens Granted by the Prepetition ABL Loan Parties. The liens and security interests granted by the Debtors to the Prepetition ABL Agent (for the ratable benefit of the Prepetition Secured Parties) to secure the Prepetition ABL Obligations are (i) valid, binding, perfected, enforceable, first priority (subject to permitted exceptions under the Prepetition ABL Agreement) liens on and security interests in the Prepetition ABL Loan Parties' real and personal property constituting Collateral[4] under, and as defined in, the Prepetition ABL Agreement (all such Collateral, the "Prepetition ABL Collateral," and such Collateral, including, Cash Collateral, in which the Debtors have an interest, the "Prepetition Collateral"); (ii) not subject to avoidance, recharacterization, or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law; and (iii) subject and subordinate only to other valid and unavoidable liens on the Prepetition ABL Collateral perfected prior to the Petition Date (or perfected after the Petition Date to the extent permitted by section 546(b) of the Bankruptcy Code) to the extent such liens are senior to the liens securing the Prepetition ABL Obligations (the "Prior Senior Liens").

(c) No Causes of Action. The Debtors do not have, and forever release, any claims, counterclaims, causes of action, defenses, or setoff rights, whether arising under the Bankruptcy Code or applicable nonbankruptcy law, against any of the Prepetition Secured Parties and each of their respective affiliates, subsidiaries, agents, officers, directors, employees, attorneys, and advisors, each in their capacity as such, in each case in connection with any matter

[4] "Collateral" includes but is not limited to accounts, cash, equipment, fixtures, intellectual property, letters of credit, and the products and proceeds of the foregoing, but excludes Excluded Property (as defined in the Prepetition ABL Agreement).

arising on or prior to the date hereof related to the Prepetition ABL Obligations, the Prepetition ABL Documents, the financing and transactions contemplated thereby, or the Prepetition ABL Collateral.

(d) Prepetition ABL Collateral Value. As of the Petition Date, (i) the aggregate value of the Prepetition ABL Collateral securing the Prepetition ABL Obligations exceeds the aggregate amount of the Prepetition ABL Obligations; and (ii) the aggregate value of the Prepetition Collateral securing the Prepetition ABL Obligations owed by the Debtors exceeds the aggregate amount of the Prepetition ABL Obligations owed by the Debtors.

8. ***The Debtors' Cash Collateral***. All of the Debtors' cash and cash equivalents (including without limitation, all cash, securities and other amounts on deposit or maintained by the Debtors in any account or accounts with any Prepetition Secured Party and any cash proceeds of the disposition of any Prepetition Collateral) other than the Excluded Property (as defined in the prepetition ABL Agreement) constitute proceeds of the Prepetition Collateral and, therefore, are cash collateral of the Prepetition Secured Parties, within the meaning of section 363(a) of the Bankruptcy Code (the "Cash Collateral").

9. ***Effect of Stipulations on Third Parties***.

(a) The stipulations and admissions contained in this Order (including those in paragraphs 7 and 8 of this Order) shall be binding upon the Debtors under all circumstances and, with respect to the stipulations of the Debtors herein, shall be binding upon all other parties in interest, including, without limitation, any statutory or non-statutory committees appointed or formed in the Chapter 11 Cases and any other person or entity acting or seeking to act by, through or on behalf of the Debtors' estates, including any chapter 7 or chapter 11 trustee or examiner appointed or elected for any of the Debtors, in all circumstances and for all purposes, unless (i)

any party in interest (including the statutory committee of unsecured creditors, if appointed in the Chapter 11 Cases (the "Committee")) with requisite standing from the Court as of the time of filing has timely filed an adversary proceeding or contested matter (subject to the limitations contained herein, including without limitation, in this paragraph) by no later than (a) the earlier of (x) an order confirming a chapter 11 plan, (y) for all parties in interest other than the Committee, 75 days after entry of this Order, and (z) for the Committee, 60 days after the date of its formation; and (b) any such later date agreed to in writing by the Prepetition ABL Agent (the time period established by the foregoing clauses (a)-(b), the "Challenge Period"), (A) challenging the amount, validity, perfection, enforceability, priority, or extent of the Prepetition ABL Obligations or the liens on Prepetition Collateral securing the Prepetition ABL Obligations or (B) otherwise asserting or prosecuting action for preferences, fraudulent transfers or conveyances, other avoidance power claims or any other claims, counterclaims, causes of action, objections, contests, or defenses (collectively, the "Challenges") against any of the Prepetition Secured Parties or their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys, or advisors, each in their capacity as such, in connection with any matter related to the Prepetition ABL Obligations or the Prepetition Collateral and (ii) an order is entered and becomes final and non-appealable in favor of the plaintiff sustaining any such Challenge in any such timely filed adversary proceeding or contested matter; provided that, as to the Debtors, all such Challenges are hereby irrevocably waived, released, and relinquished as of the Petition Date.

(b) If no such adversary proceeding or contested matter is timely filed prior to the expiration of the Challenge Period by a party with requisite standing in respect of the Prepetition ABL Obligations, (i) the Prepetition ABL Obligations, to the extent not already indefeasibly repaid, shall constitute allowed claims against the Debtors, not subject to any

Challenges (whether characterized as counterclaim, setoff, subordination, re-characterization, defense, or avoidance, for all purposes in the Chapter 11 Cases and any subsequent chapter 7 cases, if any; (ii) the liens on the Prepetition Collateral securing the Prepetition ABL Obligations, shall be deemed to have been, as of the Petition Date, and to thereafter remain, legal, valid, binding, perfected, and of the priority specified in paragraph 7, not subject to any defense, counterclaim, re-characterization, subordination, or avoidance; and (iii) the Prepetition ABL Obligations, the Prepetition ABL Lenders (in their capacities as such), the Prepetition ABL Agent (in its capacity as such), and the liens on the Prepetition Collateral granted to secure the Prepetition ABL Obligations shall not be subject to any other or further challenge by any party in interest (including the Committee), and parties in interest shall be forever enjoined and barred from seeking to exercise the rights of the Debtors' estates, including without limitation, any successor thereto (including, without limitation, any estate representative or a chapter 7 or 11 trustee appointed or elected for any of the Debtors).

(c) If any such adversary proceeding or contested matter is timely filed by a party with standing, the stipulations and admissions of the Debtors contained in this Order (including those in paragraphs 7 and 8) shall nonetheless remain binding and preclusive (as provided in this paragraph 9(c)) on all parties in interest (including the Committee), except as to any such findings and admissions that were expressly and successfully challenged in such adversary proceeding or contested matter. In the event that (i) there is a timely successful challenge to the repayment of the Prepetition ABL Obligations pursuant to this Order based upon a successful challenge to the validity, enforceability, extent, perfection, or priority of the Prepetition ABL Obligations or the liens securing the same and (ii) such challenge has been deemed successful and approved by a final non-appealable order, then pursuant and subject to the

limitations contained in this paragraph 9, the Court shall have the power to unwind or otherwise modify such repayment of Prepetition ABL Obligations made before entry of such final non-appealable order (which might include the disgorgement or reallocation of interest, fees, principal, or other incremental consideration paid in respect of the Prepetition ABL Obligations or the avoidance of liens and/or guarantees with respect to the Debtors), as the Court shall determine after notice and a hearing.

10. ***Findings Regarding the DIP Loans***.

(a) Good cause has been shown for the entry of this Order.

(b) The Debtors have an immediate need to obtain the DIP ABL Loans and to use Prepetition Collateral, in order to, among other things, permit the orderly continuation of their businesses, preserve the going-concern value of the Debtors and their non-Debtor affiliates, make payroll and satisfy other working capital and general corporate purposes of the Debtors (including costs related to the administration of the Chapter 11 Cases), and repay Prepetition ABL Obligations—a critical step to permit the Debtors to obtain this financing; provided, however, no proceeds of DIP ABL Loans shall be used during the Interim Period (as defined below) to repay Prepetition ABL Obligations.

(c) Repaying the Prepetition ABL Obligations of the Debtors with the proceeds of Prepetition Collateral (upon entry of this Order) and proceeds of the DIP Term Loans (with respect to the DIP Term Loans only, subject to entry of the Final DIP Order) is appropriate because, among other things, (i) entry into the DIP Credit Agreement represents a sound exercise of the Debtors' business judgment, reflects the best financing terms available to the Debtors, and avoids costly "priming" and/or adequate protection litigation with the Prepetition Secured Parties, (ii) the aggregate value of the Prepetition Collateral securing the Prepetition ABL Obligations of the

Debtors exceeds the aggregate amount of the Prepetition ABL Obligations of the Debtors, (iii) the Debtors will derive benefit from having a fully functioning revolving credit facility in these Chapter 11 Cases that will allow the Debtors to borrow, repay and re-borrow DIP ABL Loans in a manner that minimizes administrative expenses in these Chapter 11 Cases, (iv) without the Prepetition Secured Parties' agreement in the DIP Credit Agreement to forbear with respect to the non-Debtor Prepetition ABL Loan Parties and their assets, the Prepetition Secured Parties would have the right under applicable non-United States law to immediately exercise default-related rights and remedies against the non-Debtor Prepetition ABL Loan Parties and their Prepetition ABL Collateral because certain events of default under the Prepetition ABL Documents have occurred and are continuing as a result of the commencement of the Chapter 11 Cases and any other defaults thereunder, (v) the Debtors cannot access DIP Loans to fund the Debtors' administrative expenses in these Chapter 11 Cases unless (A) upon entry of this Order, all proceeds of Prepetition Collateral are applied to repay Prepetition ABL Obligations of the Debtors, and (B) upon entry of a Final DIP Order, proceeds of the DIP Term Loans are first used to repay in full in cash all then-outstanding Prepetition ABL Obligations, as required under the DIP Credit Agreement, (vi) repayment of the Prepetition ABL Obligations was a material inducement for the DIP ABL Lenders agreeing to subordinate their DIP ABL Obligations to the Carve-Out (as defined in paragraph 25), (vii) repayment of the Prepetition ABL Obligations contemplated by this Order will materially reduce administrative expenses of the Debtors' financing because (A) the applicable interest rate for the DIP ABL Loans is 5.25% lower than the applicable interest rate payable on the Prepetition ABL Obligations projected to be repaid in these Chapter 11 Cases , and (B) the applicable interest rate for the DIP Term Loans is 1.75% lower than the applicable interest rate payable on the Prepetition ABL Obligations projected to be repaid by proceeds of DIP Term

Loans, (viii) the repayment of the Prepetition ABL Obligations contemplated by this Order and the DIP Documents is otherwise a net neutral for the Debtors' estates as the Debtors would be required to adequately protect the Prepetition Secured Parties' interests in the Prepetition Collateral during the Chapter 11 Cases in any event, and (ix) the Debtors' stalking horse bidder was not willing to execute the Stalking Horse Agreement[5] without the commitments of financing provided by the DIP Facilities in accordance with the terms of the DIP Documents and the Applicable DIP Order.

(d) The Debtors are unable to obtain financing on more favorable terms from sources other than the DIP Lenders pursuant to, and for the purposes set forth in, the DIP Documents and this Order and the Final DIP Order, as applicable, and are unable to obtain adequate unsecured credit allowable under section 503(b)(1) of the Bankruptcy Code as an administrative expense. The Debtors are also unable to obtain secured credit allowable under sections 364(c)(1), 364(c)(2), and 364(c)(3) of the Bankruptcy Code without granting priming liens under section 364(d)(1) of the Bankruptcy Code and the DIP Superpriority Claims (as defined in paragraph 21 below) and repaying in full the Prepetition ABL Obligations, in each case on the terms and conditions set forth in this Order and the DIP Documents.

(e) The terms of the DIP Loans and the use of Prepetition Collateral (including Cash Collateral) to pay Prepetition ABL Obligations pursuant to this Order are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, and constitute reasonably equivalent value and fair consideration.

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[5] As used herein, "Stalking Horse Agreement" means that certain Stock and Asset Purchase Agreement by and among the Debtors and Bucephalus Buyer, LLC, dated July 19, 2020.

(f) The DIP Documents, the form of this Order and the use of Prepetition Collateral (including Cash Collateral) to pay Prepetition ABL Obligations have been the subject of extensive negotiations conducted in good faith and at arm's length among the Debtors, the non-Debtor Prepetition ABL Loan Parties, the DIP Agent, the DIP Lenders, the DIP Arranger, and the Prepetition Secured Parties.

(g) All of the Debtors' obligations and indebtedness owing at any time to the respective DIP ABL Secured Parties under or in connection with the DIP Documents, including, without limitation, all DIP ABL Loans, any permitted hedging and cash management agreements to which any Debtor and any DIP ABL Lender (or any affiliate or managed fund thereof) are party all obligations owing to the DIP ABL Secured Parties arising under this Order, and all other "Obligations" under, and as defined in, the DIP Credit Agreement, owing at any time to the DIP ABL Secured Parties are referred to herein as the "DIP ABL Obligations." All of the Debtors' obligations and indebtedness owing at any time to the respective DIP Term Secured Parties under or in connection with the DIP Documents, including, without limitation, all DIP Term Loans, all obligations owing to the DIP Term Secured Parties arising under this Order, and all other "Obligations" under, and as defined in, the DIP Credit Agreement, owing at any time to the DIP Term Secured Parties are referred to herein as the "DIP Term Obligations" (the DIP ABL Obligations and the DIP Term Obligations, collectively, the "DIP Obligations"). All DIP Obligations shall be (A) deemed to have been extended by the DIP Agent and other DIP Secured Parties in "good faith" as such term is used in section 364(e) of the Bankruptcy Code and in express reliance upon the protections set forth therein and (B) entitled to the full protection of section 364(e) of the Bankruptcy Code in the event that this Order or any provision hereof is vacated, reversed, or modified on appeal or otherwise.

(h) The Debtors have requested immediate entry of this Order pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2). For the reasons set forth in the Motion, the declarations filed in support of the Motion, and the record presented to the Court at the Interim Hearing, absent granting the interim relief set forth in this Order, the Debtors' estates and their business operations will be immediately and irreparably harmed. The borrowing of the DIP Loans and the use of Prepetition Collateral (including Cash Collateral) to pay Prepetition ABL Obligations in accordance with this Order and the DIP Documents are, therefore, in the best interests of the Debtors' estates.

11. ***Authorization of the DIP Loans and the DIP Documents***.

(a) The Debtors are hereby authorized to (i) enter into and perform under the DIP Documents and (ii) use proceeds from the DIP Facilities for the purposes specified in the DIP Documents and subject to the terms of this Order, including the DIP ABL Budget Covenant and DIP Term Budget Covenant (each as defined in paragraph 17), as applicable.

(b) DIP ABL Facility. On an interim basis from the closing of the DIP Credit Agreement following entry of this Order through and including the earlier of entry of the Final DIP Order and forty (40) calendar days following the Petition Date (such period, the "Interim Period"), and pursuant to the terms and conditions of the DIP ABL Documents, (i) the Company is hereby authorized to borrow under the DIP Credit Agreement up to an aggregate principal amount of $137 million under the DIP Credit Agreement (including the issuance of letters of credit (other than the Prepetition Letters of Credit) on or after the date of closing of the DIP ABL Facility during the Interim Period) plus the deemed issuance of the Prepetition Letters of Credit as letters of credit issued under the DIP ABL Facility and the aggregate amount the Company is obligated to reimburse to the letter of credit issuer with respect to any DIP Letter of Credit for the account

of the Company drawn during the Interim Period (clauses (a) and (b), collectively, the "North American DIP ABL Loans"), and (ii) the DIP Guarantors are hereby authorized to unconditionally guarantee (A) such North American DIP ABL Loans, and (B) up to an aggregate principal amount of $21 million of DIP ABL Loans made to the Non-Debtor DIP ABL Borrower under the DIP Credit Agreement during the Interim Period plus the aggregate amount the Non-Debtor DIP ABL Borrower is obligated to reimburse to the letter of credit issuer with respect to any DIP Letter of Credit drawn for the account of the Non-Debtor DIP ABL Borrower during the Interim Period (clauses (a) and (b), collectively, the "Non-Debtor DIP ABL Loans").

(c) Upon entry of this Order and the closing of the DIP ABL Facility, all Prepetition Letters of Credit are hereby deemed for all purposes letters of credit issued and outstanding under the DIP ABL Facility, shall be deemed DIP ABL Obligations under the DIP Documents and this Order, shall be entitled to all of the benefits and security of the DIP ABL Obligations under this Order and the DIP Documents, shall cease to be Prepetition ABL Obligations, and neither the Prepetition ABL Agent nor any Prepetition Secured Party shall have any further obligations or liabilities with respect to such Prepetition Letters of Credit to either the Debtors or the beneficiaries thereof.

(d) DIP Term Loan Facility. Upon the entry of this Order, the DIP Term Loan Borrower shall be permitted to borrow the DIP Term Interim Funding Amount.

(e) General Authorization. In furtherance of the foregoing and without further approval of this Court, each Debtor is authorized and empowered to perform all acts and to execute and deliver all instruments and documents that the DIP Agent or the Required Lenders (as defined in the DIP Credit Agreement) determine to be reasonably required or necessary for the Debtors'

performance of their obligations under the applicable DIP Documents and this Order, including, without limitation:

(i) the execution, delivery, and performance of the DIP Documents;

(ii) the execution, delivery, and performance of one or more amendments, waivers, consents, or other modifications to and under the DIP Documents, in each case in accordance with the terms of the applicable DIP Documents and in such form as the Debtors, the DIP Agent, and the requisite number and/or percentage of DIP Lenders under the DIP Credit Agreement may agree, and no further approval of this Court shall be required for any amendment, waiver, consent, or other modification to and under the DIP Documents (and any fees paid in connection therewith) that do not (A) shorten the maturity of the respective DIP Loans, (B) increase the principal amount of, or the rate of interest payable on, the DIP Loans (other than as contemplated by this clause (ii)), or (C) change any Event of Default or add or amend any covenants within the DIP Documents, in any such case to be materially more restrictive; provided, however, that a copy of any such amendment, waiver, consent, or other modification shall be filed by the Debtors with this Court and served by the Debtors on the U.S. Trustee and counsel to the Committee, if any, five (5) business days in advance of its effectiveness;

(iii) the non-refundable payment to the DIP Agent, the DIP Arranger, and the applicable DIP Lenders, as the case may be, of the commitment, underwriting, arranger, and administrative agency fees set forth in the applicable DIP Documents, as described in the Motion and/or referred to therein and the fee letter executed among the Debtors, the DIP Agent and the DIP Arranger (the "Fee Letter"); and

(iv) the performance of all other acts required under or in connection with the DIP Documents or this Order.

(f) Each Debtor is authorized and directed to perform its respective obligations under the Fee Letter, subject to the terms therein.

(g) Upon the execution thereof, the DIP Documents shall constitute valid and binding obligations of the Debtors, enforceable against the Debtors in accordance with the terms of this Order and the DIP Documents. No obligation, payment, transfer, or grant of security by the Debtors under the DIP Documents or this Order shall be voidable, avoidable, or recoverable under the Bankruptcy Code or under any applicable nonbankruptcy law (including, without limitation, under sections 502(d) or 548 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, Uniform Voidable Transactions Act or similar statute or common law) or subject to any defense, reduction, setoff, recoupment, or counterclaim.

12. ***Prepetition Hedging Agreements***. As of the Petition Date, all prepetition hedging agreements between any of the Debtors, on the one hand, and any of the Prepetition ABL Lenders or their respective affiliates, on the other hand, shall be terminated and any of the Prepetition ABL Loan Parties' obligations resulting therefrom shall be deemed Prepetition ABL Obligations.

13. ***Application of Proceeds of Prepetition Collateral to Prepetition ABL Obligations.*** From and after entry of this Order and during the pendency of the Chapter 11 Cases until all Prepetition ABL Obligations are paid in full, all cash, collections, and proceeds of the Prepetition Collateral (including Cash Collateral) shall be paid and applied, *first*, to permanently repay Prepetition ABL Obligations, as calculated based on the applicable default rate set forth in the

Prepetition ABL Agreement, and, *second*, to repay DIP ABL Obligations, subject to re-borrowing in accordance with this Order and the DIP Credit Agreement.

14. ***Use of Proceeds of DIP Term Loans and Refinance of Prepetition ABL Obligations.*** Upon entry of this Order, the Debtors shall use the proceeds of the DIP Term Interim Funding Amount to fund operating and other administrative expenses in the Chapter 11 Cases in accordance with the DIP Budget Covenants. Upon entry of the Final DIP Order, the Debtors shall use proceeds of the DIP Term Loans, *first*, to repay in full in cash all Prepetition ABL Obligations on the date the DIP Term Facility closes, as calculated based on the applicable default rate set forth in the Prepetition ABL Agreement, and, *second*, to fund operating and other administrative expenses in the Chapter 11 Cases in accordance with the DIP Budget Covenants.

15. ***Prepetition Secured Parties' Consent***. Subject to the terms and conditions of this Order, the Prepetition ABL Agent, on behalf of, and at the direction of, the requisite Prepetition Secured Parties, have agreed (a) to permit the Debtors to use the Cash Collateral solely to repay Prepetition ABL Obligations in accordance with the terms of this Order, and (b) not to object to the DIP Facilities, including the DIP Liens and DIP Superpriority Claims contemplated in connection therewith, pursuant to the DIP Documents and Applicable DIP Order.

16. ***Use of Prepetition Collateral (Including Cash Collateral)***. The Debtors are hereby authorized to use Prepetition Collateral, including Cash Collateral, during the Interim Period in accordance with the terms and conditions of this Order; provided that (a) the Prepetition Secured Parties are granted adequate protection as set forth in this Order, (b) Cash Collateral shall only be used to repay Prepetition ABL Obligations as provided for in paragraph 13 of this Order, and (c) except on the terms of this Order, the Debtors are not authorized to use the Cash Collateral.

17. ***DIP Budget Covenants***.

(a) Attached hereto as Exhibit B is a 13-week budget (the "Initial Approved DIP Budget"), which sets forth for each week during such 13-week period all forecasted (a) cash receipts of the Debtors (the "Cash Receipts"), (b) cash operating disbursements of the Debtors (the "Cash Operating Disbursements"), (c) non-operating, bankruptcy-related cash disbursements of the Debtors (including professional and U.S. Trustee fees, costs and expenses) (the "Cash Bankruptcy Disbursements"), and (d) the net operating cash flow (i.e., Cash Receipts minus Cash Operating Disbursements) of the Debtors (the "Net Operating Cash Flow," and each of Cash Receipts, Cash Operating Disbursements, and Cash Bankruptcy Disbursements shall be referred to herein individually as a "Measurement Item" and collectively as the "Measurement Items").

(b) By 4:00 p.m. (New York City time) every Thursday after the Petition Date (starting with the second full week following the Petition Date), the Debtors shall prepare and deliver to the DIP Agent (for prompt distribution to the respective DIP Secured Parties) (i) an updated version of the Initial Approved DIP Budget (each, a "Revised DIP ABL Budget") to reflect the additional weeks of projections and any variations from the immediately preceding Approved ABL Budget (as defined below), (ii) a weekly and cumulative variance report in a form acceptable to the DIP Agent, which shall (A) detail the variance, if any, on a line item basis between the actual amount of each Measurement Item for the immediately preceding week and the projected amount of each Measurement Item for the immediately preceding week as set forth in the Approved ABL Budget then in effect, and (B) provide an explanation of any Measurement Item variance greater than 20% and $250,000, and (iii) a monthly borrowing base forecast. All variations between the Initial Approved DIP Budget and each subsequently delivered Revised DIP ABL Budget shall be subject to the approval of the DIP Agent without further order of the Court. The Initial Approved

DIP Budget and each subsequently delivered Revised DIP ABL Budget that is approved by the DIP Agent and the Required DIP ABL Lenders and takes effect is referred to herein as an "Approved ABL Budget"; provided, however, that, unless and until a Revised DIP ABL Budget is approved by the DIP Agent and the Required DIP ABL Lenders, such Revised DIP ABL Budget shall not constitute an Approved ABL Budget and the Debtors shall continue to make disbursements in accordance with the last Approved ABL Budget in effect. For the avoidance of doubt, the DIP Term Lenders shall not have any approval rights over any Revised DIP ABL Budget.

(c) DIP ABL Budget Covenant. The Debtors' compliance with the Approved ABL Budget then in effect will be tested every Thursday of each week, starting with the second full week following the Petition Date, for the period beginning as of the first full week after the Petition Date and ending the week prior to the week on which compliance is tested (each, a "Testing Period") (such covenant, the "DIP ABL Budget Covenant"). Each date on which compliance with the Approved ABL Budget then in effect is tested is referred to herein as a "ABL Testing Date." As provided in the DIP Credit Agreement, the DIP ABL Lenders shall have the exclusive right to call a DIP Event of Default resulting from any breach of the DIP ABL Budget Covenant and any breach of the DIP ABL Budget Covenant shall not create a DIP Event of Default under the DIP Term Loan Facility until the Required DIP ABL Lenders (as defined in the DIP Credit Agreement) have exercised remedies in respect of such breach.

(i) On the ABL Testing Date in the second full week following the Petition Date, the cumulative actual Net Operating Cash Flow during the applicable Testing Period shall not be less than 70% of the cumulative estimated Net Operating Cash Flow set forth in the Approved ABL Budget then in effect for such Testing Period;

(ii) On the ABL Testing Date in the third full week following the Petition Date, the cumulative actual Net Operating Cash Flow during the applicable Testing Period shall not be less than 75% of the cumulative estimated Net Operating Cash Flow set forth in the Approved ABL Budget then in effect for such Testing Period; and

(iii) On each ABL Testing Date in and following the fourth full week following the Petition Date, the cumulative actual Net Operating Cash Flow during the applicable Testing Period shall not be less than 80% of the cumulative estimated Net Operating Cash Flow set forth in the Approved ABL Budget then in effect for such Testing Period.

(d) DIP Term Budget Covenant. Attached hereto as Exhibit C is an extended version of the Initial Approved Budget that contains the same projections as the Initial Approved Budget for the first 13 weeks of the Chapter 11 Cases but also includes projections for the remaining period between the Petition Date and November 20, 2020 (the "DIP Term Budget"). On the first Thursday of each month commencing with the first full month following the month in which the Final DIP Order is entered (each, a "Term Testing Date"), the Debtors' actual cumulative Net Operating Cash Flow less Cash Bankruptcy Disbursements (the "Net Cash Flow") between the Petition Date and the last day of the immediately preceding month (each, a "Term Test Period") shall not be less than the Debtors' projected Net Cash Flow during each Term Test Period set forth in the DIP Term Budget by more than the "Available Variance Amount" (the "DIP Term Budget Covenant," and together with the DIP ABL Budget Covenant, the "DIP Budget Covenants"). The "Available Variance Amount" means, as of any Term Testing Date, (i) $50,000,000, plus or minus, as applicable, (ii) the aggregate amount by which the Debtors' actual cumulative Net Cash Flow for the applicable Term Test Period was less than or greater than, as

applicable, the Debtors' projected cumulative Net Cash Flow for such Term Test Period set forth in the DIP Term Budget.

(e) Notwithstanding anything to the contrary in this paragraph 17, the reasonable fees, costs and expenses incurred by, or for the benefit of, the DIP Agent shall (i) not be included in any actual or projected Measurement Item in the Initial Approved DIP Budget or any other Approved ABL Budget for purposes of compliance with any DIP Budget Covenant; and (ii) be paid by the Debtors in accordance with the DIP Documents and this Order, and shall not be subject to subject to any cap or other amount, timing or other restriction set forth in the Initial Approved DIP Budget or any other Approved ABL Budget.

(f) The approval or consent of the DIP Agent or DIP Lenders to the Initial Approved DIP Budget or any subsequent Approved ABL Budget shall not be construed as consent to the use of any Cash Collateral or DIP Loans after the occurrence of any DIP Event of Default, regardless of whether the aggregate funds shown on the applicable Approved ABL Budget have been expended, other than funds necessary to satisfy the Carve-Out.

18. ***Limitation on Use of DIP Loans, DIP Collateral, and Prepetition Collateral***. Notwithstanding anything herein or in any other order of this Court to the contrary (except the Final DIP Order), no DIP Loans, no DIP Collateral, no Prepetition Collateral (including the Cash Collateral), nor the Carve-Out may be used to (a) object, contest, or raise any defense to the validity, perfection, priority, extent, or enforceability of any amount due under the DIP Documents, the Prepetition ABL Documents, or the liens or claims granted under this Order, the DIP Documents, or the Prepetition ABL Documents; (b) assert any Challenges or any other causes of action against the DIP Agent, the DIP Arranger, the DIP Lenders, the Prepetition Secured Parties, or their respective agents, affiliates, subsidiaries, directors, officers, representatives,

attorneys, or advisors; (c) prevent, hinder or otherwise delay the DIP Agent's assertion, enforcement, or realization on the DIP Collateral in accordance with the DIP Documents, or this Order; (d) seek to modify any of the rights granted to the DIP Agent, the DIP Arranger, the DIP Lenders, or the Prepetition Secured Parties hereunder or under the DIP Documents or the Prepetition ABL Documents, in the case of each of the foregoing clauses (a) through (d), without such party's prior written consent; or (e) pay any amount on account of any claims arising prior to the Petition Date unless such payments are (i) approved by an order of this Court and (ii) permitted under the DIP Documents; provided that, notwithstanding anything to the contrary herein, no more than an aggregate of $150,000 of the Prepetition Collateral (including the Cash Collateral), the DIP Loans, the DIP Collateral, or the Carve-Out may be used by the Committee to investigate (A) the validity, enforceability, or priority of the Prepetition ABL Obligations owed by the Debtors, (B) the Debtors' liens on the Prepetition Collateral securing the Prepetition ABL Obligations, and (C) any Challenges held by the Debtors against the Prepetition Secured Parties (the "Challenge Budget"). No fees and expenses of the Committee and its retained professionals incurred in connection with the investigation of the matters described in this paragraph in excess of the Challenge Budget shall be included in the Carve-Out or entitled to administrative expense priority pursuant to section 503(b) of the Bankruptcy Code.

19. ***Adequate Protection for the Prepetition Secured Parties***.

(a) Subject in all respects to the Carve-Out, at any time Prepetition ABL Obligations remain outstanding, the Prepetition Secured Parties shall be entitled, pursuant to sections 361, 363(c)(2), 363(e), and 364(d)(1) of the Bankruptcy Code, to adequate protection of their interests in the Prepetition Collateral, including the Cash Collateral, in an amount equal to the aggregate diminution in value of their interests in the Prepetition Collateral, including without

limitation, any such diminution resulting from the sale, lease, or use by the Debtors (or other decline in value) of the Cash Collateral and any other Prepetition Collateral, the priming of the Prepetition ABL Agent's liens on the Prepetition Collateral by the DIP Liens, and the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code (any such diminution in value, "Diminution in Value"). The Prepetition Secured Parties are hereby granted the following adequate protection to the extent of any Diminution in Value (collectively, the "Adequate Protection Obligations"):

(i) ABL Adequate Protection Liens. Effective and perfected as of the date of entry of this Order, without the necessity of the execution by any Debtor of mortgages, security agreements, pledge agreements, financing statements, or other agreements, solely for the DIP Agent, on behalf of the Prepetition Secured Parties, a security interest in and lien upon all of the DIP Collateral to the extent of any Diminution in Value (the "Adequate Protection Liens"), subject and subordinate only to the DIP Liens, the Carve-Out, Permitted Liens (as defined in the DIP Credit Agreement), and any Prior Senior Liens.

(ii) ABL Superpriority Claims. Allowed superpriority administrative claims, solely for the benefit of the Prepetition Secured Parties, against each of the Debtors (the "ABL Superpriority Claims") with priority over any and all other administrative expenses and other claims against the Debtors, now existing or hereafter arising, of any kind whatsoever, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy, or attachment, which allowed claims shall for purposes of section 1129(a)(9)(A) of the Bankruptcy Code be considered administrative expenses allowed under sections 503(b) and 507(b) of the Bankruptcy Code, and which

shall be payable from and have recourse to all prepetition and postpetition property of the Debtors and all proceeds thereof; provided that the ABL Superpriority Claims shall be subordinate only to (a) the DIP Superpriority Claims, except as otherwise provided in Section 11.02 of the DIP Credit Agreement, (b) the Carve-Out, and (c) any Termination Payment and Expense Reimbursement Payment (each as defined in the Stalking Horse Agreement).

(iii) Prepetition Secured Party Fees and Expenses. Without limiting any rights of the Prepetition Secured Parties under section 506(b) of the Bankruptcy Code, which are hereby preserved, the Debtors are authorized and directed to pay, in accordance with paragraph 31 of this Order, (A) all reasonable and documented accrued and unpaid fees and disbursements (including, but not limited to, the reasonable and documented fees owed to the Prepetition ABL Agent) owing to the Prepetition Secured Parties under the Prepetition ABL Documents and incurred prior to the Petition Date; and (B) current cash payments of all reasonable and documented actual fees and out-of-pocket disbursements incurred on or after the Petition Date of (1) Latham & Watkins LLP, (2) Bryan Cave Leighton Paisner LLP, (3) FTI Consulting, Inc., and (4) such other professionals as may be retained or may have been retained from time to time by the Prepetition ABL Agent or the Prepetition ABL Lenders, in their reasonable discretions.

(iv) Payment of Interest. Without limiting any rights of the Prepetition Secured Parties under section 506(b) of the Bankruptcy Code, which are hereby preserved, the Debtors are authorized and have agreed to pay to the Prepetition ABL Agent for the ratable benefit of the Prepetition Secured Parties: (A) no later than three business days after entry of this Order, all accrued and unpaid interest, fees, and costs due and payable

under the Prepetition ABL Agreement as of the Petition Date, in each case, calculated based on the applicable default rates set forth in the Prepetition ABL Agreement or other applicable documents; and (B) all accrued and unpaid postpetition interest, fees, and costs, in each case calculated based on the applicable default rates under the Prepetition ABL Agreement, as, when and in the respective amounts due and payable under the Prepetition ABL Agreement.

(v) Application of Prepetition Collateral Proceeds to Prepetition Obligations. The payments provided for in paragraph 13 hereof shall also constitute adequate protection of the Prepetition Secured Parties' interests in the Prepetition Collateral.

(vi) Reporting. Receipt of financial and all other reporting (including each Revised DIP ABL Budget), as described in the DIP Documents.

(b) Nothing in this Order or the DIP Documents shall impair or prejudice the rights, remedies, and privileges of the Prepetition ABL Agent and the Prepetition ABL Lenders granted under the Bankruptcy Code or as set forth in the Prepetition ABL Documents to the extent the Prepetition ABL Obligations are, after repayment, required to be disgorged or otherwise avoided or reinstated, and all of the Prepetition ABL Agent's and Prepetition ABL Lenders' rights and remedies under the Bankruptcy Code and the Prepetition ABL Documents are hereby fully preserved, including their right to seek additional or further adequate protection.

20. ***DIP Liens***. As security for the DIP Obligations, effective and perfected upon the date of this Order and without the necessity of the execution by the Debtors (or recordation or other filing) of security agreements, control agreements, pledge agreements, financing statements, mortgages, or other similar documents, or the possession or control by the DIP Agent of any

property, the following security interests and liens are hereby granted by the Debtors to the DIP Agent, for itself and the respective benefit of the applicable DIP Lenders (all property of the Debtors identified in clauses (a) and (b) of this paragraph 20, including all Prepetition Collateral, being collectively referred to as the "DIP Collateral"; all such liens and security interests granted to the DIP Agent pursuant to this Order, the "DIP Liens"), subject and subordinate to (i) the Carve-Out, (ii) any Termination Payment, and (iii) any Expense Reimbursement Payment, and having the priorities set forth in this paragraph 20:

(a) First Priority Lien on Unencumbered Property. Pursuant to section 364(c)(2) of the Bankruptcy Code, a valid, binding, continuing, enforceable, non-avoidable, fully-perfected first priority lien on, and security interest in, all tangible and intangible prepetition and postpetition property of the Debtors, whether now existing or hereafter acquired, that is not subject to either (i) valid, perfected, non-avoidable, and enforceable liens in existence on or as of the Petition Date or (ii) valid and unavoidable liens in existence immediately prior to the Petition Date that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code (collectively, the "Unencumbered Property"); provided that the Unencumbered Property shall exclude any of the Debtors' claims and causes of actions arising under chapter 5 of the Bankruptcy Code (collectively, the "Avoidance Actions") but shall include, subject to entry of a Final DIP Order, all proceeds or property recovered in respect of any Avoidance Actions. The DIP Liens on the Unencumbered Property shall only be subject and subordinate to (i) the Carve-Out, (ii) any Termination Payment, and (iii) any Expense Reimbursement Payment.

(b) First Priority, Priming Lien on all Encumbered Property. Pursuant to section 364(d)(1) of the Bankruptcy Code, a valid, binding, continuing, enforceable, non-avoidable, fully-perfected first priority, senior priming lien on, and security interest in, all tangible

and intangible prepetition and postpetition property of the Debtors (including the Prepetition Collateral), whether now existing or hereafter acquired, excluding the Unencumbered Property (such property, the "Encumbered Property"); provided that such liens shall only be subject and subordinate to (i) the Prior Senior Liens, (ii) the Carve-Out, (iii) any Termination Payment, and (iv) any Expense Reimbursement Payment.

21. ***DIP Superpriority Claims***. Pursuant to section 364(c)(1) of the Bankruptcy Code, all of the DIP Obligations shall constitute allowed superpriority administrative claims (the "DIP Superpriority Claims") against the Debtors with priority over any and all administrative claims, adequate protection claims (including the ABL Superpriority Claims), and all other claims against the Debtors, now existing or hereafter arising, of any kind whatsoever (including, without limitation, all administrative expenses and claims arising under sections 105, 326, 328, 330, 331, 364(c)(1), 365, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 726, 1113, or 1114 of the Bankruptcy Code), whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy, or attachment; provided, however, the DIP Superpriority Claims shall be subordinated to (i) the Carve-Out, (ii) any Termination Payment, and (iii) any Expense Reimbursement Payment; provided, further, that, subject to the limitations set forth in Section 11.02 of the DIP Credit Agreement with respect to the Aggregate First Out Obligations (as defined in the DIP Credit Agreement), the DIP Superpriority Claims arising from the DIP Term Obligations shall be junior and subordinate in right and time of payment to (a) the DIP Superpriority Claims arising from the DIP ABL Obligations and (b) the Prepetition ABL Obligations and the ABL Superpriority Claims, respectively, until the Prepetition ABL Obligations are indefeasibly repaid in full in cash or otherwise "rolled up" into DIP Obligations.

22. ***Subordination of DIP Term Obligations to Prepetition ABL Obligations.*** Notwithstanding anything herein to the contrary, the DIP Term Obligations shall be subordinated in right of payment to the Prepetition ABL Obligations as provided in and in accordance with Section 11.02 of the DIP Credit Agreement.

23. ***Forbearance of Prepetition Secured Parties***. The Prepetition Secured Parties shall forbear from exercising their default-related rights and remedies under the Prepetition ABL Documents against the Non-Debtor Foreign DIP Guarantors or their assets pursuant to, and in accordance with, the DIP Credit Agreement.

24. ***Credit Bidding***. The Prepetition ABL Lenders (subject to entry of the Final DIP Order) and the DIP Lenders (upon entry of this Order) shall have the unqualified right, in accordance with the terms of the Prepetition ABL Agreement or the DIP Credit Agreement, as applicable, to credit bid up to the full amount of the outstanding Prepetition ABL Obligations or respective DIP Obligations, as applicable (each such bid, a "Credit Bid") in each case pursuant to section 363(k) of the Bankruptcy Code in any sale or transfer authorized by the Court pursuant to section 363, 725, or 1123 of the Bankruptcy Code (the "Sale"); provided that (i) any Credit Bid by the Prepetition ABL Lenders must include cash in an amount sufficient to repay the DIP ABL Obligations in full on the closing date of any such sale; (ii) any Credit Bid by the DIP Term Lenders, including for the avoidance of doubt any credit bid against the Stalking Horse Bid in accordance with the DIP Credit Agreement, must include cash in an amount sufficient to repay the DIP ABL Obligations and Prepetition ABL Obligations in full on the closing date of any such sale, in each case, for so long as such DIP ABL Obligations and Prepetition ABL Obligations do not constitute Excess Obligations and subject to the requirements set forth in paragraph 22 above; (iii) any Credit Bid by any Prepetition ABL Lender or any DIP Lender must include a commitment

to provide cash consideration sufficient to pay in full any Termination Payment or Expense Reimbursement Payment approved by the Court as and when due; and (iv) any Credit Bid must comply with the Bidding Procedures Order (as defined in the DIP Credit Agreement). For the avoidance of doubt, any Credit Bid of the DIP Term Lenders made in accordance with the DIP Credit Agreement may be applied to the purchase price under the Stalking Horse APA as provided therein.

25. ***Carve-Out.***

(a) The "Carve-Out" means the sum of (i) all fees required to be paid to the Clerk of the Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate (without regard to the notice set forth in (b) below); (ii) fees and expenses up to $50,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (without regard to the notice set forth in (b) below); (iii) to the extent allowed at any time, whether by interim or final compensation order, all unpaid fees and expenses (including transaction fees or success fees earned by or payable to a Professional Person) (the "Professional Fees") incurred by persons or firms retained by the Debtors pursuant to section 327, 328 or 363 of the Bankruptcy Code (collectively, the "Debtor Professionals") and any Committee appointed in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code (the "Committee Professionals" and, together with the Debtor Professionals, the "Professional Persons") at any time before or on the first business day after delivery by the DIP Agent (at the direction of either the Required Revolving Lenders or the Required DIP Term Lenders) of a Carve-Out Trigger Notice (as defined below), whether allowed by the Court prior to or after delivery of a Carve-Out Trigger Notice and without regard to whether such fees and expenses are provided for in the Initial Approved DIP Budget or any Approved ABL Budget; and (iv) Professional Fees

incurred after the first business day following delivery by the DIP Agent (at the direction of either the Required Revolving Lenders or the Required DIP Term Lenders) of the Carve-Out Trigger Notice, to the extent allowed at any time, whether by interim order, procedural order, or otherwise (A) upon and after entry of this Order (and for the avoidance of doubt, after entry of the Final DIP Order), in an aggregate amount, excluding any success or transaction fees owed to Debtor Professionals, not to exceed $4,000,000 with respect to the Debtor Professionals and in an aggregate amount not to exceed $200,000 with respect to the Committee Professionals, plus (B) upon and after entry of the Final DIP Order, in an aggregate amount equal to any success or transaction fees owed to Debtor Professionals not to exceed $15,000,000 (the sum of such amounts, the "Post-Carve-Out Trigger Notice Cap").

(b) For purposes of the foregoing, "Carve-Out Trigger Notice" shall mean a written notice delivered by email (or other electronic means) by the DIP Agent (at the direction of either the Required Revolving Lenders or the Required DIP Term Lenders) to the Debtors, its lead restructuring counsel, the United States Trustee, and lead counsel to the Committee (if any), stating that the Post-Carve-Out Trigger Notice Cap has been invoked, which notice may be delivered following the occurrence and during the continuation of any DIP Event of Default.

(c) On the day on which a Carve-Out Trigger Notice is received by the Debtors, the Carve-Out Trigger Notice shall constitute a demand to the Debtors to utilize all cash on hand and any available cash thereafter to transfer to the Professional Fees Account cash in an amount equal to the Carve-Out.

(d) Following delivery of a Carve-Out Trigger Notice, the DIP Agent shall deposit into the Professional Fees Account (as defined below) any cash swept or foreclosed upon and any cash received as a result of the sale or other disposition of any assets until the Professional

Fees Account has been fully funded in an amount equal to the Carve-Out prior to any and all other claims. Notwithstanding anything to the contrary in the DIP Documents, this Order or the Final DIP Order, following delivery of a Carve-Out Trigger Notice, the DIP Agent shall not sweep, foreclose on or apply to DIP Obligations cash (including cash received as a result of the sale or other disposition of any assets) of the Debtors until the Professional Fees Account has been fully funded in an amount equal to the Carve-Out.

(e) Further, notwithstanding anything to the contrary herein, (i) disbursements by the Debtors from the Professional Fees Account shall not constitute DIP Loans, (ii) the failure of the Professional Fees Account to satisfy in full the Professional Fees shall not affect the priority of the Carve-Out and (iii) in no way shall the Carve-Out, Professional Fees Account, or any Approved ABL Budget or any of the foregoing be construed as a cap or limitation on the amount of the Professional Fees due and payable by the Debtors or that may be allowed by the Court at any time (whether by interim order, final order, or otherwise). No portion of the Carve-Out, any cash collateral, any other DIP Collateral, or any proceeds of the DIP Facility, including any disbursements set forth in the Initial Approved DIP Budget or any Approved ABL Budget or obligations benefitting from the Carve-Out, shall be used for the payment of Professional Fees, disbursements, costs or expenses incurred by any person, including, without limitation, any committee appointed in the Chapter 11 Cases, in connection with challenging the liens or claims of the DIP Secured Parties, preventing, hindering or delaying any of the DIP Secured Parties' or Prepetition Secured Parties' enforcement or realization upon any of the DIP Collateral, or initiating or prosecuting any claim or action against any DIP Secured Party, unless otherwise ordered by the Court, other than with respect to seeking a determination that a DIP Event of Default has not occurred or is not continuing**.**

(f) Proceeds from the DIP Facilities not to exceed $150,000 in the aggregate (the "Investigation Budget Cap") may be used on account of Professional Fees incurred by Committee Professionals in connection with the investigation of avoidance actions (but not the prosecution of such actions) on account of the Prepetition ABL Agreement (but not the DIP Facilities), which obligations will benefit from the Carve-Out in an amount not to exceed the Investigation Budget Cap to the extent unpaid as of delivery of a Carve-Out Trigger Notice.

(g) For the avoidance of doubt and notwithstanding anything to the contrary herein or in the DIP Documents, the Carve-Out shall be senior to all liens and claims securing the DIP Facilities, any adequate protection liens, any superpriority claims (whether granted to secure the DIP Facilities or as adequate protection), any and all other liens or claims securing the DIP Facilities, any Termination Payment, and any Expense Reimbursement Payment.

26. ***Professional Fees Account***.

(a) The Debtors shall (i) contemporaneously with the initial funding of the DIP Loans, transfer cash proceeds from the DIP Facilities in an amount equal to the total budgeted weekly Professional Fees for the first two weekly periods set forth in the Initial Approved DIP Budget and (ii) thereafter on a weekly basis transfer cash proceeds from the DIP Facilities or cash on hand, in an amount equal to the aggregate amount of estimated unpaid fees and expenses incurred during the preceding week by each Professional Person or if an estimate is not provided, the total budgeted weekly fees of Professional Persons for the prior week set forth in the Approved ABL Budget, in each case into a segregated account not subject to the control, lien, security interest, or claims of the DIP Agent, any DIP Secured Party, or any Prepetition Secured Party (the "Professional Fees Account"); provided that, upon the closing of any sale, restructuring, financing or other transaction upon which one or more success or transaction fees is earned and becomes

payable to the Debtor Professionals, the Debtors shall fund the Professional Fees Account with an additional amount equal to the sum of all such fees, to the extent such fees are not paid to Debtor Professionals upon the closing of such transaction out of the cash proceeds of such transaction.

(b) The Debtors shall be authorized to use funds held in the Professional Fees Account solely to pay Professional Fees as they become allowed and payable pursuant to any interim or final orders of the Court or otherwise; provided that when all allowed Professional Fees have been paid in full (regardless of when such Professional Fees are allowed by the Court) and the Carve-Out is funded, any funds remaining in the Professional Fees Account shall revert to the Debtors for use in a manner not inconsistent with the Applicable DIP Order and the DIP Documents; provided further that the Debtors' obligations to pay allowed Professional Fees shall not be limited or be deemed limited to funds held in the Professional Fees Account.

(c) Funds transferred to the Professional Fees Account shall be held in trust for the Professional Persons, throughout the duration of these Chapter 11 Cases, including with respect to obligations arising out of the Carve-Out. Funds transferred to the Professional Fees Account shall not be subject to any liens or claims granted to the DIP Agent or DIP Lenders herein or any liens or claims granted to the Prepetition ABL Agent or the Prepetition Secured Parties as adequate protection, and shall not constitute DIP Collateral, Prepetition Collateral, or cash collateral; provided that the DIP Collateral and the Prepetition Collateral shall include the Debtors' reversionary interest in funds held in the Professional Fees Account, if any, after all estimated and allowed Professional Fees have been paid in full (regardless of when such Professional Fees are allowed by the Court) and the Carve-Out is funded, which reversionary interest shall be junior to the Carve-Out. For the avoidance of doubt, after the DIP Obligations have been paid in full, the

obligation of the Debtors (but not the DIP Lenders) to fund the Professional Fees Account shall continue and stay in effect throughout the duration of these Chapter 11 Cases.

27. ***Perfection of DIP Liens and Adequate Protection Liens***.

(a) The DIP Agent and the Prepetition ABL Agent are each hereby authorized, but not required, to (i) file or record financing statements, intellectual property filings, mortgages, notices of lien, or similar instruments in any jurisdiction and (ii) take possession of, control over, or any other action in order to validate and perfect the DIP Liens or the applicable Adequate Protection Liens granted to them hereunder, in all cases subject to the priorities set forth herein and in the DIP Documents. Whether or not the DIP Agent or the Prepetition ABL Agent, in their respective sole discretion, choose to file such financing statements, intellectual property filings, mortgages, notices of lien, or similar instruments; choose to take possession of or control over; or choose to otherwise confirm perfection of the DIP Liens and the applicable Adequate Protection Liens, such DIP Liens and such Adequate Protection Liens shall be deemed valid, perfected, allowed, enforceable, non-avoidable, and not subject to challenge, dispute, or subordination as of the date of entry of this Order (other than as expressly set forth in the Applicable DIP Order or the DIP Documents).

(b) A certified copy of this Order may, in the discretion of the Prepetition ABL Agent and DIP Agent, as the case may be, be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, notices of lien, or similar instruments, and all filing offices are hereby authorized to accept such certified copy of this Order for filing and recording.

(c) The Debtors shall execute and deliver to the DIP Agent and the Prepetition ABL Agent all such agreements, financing statements, instruments, and other documents as the

DIP Agent and Prepetition ABL Agent, as the case may be, may reasonably request to evidence, confirm, validate, or perfect the DIP Liens and the applicable Adequate Protection Liens. The Debtors shall cause the Non-Debtor DIP ABL Borrower and Non-Debtor Foreign DIP Guarantors (collectively, the "Non-Debtor DIP Parties") to use commercially reasonable efforts to take such actions necessary to grant and perfect or otherwise reaffirm the perfection of the liens contemplated in the DIP Documents to be granted or so reaffirmed by such Non-Debtor DIP Parties.

(d) Notwithstanding anything to the contrary in the Motion, the DIP Documents, or this Order, in no event shall the DIP Collateral include, or the DIP Liens or Adequate Protection Liens attach to, any lease, license, contract, or agreement or other property right to which any Debtor is a party, or any of such relevant Debtor's rights or interests thereunder, if and for so long as the grant of such security interest would constitute or result in: (i) the abandonment, invalidation, unenforceability, or other impairment of any right, title, or interest of any Debtor therein or (ii) in a breach or termination pursuant to the terms of, or a default under, any such lease, license, contract or agreement or other property right pursuant to any provision thereof, unless, in the case of each of clauses (i) and (ii), the applicable provision is rendered ineffective by applicable non-bankruptcy law or the Bankruptcy Code (such leases, licenses, contracts, or agreements or other property rights are collectively referred to as the "Specified Contracts"); provided that DIP Collateral shall include, and the DIP Liens, Adequate Protection Liens, and DIP Superpriority Claims shall in all events attach to and have recourse from, all proceeds, products, offspring, or profits from any and all Specified Contracts (including from the sale, transfer, disposition or monetization thereof).

28. ***Remedies After DIP Event of Default.***

(a) The automatic stay provisions of section 362 of the Bankruptcy Code are vacated and modified to the extent necessary to permit the DIP Secured Parties and Prepetition Secured Parties to exercise, upon the occurrence and during the continuance of a DIP Event of Default, all rights and remedies against the DIP Collateral and Prepetition Collateral (as applicable) provided for in the DIP Documents, the Prepetition ABL Documents, and this Order (including, without limitation, the right to setoff monies of the Debtors in accounts maintained with the Prepetition ABL Agent or any other Prepetition Secured Party or the DIP Agent or any other DIP Secured Party), but only after (i) the giving of five business days' prior written notice (the "Default Notice Period") to the U.S. Trustee, the Debtors, and any Committee through their respective counsel and (ii) any hearing, if requested by a party in interest, regarding any exercise of rights and remedies under, and in accordance with, the DIP Documents and this Order (which hearing must take place within the Default Notice Period) (such hearing, a "Default Hearing").

(b) In any Default Hearing, the only issue that may be raised by any party in opposition thereto shall be whether a DIP Event of Default has occurred and is continuing, and the U.S. Trustee, the Debtors, any Committee, and all other parties in interest shall not be entitled to seek relief, including, without limitation, under section 105 of the Bankruptcy Code, to the extent such relief would in any way impair or restrict the rights and remedies of the Prepetition ABL Agent, the Prepetition Secured Parties, the DIP Agent or the DIP Secured Parties set forth in this Order, the Prepetition ABL Documents or the DIP Documents.

(c) For the avoidance of doubt, this paragraph 28 only applies to the exercise of remedies against the DIP Collateral and Prepetition Collateral, and the DIP Secured Parties retain the right, and upon a DIP Event of Default, to (i) immediately declare all or any portion of

the DIP Obligations due and payable, and (ii) refuse to fund any further DIP Loans under the DIP Facilities and/or terminate the authority to use Cash Collateral under the Applicable DIP Order.

29. ***Indemnification.*** The Debtors shall, and shall cause the Non-Debtor DIP Parties to, jointly and severally indemnify and hold harmless the DIP Agent (solely in its agent capacity), each other DIP Secured Party, and each other Indemnified Person (as defined in the DIP Credit Agreement) as provided in the DIP Credit Agreement.

30. ***DIP Fees and Expenses.*** The Debtors are authorized and directed to pay, in accordance with paragraph 31 of this Order, all reasonable and documented out-of-pocket fees, costs and expenses incurred by or for the benefit of the DIP Agent in connection with the DIP Documents, the DIP Facilities and the Chapter 11 Cases, including, without limitation, (a) the reasonable and documented out-of-pocket fees, charges, and expenses of (i) Latham & Watkins LLP (as co-counsel to the DIP Agent), (ii) Bryan Cave Leighton Paisner LLP (as co-counsel to the DIP Agent), (iii) FTI Consulting, Inc. (as financial advisor to the DIP Agent), and (iv) such other professionals that may be retained or may have been retained from time to time by or for the benefit of the DIP Agent; and (b) all costs and expenses incurred by or for the benefit of the DIP Agent in connection with any filing, registration, recording, or perfection of any security interest contemplated or permitted by the DIP Credit Agreement or any other DIP Documents.

31. ***Professional Fee Procedural Requirements.***

(a) For payments authorized by paragraphs 19(a)(iii) and 30 of this Order (such fees and expenses, the "Lender Professional Fees"), the Prepetition ABL Agent and DIP Agent (as applicable) shall submit a copy of each summary invoice to the Debtors, the U.S. Trustee, and any Committee. Such summary invoices for such Lender Professional Fees shall include the total number of hours billed and a summary description of the services provided and the expenses

incurred by the applicable professional firm during the covered period; provided, however, that any such invoice (a) may be redacted to protect privileged, confidential, or proprietary information and (b) shall not be required to contain individual time detail. None of the Lender Professional Fees shall be subject to Court approval (subject to this paragraph 31) or required to be maintained in accordance with the fee guidelines promulgated by the U.S. Trustee, and no recipient of any payment on account thereof shall be required to file with respect thereto any interim or final fee application with the Court.

(b) If no written objections to the reasonableness of the fees and expenses charged in any such statement or invoice (or portion thereof) is made within ten days of presentment of such statements or invoices, the Debtors shall thereafter promptly pay in cash all such Lender Professional Fees. Any objection raised by the Debtors, the U.S. Trustee, or any Committee with respect to such fee and expense statements or invoices (with notice of such objection provided to the DIP Agent and to the respective professional(s)) shall specify in writing the amount of the contested fees and expenses and the detailed basis for such objection. To the extent an objection only contests a portion of an invoice, the undisputed portion thereof shall be promptly paid. If any such objection to payment of an invoice (or any portion thereof) is not otherwise resolved between the applicable professional and the Debtors, any Committee, or the U.S. Trustee, either party may submit such dispute to the Court for resolution, and this Court retains jurisdiction to resolve any such dispute.

(c) The Lender Professional Fees shall not be subject to the Initial Approved DIP Budget or any Approved ABL Budget and shall not be subject to any offset, defense, claim, counterclaim, or diminution of any type, kind, or nature whatsoever.

32. ***Limitation on Charging Expenses Against Collateral***. Subject to and effective upon entry of the Final DIP Order, except to the extent of the Carve-Out, no expenses of administration of the Chapter 11 Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the DIP Collateral or the Prepetition Collateral, as the case may be, pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law, without the prior written consent of the DIP Agent (at the direction of the Required Lenders) or the Prepetition ABL Agent, as the case may be, and no such consent shall be implied from any other action or inaction by the DIP Agent, the other DIP Secured Parties, the Prepetition ABL Agent or the other Prepetition Secured Parties.

33. ***Limitations under Section 552(b) of the Bankruptcy Code***. Subject to entry of the Final DIP Order, (a) the Prepetition Secured Parties shall be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and the Debtors shall not invoke the "equities of the case" exception under section 552(b) of the Bankruptcy Code with respect to the proceeds, products, offspring, or profits of any of the Prepetition Collateral or the extension of the Adequate Protection Liens to cover proceeds of the Prepetition Collateral.

34. ***Payments Free and Clear***. Any and all payments or proceeds remitted to any DIP Secured Parties or (except as provided in paragraph 9 of this Order) to any Prepetition Secured Parties pursuant to, and in accordance with, the provisions of this Order or any subsequent order of this Court shall be received free and clear of any claim, charge, assessment, or other liability including, without limitation, any such claim or charge arising out of or based on, directly or indirectly, section 506(c) (whether asserted or assessed by, through or on behalf of the Debtors) or section 552(b) of the Bankruptcy Code, and shall not be subject to disgorgement or avoidance.

35. ***Prepetition Secured Party as Bailee***. To the extent any Prepetition Secured Party has possession of the Collateral or has control with respect to any Collateral that is subject to a DIP Lien, then such Prepetition Secured Party shall be deemed to maintain such possession or exercise such control as gratuitous bailee and/or gratuitous agent for perfection for the benefit of the DIP Secured Parties and shall comply with the instructions of the DIP Agent with respect to the exercise of such control.

36. ***Insurance***. To the extent any Prepetition Secured Party is listed as loss payee under the Debtors' insurance policies, the DIP Agent, for the benefit of the DIP Secured Parties, is also hereby deemed to be the loss payee under the Debtors' insurance policies and shall act in that capacity and, subject to the terms of the DIP Documents, distribute any proceeds recovered or received in respect of any such insurance policies to the payment in full of the applicable DIP Obligations.

37. ***Proceeds of Subsequent Financing***. If the Debtors, any trustee, any examiner with expanded powers, or any responsible officer subsequently appointed in these Chapter 11 Cases or any cases succeeding these Chapter 11 Cases obtains credit or incurs debt pursuant to sections 364(b), 364(c), or 364(d) of the Bankruptcy Code or in violation of the DIP Documents at any time prior to the indefeasible repayment in full of all DIP Obligations and the termination of the DIP Secured Parties' obligations to extend credit under the DIP Facilities, including subsequent to the confirmation of any plan with respect to any or all of the Debtors and the Debtors' estates, and such facilities are secured by any DIP Collateral, then all the cash proceeds derived from such credit or debt shall immediately be turned over to the DIP Agent to be applied in accordance with this Order and the DIP Documents.

38. ***Maintenance of DIP Collateral***. Until the indefeasible payment in full of all DIP Obligations and the termination of the DIP Secured Parties' obligations to extend credit under the DIP Facilities, the Debtors shall, and shall cause the Non-Debtor DIP Parties to: (a) insure the DIP Collateral as required under the DIP Facilities; and (b) maintain the cash management system in effect as of the Petition Date, as modified by any order that may be entered by the Court which has first been agreed to by the DIP Agent or as otherwise required by the DIP Documents.

39. ***Prepetition ABL Obligations***. Subject to the provisions of this Order, upon the repayment in full in cash of the Prepetition ABL Obligations, the commitments of all Prepetition Secured Parties under the Prepetition ABL Agreement and all other Loan Documents (as defined therein) shall be terminated and all security interests in, and liens on, Prepetition Collateral granted to secure the Prepetition ABL Obligations shall be immediately, and without the necessity of further action, deemed to be included among the DIP Liens granted pursuant to this Order to secure the DIP Obligations.

40. ***Preservation and Protection of Rights Granted Under the Order***.

(a) No claim or lien having a priority senior to or *pari passu* with those granted by this Order to the DIP Agent and Prepetition ABL Agent, respectively, shall be granted or allowed while any portion of the DIP Obligations or Adequate Protection Obligations (as applicable) remain outstanding, and the DIP Liens and Adequate Protection Liens shall not be subject or subordinated to or made *pari passu* with any lien or security interest that is avoided and preserved for the benefit of the Debtors' estates under section 551 of the Bankruptcy Code or any other lien or security interest, whether under section 364(d) of the Bankruptcy Code or otherwise.

(b) Unless all DIP Obligations shall have been indefeasibly paid in full in cash, it shall constitute a DIP Event of Default under the DIP Credit Agreement if (i) any Debtor seeks,

or if there is entered, any modification of this Order without the prior written consent of the DIP Agent (at the direction of the Required Lenders) (and no such consent shall be implied by any other action, inaction, or acquiescence by the DIP Agent or any DIP Lender) or (ii) an order is entered converting or dismissing any of the Chapter 11 Cases.

(c) The Debtors' right to use Prepetition Collateral shall immediately terminate without further order of this Court if (i) any of the Debtors seeks, or if there is entered, any modification of this Order that adversely affects any lien, claim, right, or other protection (including without limitation Adequate Protection) granted to or for the benefit of any Prepetition Secured Party without the prior written consent of the Prepetition ABL Agent and the Required Lenders (as defined in the Prepetition ABL Agreement) (and no such consent shall be implied by any other action, inaction, or acquiescence by the Prepetition ABL Agent or such Required Lenders) or (ii) an order is entered converting or dismissing any of the Chapter 11 Cases.

(d) If any or all of the provisions of this Order are hereafter reversed, modified, vacated, or stayed, such reversal, stay, modification, or vacatur shall not affect (i) the validity, priority, or enforceability of any DIP Obligations or the Adequate Protection Obligations incurred prior to the effective date of such reversal, stay, modification, or vacatur or (ii) the validity, priority, or enforceability of the DIP Liens or the Adequate Protection Liens. Notwithstanding any such reversal, stay, modification, or vacatur, any use of the Cash Collateral, any DIP Obligations, or any Adequate Protection Obligations incurred by the Debtors to the DIP Agent, the other DIP Secured Parties, the Prepetition ABL Agent or the other Prepetition Secured Parties, as the case may be, prior to the effective date of such reversal, stay, modification, or vacatur shall be governed in all respects by the original provisions of this Order, and the DIP Agent, the other DIP Secured Parties, the Prepetition ABL Agent and the Prepetition Secured Parties shall be

entitled to all of the rights, remedies, privileges, and benefits granted in section 364(e) of the Bankruptcy Code, this Order, the DIP Documents (with respect to all DIP Obligations), the Adequate Protection Obligations, and use of the Cash Collateral.

(e) Except as expressly provided in this Order or in the DIP Documents and until all DIP Obligations are indefeasibly paid in full in cash and all Adequate Protection Obligations are indefeasibly paid in full in cash or otherwise satisfied in accordance with this Order, the terms of this Order, the DIP Liens, the DIP Superpriority Claims, the Adequate Protection Liens, the ABL Superpriority Claims, and all other rights and remedies of the DIP Agent, the other DIP Secured Parties, the Prepetition ABL Agent and the other Prepetition Secured Parties granted by this Order and the DIP Documents shall survive and shall not be modified, impaired, or discharged by (i) the entry of an order converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code or dismissing any of the Chapter 11 Cases, (ii) the entry of an order appointing a trustee in the Chapter 11 Cases, (iii) the entry of an order approving the sale of any Prepetition Collateral or DIP Collateral pursuant to section 363(b) of the Bankruptcy Code, or (iv) the entry of an order confirming a plan of reorganization in any of the Chapter 11 Cases, and pursuant to section 1141(d)(4) of the Bankruptcy Code, the Debtors have waived any discharge as to any remaining DIP Obligations or Adequate Protection Obligations.

(f) Subject only to and effective upon entry of the Final DIP Order, in no event shall any of the DIP Secured Parties or the Prepetition Secured Parties be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to their respective liens and security interests upon and in the DIP Collateral or the Prepetition Collateral, as applicable. Any DIP Secured Party's or Prepetition Secured Party's delay or failure to exercise rights and remedies under the DIP Documents or this Order, as applicable, shall not constitute a waiver of such DIP

Secured Party's or Prepetition Secured Party's rights hereunder, thereunder, or otherwise, unless any such waiver is pursuant to a written instrument executed in accordance with the terms of a DIP Credit Agreement or this Order, as applicable.

(g) The DIP Liens shall not be subject to sections 506(c), 510, 549, 550, or 551 of the Bankruptcy Code.

(h) No rights, protections, or remedies of the DIP Secured Parties or Prepetition Secured Parties granted by the provisions of this Order or the DIP Documents shall be limited, modified, or impaired in any way by (i) any actual or purported withdrawal of the consent of any party to the Debtors' use of Cash Collateral, (ii) any actual or purported termination of the Debtors' authority to use Cash Collateral, or (iii) the terms of any other order or stipulation related to the Debtors' use of Cash Collateral or any other matter, or the provision of adequate protection to any party.

(i) No restrictions on the exercise of remedies provided for in this Order shall apply to any exercise of remedies by the DIP Agent, the other DIP Secured Parties, the Prepetition ABL Agent, or the other Prepetition Secured Parties against the Non-Debtor DIP Parties or any other non-Debtors or their respective assets, and nothing in this Order shall be interpreted to extend the automatic stay or any other protections to the Non-Debtor DIP Parties or any other non-Debtors or their respective assets.

41. ***Binding Effect; Successors and Assigns***. The DIP Documents and the provisions of this Order, including all findings herein, shall be binding upon all parties in interest in the Chapter 11 Cases, including without limitation, the DIP Agent, the other DIP Secured Parties, the Prepetition ABL Agent and the other Prepetition Secured Parties, and the Debtors and the respective successors and assigns of each (including any chapter 7 or chapter 11 trustee hereinafter

appointed or elected for any of the Debtors, an examiner with expanded powers appointed pursuant to section 1104 of the Bankruptcy Code, or any other fiduciary appointed as a legal representative of any of the Debtors or with respect to the property of the estate of any of the Debtors) and shall inure to the benefit of the DIP Agent, the other DIP Secured Parties, the Prepetition ABL Agent and the other Prepetition Secured Parties, and the Debtors and their respective successors and assigns; provided that, except to the extent expressly set forth in this Order or the DIP Documents, the DIP Agent, the other DIP Secured Parties, the Prepetition ABL Agent and the other Prepetition Secured Parties shall have no obligation to permit the use of the DIP Loans or the Cash Collateral or extend any financing to any chapter 7 trustee or similar responsible person appointed for the estates of the Debtors.

42. ***Limitation of Liability***. In determining to make any DIP Loan under the DIP Credit Agreement, permitting the use of Prepetition Collateral, or exercising any rights or remedies as and when permitted pursuant to this Order or the DIP Documents, the DIP Agent, the other DIP Secured Parties, the Prepetition ABL Agent and the other Prepetition Secured Parties shall not be deemed to be in control of the operations of the Debtors or to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of the Debtors (as such terms, or any similar terms, are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 29 U.S.C. §§ 9601 et seq., as amended, or any similar federal or state statute). Furthermore, nothing in this Order or in the DIP Documents shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Agent, the other DIP Secured Parties, the Prepetition ABL Agent and the other Prepetition Secured Parties of any liability for any claims arising from the prepetition or postpetition activities of any of the Debtors.

43. ***No Jurisdiction Over Non-Debtors***. Notwithstanding anything to the contrary in this Order, nothing herein shall be deemed or construed to be an exercise of jurisdiction by this Court over any of the Non-Debtor DIP Parties or any of their assets.

44. ***Non-Debtor Guarantors***. Any direct or indirect subsidiary of the Debtors that hereafter becomes a debtor in a case under chapter 11 of the Bankruptcy Code in this Court automatically and immediately, upon the filing of a petition for relief for such subsidiary, shall be deemed to be one of the "Debtors" hereunder in all respects, and all the terms and provisions of this Interim Order and the Final DIP Order, including, those provisions granting security interests in, and liens on, the DIP Collateral, and DIP Superpriority Claim in each of the Chapter 11 Cases, shall, to the extent not already, immediately be applicable in all respects to such subsidiary and its chapter 11 estate, subject to the terms and conditions of this Order or the Final DIP Order. Within two business days of the filing of a petition for relief for any such subsidiary, the Debtors shall file a notice with the Court indicating that the subsidiary is a Guarantor under the DIP Credit Agreement and a "Debtor" subject to the terms of this Order.

45. ***Proofs of Claim***. The Prepetition Secured Parties shall not be required to file proofs of claim in any of the Chapter 11 Cases for any claim as to which the Debtors have stipulated in paragraph 7 of this Order; provided, however, the Prepetition ABL Agent shall have the right to file a proof of claim with respect to the Prepetition ABL Obligations on behalf of the Prepetition Secured Parties.

46. ***Order Governs***. In the event of any inconsistency between the provisions of this Order and the DIP Documents, the provisions of this Order shall govern.

47. ***Effectiveness***. This Order shall constitute findings of fact and conclusions of law and shall take effect immediately upon entry hereof. Notwithstanding Bankruptcy Rules

4001(a)(3), 6004(h), 6006(d), 7062 or 9024 or any other Bankruptcy Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, this Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Order.

48. ***Final Hearing***. The Final Hearing is scheduled for **August 18, 2020 at 10:00 a.m. (prevailing Central Time)** before this Court.

49. ***Final Hearing Notice***. The Debtors shall promptly serve copies of this Order (which shall constitute adequate notice of the Final Hearing) on (a) the parties having been given notice of the Interim Hearing, (b) any other party that has filed a request for notices with this Court, and (c) to the Committee after the same has been appointed, or Committee counsel, if the same has been appointed.

50. ***Objections to Final Relief***. Any party in interest objecting to the relief sought at the Final Hearing shall, by no later than **August 11, 2020 at 4:00 p.m. (prevailing Central Time),** file a written objection with the Clerk of this Court and serve such objection upon: (a) Weil, Gotshal & Manges LLP (as proposed co-counsel for the Debtors), 767 Fifth Avenue, New York, NY 10153, Attn: Ronit Berkovich (ronit.berkovich@weil.com) and Debora Hoehne (debora.hoehne@weil.com); (b) Carmody MacDonald P.C. (as proposed co-counsel for the Debtors), 120 S. Central Avenue, Suite 1800, St. Louis, Missouri 63105, Attn: Robert E. Eggmann (ree@carmodymacdonald.com) and Christopher J. Lawhorn (cjl@carmodymacdonald.com); (c) Latham & Watkins (as co-counsel to the DIP Agent and Prepetition ABL Agent), 330 North Wabash Avenue, Suite 2800, Chicago, IL 60611, Attn: Peter Knight (peter.knight@lw.com) and Jonathan Gordon (jonathan.gordon@lw.com); (d) Bryan Cave Leighton Paisner LLP (as co-counsel to the DIP Agent and Prepetition ABL Agent), One Metropolitan Square, 211 North Broadway, Suite 3600, St. Louis, MO 63102, Attn: Brian Walsh (brian.walsh@bclplaw.com) and

David Unseth (david.unseth@bclplaw.com); (e) counsels to any Committee; and (f) the Office of the U.S. Trustee for the Eastern District of Missouri, 111 South 10th Street, Suite 6.353, St. Louis, MO 63102, Attn: Sirena T. Wilson.

DATED: _____, 2020
St. Louis, Missouri

_____
HONORABLE BARRY S. SCHERMER
UNITED STATES BANKRUPTCY JUDGE

Order Prepared By:

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Proposed Counsel to the Debtors and Debtors in Possession

Exhibit A

DIP Credit Agreement

Exhibit B

Initial Approved DIP Budget

Exhibit C

DIP Term Budget

EXHIBIT M

[Reserved]

EXHIBIT N

BIDDING PROCEDURES

[See attached]

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
SOUTHEASTERN DIVISION

	§	**Chapter 11**
In re:	§	
	§	**Case No. 20-43597-399**
BRIGGS & STRATTON CORPORATION, *et al.*,	§	
	§	**(Jointly Administered)**
	§	
Debtors.[1]	§	

BIDDING PROCEDURES

Overview

On July 20, 2020, Briggs & Stratton Corporation and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the "**Debtors**" and with their non-Debtor affiliates, the "**Group Companies**"), filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**") in the United States Bankruptcy Court for the Eastern District of Missouri (the "**Bankruptcy Court**"). The Debtors' chapter 11 cases have been consolidated for procedural purposes under the lead case, *In re Briggs & Stratton Corp., et al.*, Case No 20-43597-399 (the "**Chapter 11 Cases**"). The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

The Debtors are seeking to sell (i) substantially all of their assets, in whole or in part, primarily related to the design, manufacture and marketing of gasoline engines for outdoor power equipment, battery systems for commercial applications, and power generation, pressure washer, lawn and garden, turf care and job site products, including through the Briggs & Stratton®, Simplicity®, Snapper®, Ferris®, Vanguard®, Allmand®, Billy Goat®, Hurricane®, Murray®, Branco®, and Victa® brands including, but not limited to, the following assets: (a) contracts and leases; (b) accounts receivable; (c) inventory; (d) prepaid expenses; (e) owned real property; (f) furnishings and equipment; (g) intellectual property; (h) books and records; (i) permits; (j) rights under agreements with employees; (k) warranties; and (l) certain employee plans (collectively, the "**Assets**") and (ii) the equity interests in the Debtors' non-Debtor subsidiaries and certain joint venture equity interests held by the Debtors (collectively, the "**Equity Interests**"). On [●], 2020, the Bankruptcy Court entered an order (Docket No. [●]) (the "**Bidding Procedures Order**"),[2] which, among other things, approved these procedures

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[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number are: Briggs & Stratton Corporation (2330), Billy Goat Industries, Inc. (4442), Allmand Bros., Inc. (4710), Briggs & Stratton International, Inc. (9957), and Briggs & Stratton Tech, LLC (2102). The address of the Debtors' corporate headquarters is 12301 West Wirth Street, Wauwatosa, Wisconsin 53222.

[2] Unless otherwise indicated, capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the *Motion of Debtors for Entry of an Order (I) Approving (A) Bidding Procedures, (B) Designation of Stalking Horse Bidder and Stalking Horse Bid Protections, (C) Scheduling Auction and Sale*

(these "**Bidding Procedures**") for the consideration of the highest or otherwise best offer or combination of offers to acquire the Assets and the Equity Interests on the terms and conditions set forth herein.

Bucephalus Buyer, LLC (the "**Stalking Horse Bidder**"), an affiliate of KPS Capital Partners, has submitted a bid and has executed that certain *Stock and Asset Purchase Agreement* (together with the schedules and exhibits thereto, and as it may be amended, modified, or supplemented from time to time in accordance with the terms thereof, the "**Stalking Horse Agreement**"), dated [●], 2020.[3] The Stalking Horse Agreement contemplates, pursuant to the terms and subject to the conditions contained therein, among other things, the sale of the Acquired Assets (as defined in the Stalking Horse Agreement) and the Acquired Equity Interests (as defined in the Stalking Horse Agreement) to the Stalking Horse Bidder for the purchase price of (i) an aggregate dollar amount equal to the sum of $550 million (the "**Stalking Horse Cash Consideration**"), subject to certain price adjustments, including a credit bid under section 363(k) of the Bankruptcy Code in the amount equal to the aggregate amount of principal owed to the Stalking Horse Bidder (or an affiliate of the Stalking Horse Bidder) under the DIP Credit Agreement (as defined below); and (ii) assumption of the Assumed Liabilities (as defined in the Stalking Horse Agreement) (collectively, the "**Stalking Horse Bid**"). The Stalking Horse Bid sets the floor for the sale and is subject to higher or otherwise better offers submitted in accordance with the terms and conditions of these Bidding Procedures.

These Bidding Procedures describe, among other things: (i) the procedures for bidders to submit bids for the acquisition of the Assets and the Equity Interests, in whole or in part; (ii) the manner in which bidders and bids become Qualified Bidders and Qualified Bids; (iii) the process for negotiating the bids received; (iv) the conduct of the Auction if Qualified Bids are received; (v) the procedure for the selection of any Successful Bidder; and (vi) the process for Bankruptcy Court approval of a Sale Transaction at the Sale Hearing (each as defined herein).

Summary of Important Dates

These Bidding Procedures provide interested parties the opportunity to submit competing bids for all or any portion of the Assets and the Equity Interests, and to participate in an auction to be conducted by the Debtors (the "**Auction**").

The key dates for the sale process are set forth below. Such dates may be extended or otherwise modified by the Debtors, in consultation with the Consultation Parties,[4] by filing a

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Hearing, (D) Form and Manner of Notice of Sale, Auction, and Sale Hearing, and (E) Assumption and Assignment Procedures; (II) Authorizing (A) Sale of Debtors' Assets Free and Clear of Liens, Claims, Interests, and Encumbrances, (B) Assumption and Assignment of Executory Contracts and Unexpired Leases; and (III) Granting Related Relief (the "**Motion**") (Docket No. [●]) or the Bidding Procedures Order, as applicable.

[3] A copy of the Stalking Horse Agreement is attached as **Exhibit D** to the Bidding Procedures Order.

[4] The term "**Consultation Parties**" as used in these Bidding Procedures shall mean:

(i) The official committee of unsecured creditors appointed in the Debtors' chapter 11 cases (the "**Creditors' Committee**") and its advisors, including [●];

(ii) United Steelworkers Local 2-232; and

notice of such extension or modification on the Court's docket; provided that any such extension or modification shall not by itself extend any milestone or deadline in the Stalking Horse Agreement and/or DIP Credit Agreement:

Key Event	**Deadline**
Hearing to consider approval of Bidding Procedures and entry of Bidding Procedures Order	**August 11, 2020**
Deadline for the Debtors to file with the Bankruptcy Court and provide Counterparties with (i) a schedule of all executory contracts and unexpired leases, including those designated as Proposed Assumed Contracts by the Stalking Horse Bidder, (ii) notice of proposed cure costs for all executory contracts and unexpired leases, and (iii) adequate assurance information for the Stalking Horse Bidder	**August 13, 2020**
Deadline to object to (i) the Debtors' proposed cure costs in connection with the proposed assumption and assignment of executory contracts and unexpired leases to the Stalking Horse Bidder, (ii) the assumption and assignment of executory contracts and unexpired leases to the Stalking Horse Bidder, and (iii) adequate assurance of future performance of the Stalking Horse Bidder	**August 27, 2020, at 5:00 p.m. (prevailing Central Time)**
Deadline to submit Bids	**August 28, 2020, at 5:00 p.m. (prevailing Central Time)**
Deadline for the Debtors to file notice cancelling the Auction and designating the Stalking Horse Bid as the Successful Bid, if no Qualified Bid is received	**August 31, 2020, at 5:00 p.m. (prevailing Central Time)**
Deadline for the Debtors to notify Bidders of (i) status as Qualified Bidders and (ii) of selection of Baseline Bid	**August 31, 2020, at 5:00 p.m. (prevailing Central Time)**

(iii) JPMorgan Chase Bank, N.A., as administrative agent and collateral agent (the "**DIP Agent**") under the *Superpriority, Senior Secured Debtor-in-Possession Credit Agreement*, dated as of July [●], 2020, among Briggs & Stratton Corporation, as lead borrower, the subsidiary borrowers from time to time party thereto, the various lenders and issuing banks, and JPMorgan Chase Bank, N.A. (the "**DIP Credit Agreement**" and the orders authoring entry into the DIP Credit Agreement, collectively, the "**DIP Orders**").

Key Event	Deadline
Auction (if any) to be held if the Debtors receive more than one Qualified Bid, either (i) at the offices of Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 or (ii) virtually pursuant to procedures to be filed by the Debtors on the Bankruptcy Court's docket prior to the Auction	**September 1, 2020, at 10:00 a.m. (prevailing Eastern Time)**
Deadline for the Debtors to (i) file with the Bankruptcy Court the notice of Auction results and designation of the Successful Bid and Back-Up Bid and (ii) to the extent the Successful Bidder is not the Stalking Horse Bidder, (a) provide Counterparties with adequate assurance information for the Successful Bidder and (b) provide notice to Counterparties of Proposed Assumed Contracts designated by the Successful Bidder for assumption and assignment	**September 3, 2020, at 5:00 p.m. (prevailing Central Time)**
Deadline to file objections to Sale Transaction(s)	**September 8, 2020, at 5:00 p.m. (prevailing Central Time)**
Deadline to reply to objections to (i) Sale Transaction(s), (ii) cure costs, (iii) the assumption and assignment of executory contracts and unexpired leases and/or (iv) adequate assurance of future performance (if the Auction takes place)	**September 10, 2020, at 5:00 p.m. (prevailing Central Time)**
Sale Hearing	**September 11, 2020, at [●]:[●] [a/p].m. (prevailing Central Time)**

Property To Be Sold

The Debtors seek to sell all or substantially all of the Assets and the Equity Interests to one or more purchasers (each sale in furtherance of the same, a "**Sale Transaction**").

Due Diligence

The Debtors have posted copies of all material documents related to the Assets and the Equity Interests to the Debtors' confidential electronic data room (the "**Data Room**"). To access the Data Room, an interested party must submit to the Debtors or their advisors the following:

(A) an executed confidentiality agreement in form and substance that is customary and satisfactory to the Debtors (unless such party is already a party to an existing

confidentiality agreement with the Debtors that is acceptable to the Debtors for this due diligence process, in which case such agreement shall govern); and

(B) sufficient information, as reasonably determined by the Debtors, to allow the Debtors to determine, in their reasonable business judgment in consultation with the Consultation Parties, that the interested party (i) has the financial wherewithal to consummate the applicable Sale Transaction and (ii) intends to access the Data Room for a purpose consistent with these Bidding Procedures.

Each interested party that meets the above requirements to the satisfaction of the Debtors shall be a "**Potential Bidder**." As soon as practicable, the Debtors will provide each Potential Bidder access to the Data Room; provided, that such access and the availability of additional due diligence will be terminated by the Debtors in their reasonable discretion at any time for any reason whatsoever, including if (i) a Potential Bidder does not become a Qualified Bidder, (ii) these Bidding Procedures are terminated, or (iii) the Potential Bidder breaches any obligations under its confidentiality agreement or the Debtors become aware that information submitted by the Potential Bidder in connection with requesting access to the Data Room is inaccurate or misleading. The Debtors may restrict or limit the access of a Potential Bidder to the Data Room if the Debtors determine, based on their reasonable business judgment, that certain information in the Data Room is sensitive, proprietary, or otherwise not appropriate for disclosure to such Potential Bidder.

Each Potential Bidder shall comply with all reasonable requests for information and due diligence by the Debtors or their advisors regarding the ability of such Potential Bidder to consummate the applicable Sale Transaction.

Until the Bid Deadline, and except as otherwise provided herein, the Debtors will provide all Potential Bidders with reasonable access to the Data Room and any additional information requested by Potential Bidders (subject to any restrictions pursuant to applicable law or these Bidding Procedures) that the Debtors believe to be reasonable and appropriate under the circumstances. All additional due diligence requests shall be directed to the Debtors' advisors, Houlihan Lokey Capital, Inc. at ProjectBadger@hl.com.

Neither the Debtors nor any of their representatives shall be obligated to furnish any information of any kind whatsoever relating to the Assets or the Equity Interests (i) to any person or entity who (a) is not a Potential Bidder; (b) does not comply with the participation requirements set forth above; or (c) in the case of competitively sensitive information, is a competitor of the Debtors (except pursuant to "clean team" or other information sharing procedures satisfactory to the Debtors) and (ii) to the extent not permitted by law or contract.

Bid Deadline

A Potential Bidder that desires to make a bid (a "**Bid**") for some or all of the Assets or the Equity Interests shall deliver written and electronic copies of its Bid, so as to be received no later than **August 28, 2020, at 5:00 p.m. (prevailing Central Time)** (the "**Bid Deadline**"); provided, that the Debtors may, in consultation with the Consultation Parties, extend the Bid Deadline for any reason whatsoever, in their reasonable business judgment, for all or certain Potential Bidders, without further order of the Bankruptcy Court, subject to providing notice to

the Consultation Parties. The extension of the Bid Deadline hereunder shall not, by itself, result in an extension of any milestone or deadline under the Stalking Horse Agreement and/or DIP Credit Agreement, as applicable. **The submission of a Bid by the Bid Deadline (as it may be extended in accordance with the foregoing) shall constitute a binding and irrevocable offer to acquire the Assets or the Equity Interests specified in such Bid.** Any party that does not submit a Bid by the Bid Deadline will not be allowed to (i) submit any offer after the Bid Deadline or (ii) participate in any Auction for the applicable Assets or Equity Interests.

There may not be any communications between and amongst Potential Bidders regarding the Debtors unless the Debtors have previously authorized such communication in writing. The Debtors reserve the right, in their reasonable business judgment and in consultation with the Consultation Parties, to disqualify any Potential Bidders that have communications between and amongst one another.

Bids must be submitted by email to the following Debtors' representatives (the "**Bid Notice Parties**"):

Weil, Gotshal & Manges LLP
Project.Badger.Weil@weil.com

Houlihan Lokey Capital, Inc.
ProjectBadger@hl.com

Form and Content of Qualified Bids

A Bid must be received by the Bid Notice Parties by the Bid Deadline and contain a signed purchase agreement from a Potential Bidder that identifies the purchaser by its legal name and any other party that will be participating in the Sale Transaction contemplated by the Bid. To constitute a "**Qualified Bid**" a Bid must include, at a minimum, the following:[5]

(A) Proposed Purchase Agreement. Each Bid must include, in both PDF and MS-WORD format, an executed purchase agreement (the "**Proposed Purchase Agreement**") for the acquisition of all, some, or any one of the Assets or Equity Interests, together with a redline comparing the Proposed Purchase Agreement against the Stalking Horse Agreement, a copy of which is located in the Data Room.

(B) Purchase Price; Acquired Assets and Equity Interests; Excluded Assets; Assumed Liabilities; Excluded Liabilities; Form of Consideration; Credit Bid. Each Bid must clearly set forth the following in writing in the Proposed Purchase Agreement, as applicable:

[5] The Debtors may waive, in consultation with the Consultation Parties, any of the following requirements for a Bid to constitute a Qualified Bid to the extent reasonably necessary to promote bids and a robust Auction so long as any such waiver is not materially inconsistent with these Bidding Procedures. For the avoidance of any doubt, the Stalking Horse Bid is a Qualified Bid.

(i) Purchase Price; Initial Overbid. The price (the "**Purchase Price**") proposed to be paid for the specified Assets and Equity Interests in U.S. Dollars. In addition, (a) a Bid must propose a Purchase Price equal to or greater than the sum of (1) the value of Stalking Horse Bid; (2) an initial overbid (the "**Initial Overbid**"), consisting of the sum of the Termination Payment,[6] the Expense Reimbursement Payment,[7] and $1,000,000; (b) the Purchase Price must include an amount in cash sufficient to satisfy the Termination Payment; and (c) the Purchase Price must be sufficient to pay in full all amounts outstanding under the DIP Credit Agreement.

(ii) Acquired Assets and Equity Interests. The Assets and Equity Interests that the Potential Bidder seeks to acquire.

(iii) Excluded Assets. The Assets that the Potential Bidder does not seek to acquire.

(iv) Assumed Liabilities. The liabilities the Potential Bidder seeks to assume. For the avoidance of doubt, a Qualified Bid may include assumption of fewer than all or substantially all of the Debtors' liabilities.

(v) Excluded Liabilities. The liabilities of the Debtors that the Potential Bidder does not seek to assume.

(vi) Form of Consideration. Each Bid must (a) indicate whether it is an all cash offer (including confirmation that the cash component of the Bid is based in U.S. Dollars) or consists of certain non-cash components, such as a credit bid pursuant to section 363(k) of the Bankruptcy Code and/or the assumption of liabilities and (b) provide sufficient cash consideration specifically designated for the payment of the Termination Payment.

(vii) Credit Bid. Persons or entities holding a perfected security interest in any Assets or Equity Interests of a Debtor may, pursuant to section 363(k) of the Bankruptcy Code, seek to submit a "credit bid" for such Assets or Equity Interests, to the extent permitted by applicable law, any Bankruptcy Court orders, and the documentation governing the Debtors' prepetition or postpetition secured credit facilities. To the extent applicable, a credit bid must include a copy of the direction by the applicable lenders to the applicable agent or trustee to authorize the submission of such credit bid. A credit bid must include a commitment to provide cash consideration sufficient to pay the Termination Payment payable to the Stalking Horse Bidder under the terms of the Stalking

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6 "**Termination Payment,**" as defined in the Stalking Horse Agreement, means a break-up fee in an amount equal to $16,500,000, payable in accordance with the Stalking Horse Agreement.

7 "**Expense Reimbursement Payment**," as defined in the Stalking Horse Agreement, means an amount equal to the reasonable and documented expenses of the Stalking Horse Bidder in connection with the Sale Transaction, in an amount up to $2,750,000, payable in accordance with the Stalking Horse Agreement.

Horse Agreement. The Credit Bid Amount (as defined in the Stalking Horse Agreement), as a component of the Stalking Horse Bid, shall be deemed to have satisfied these requirements.

(C) Unconditional Offer/No Financial Contingencies. A commitment that the Bid is formal, binding, and unconditional (except for those conditions expressly set forth in the applicable Proposed Purchase Agreement), is not subject to any further due diligence or to any financing contingency, and shall be irrevocable until the Debtors notify such Potential Bidder that such Bid has not been designated as a Successful Bid or a Back-Up Bid, or with respect to the Back-Up Bid, until the Back-Up Bid Expiration Date (as defined below).

(D) Proof of Financial Ability to Perform. Each Bid must contain such financial and other information that allows the Debtors, in consultation with the Consultation Parties, to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate the applicable Sale Transaction, including, without limitation, such financial and other information setting forth adequate assurance of future performance in satisfaction of the requirements under section 365(f)(2)(B) of the Bankruptcy Code, and the Potential Bidder's ability to perform under any executory contracts and unexpired leases (each a "**Contract**") that are assumed and assigned to such party, including an adequate assurance letter which the Debtors are authorized to share with applicable non-Debtor Contract counterparties (each a "**Counterparty**") if such Bid is determined to be the Successful Bid or Back-Up Bid. Without limiting the foregoing, such information must include current financial statements or similar financial information certified to be true and correct as of the date thereof, proof of financing commitments (if needed) to close the applicable Sale Transaction (not subject to any unreasonable conditions, in the Debtors' sole discretion (in consultation with the Consultation Parties)), contact information for verification of such information, including any financing sources, and any other information reasonably requested by the Debtors that is necessary to demonstrate that the Potential Bidder has the ability to close the applicable Sale Transaction in a timely manner.

To the extent that a Bid is not accompanied by evidence of the Potential Bidder's capacity to consummate the Sale Transaction set forth in its Bid with cash on hand (or other immediately available cash), each Bid must include committed financing documents that demonstrate to the Debtors' satisfaction, in consultation with the Consultation Parties, that the Potential Bidder has received sufficient debt and/or equity funding commitments to satisfy the Potential Bidder's Purchase Price and other obligations under its Bid, and that such funding commitments are sufficiently unconditional.

(E) Designation of Contracts and Leases. Each Bid must identify with particularity each and every Contract, the assumption and assignment of which is contemplated by the applicable Sale Transaction (collectively, "**Proposed Assumed Contracts**"); provided, that the Proposed Purchase Agreement may

allow the Potential Bidder to add and remove Contracts from the schedule of Proposed Assumed Contracts any time prior to five (5) business days prior to entry of an order authorizing the Sale Transaction and may allow for certain contracts to be assumed and assigned following the closing of the Sale Transaction on substantially the terms included in the Stalking Horse Agreement; provided, further, that the Proposed Purchase Agreement may allow the Potential Bidder to add Contracts to the schedule of Proposed Assumed Contracts after the closing of the Sale Transaction, if the Contract has not been previously rejected by the Debtors and is not an Excluded Asset (as defined in the Proposed Purchase Agreement), upon written notice to and consent of the Debtors. The Debtors shall provide notice to the applicable Counterparties of such removal and/or addition of such Counterparty's Contract and Lease as soon as reasonably practicable.

(F) Required Approvals. A statement or evidence reflecting (i) that the Potential Bidder has made or will make as soon as reasonably practicable, and in no event later than the timing in the Stalking Horse Agreement, all necessary filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or other Antitrust Laws (as defined in the Stalking Horse Agreement), as applicable, and pay the filing fees associated with such filings; (ii) the Potential Bidder's plan and ability to obtain all requisite governmental, regulatory, or other third-party approvals and the proposed timing for the Potential Bidder to undertake the actions required to obtain such approvals; and (iii) that the Bid is reasonably likely (based on antitrust or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Successful Bid or the Back-Up Bid, within a time frame acceptable to the Debtors (in consultation with the Consultation Parties). A Potential Bidder further agrees that its attorneys will discuss with and explain to the Debtors' attorneys such Potential Bidder's regulatory analysis, strategy, and timeline for securing all such approvals as soon as reasonably practicable.

(G) Disclosure of Identity and Corporate Authorization. Each Bid must (i) fully disclose, by their legal names, the identity of the Potential Bidder and each entity that will be participating in its Bid (including any equity owners or sponsors, if the Potential Bidder is an entity formed for the purpose of consummating the Sale Transaction), and the complete terms of any such participation, and (ii) include evidence of corporate authorization and approval from the Potential Bidder's board of directors (or comparable governing body), if necessary, with respect to the submission, execution, and delivery of a Bid, participation in the Auction, and closing of the transactions contemplated by the Potential Bidder's Proposed Purchase Agreement in accordance with the terms of the Bid and these Bidding Procedures.

(H) Employee Obligations. Each Bid must specify (i) whether the Qualified Bidder intends to hire some or all of the employees employed by the Group Companies and (ii) indicate the treatment of the compensation, incentive, retention, bonus or other compensatory arrangements, plans, or agreements, including, offer letters,

employment agreements, consulting agreements, severance arrangements, retention bonus agreements, change in control arrangements, pension plans, retiree benefits, collective bargaining agreements, and any other employment related agreements of the Group Companies, including the Briggs & Stratton Corporation Pension Plan, the Briggs & Stratton Corporation Cash Balance Retirement Plan, the Briggs & Stratton Corporation Consolidated Retirement and Savings Plan, the Briggs & Stratton Corporation Amended and Restated Supplemental Executive Retirement Plan, the Briggs & Stratton Corporation Amended and Restated Supplemental Employee Retirement Plan, the Briggs & Stratton Corporation Key Employee Savings and Investment Plan, the Group Insurance Plan of Briggs & Stratton Corporation, and the Group Insurance Plan for Retirees of Briggs & Stratton Corporation (collectively, the "**Employee Obligations**").

(I) No Entitlement to Break-Up Fee, Expense Reimbursement, or Other Amounts. With the exception of the Stalking Horse Bid, each Bid must expressly state that the Bid does not entitle the Potential Bidder to any break-up fee, termination fee, expense reimbursement, or similar type of payment or reimbursement, and a waiver of any substantial contribution administrative expense claims under section 503(b) of the Bankruptcy Code related to the bidding process.

(J) Disclosure of Connections. Each Bid must fully disclose any connections or agreements with the Debtors, any other known Potential Bidder and/or any officer or director of the Debtors.

(K) Joint Bids. The Debtors will be authorized to approve joint Bids, including joint credit bids, in their reasonable discretion on and in consultation with the Consultation Parties on a case-by-case basis.

(L) Representations and Warranties. Each Bid must include the following representations and warranties:

(i) a statement that the Potential Bidder has had an opportunity to conduct any and all due diligence regarding the applicable Assets and Equity Interests prior to submitting its Bid;

(ii) a statement that the Potential Bidder has relied solely upon its own independent review, investigation, and/or inspection of any relevant documents, as well as the Assets and Equity Interests to be purchased and the liabilities to be assumed (as applicable), in making its Bid and has not relied on any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express or implied, by operation of law or otherwise, regarding such Assets and Equity Interests or liabilities or the completeness of any information provided in connection therewith, except as expressly stated in the representations and warranties contained in the Potential Bidder's Proposed Purchase Agreement ultimately accepted and executed by the Debtors;

(iii) a statement that the Potential Bidder agrees to serve as Back-Up Bidder, if its Bid is selected as the next highest or otherwise best bid after the Successful Bid with respect to the applicable Assets and Equity Interests;

(iv) a statement that the Potential Bidder has not engaged in any collusion with respect to the submission of its Bid;

(v) a statement that all proof of financial ability to consummate the applicable Sale Transaction in a timely manner and all information provided to support adequate assurance of future performance is true and correct; and

(vi) a statement that the Potential Bidder agrees to be bound by the terms of these Bidding Procedures.

(M) Additional Requirements. A Potential Bidder must also accompany its Bid with:

(i) a good faith cash deposit in the amount of no less than ten percent (10%) of the cash portion of the Purchase Price (a "**Deposit**"), unless otherwise agreed to by the Debtors and a Potential Bidder, which shall be deposited prior to the Bid Deadline with an escrow agent selected by the Debtors (the "**Escrow Agent**") pursuant to an escrow agreement to be entered into between a Debtor and the Escrow Agent; provided, however, that a Potential Bidder submitting a credit bid will not be required to accompany its Bid with a Deposit for any portion of the Purchase Price that is a credit bid, but shall be required to provide a Deposit for any portion of its Bid that is not a credit bid; provided, further, that to the extent a Qualified Bidder increases the cash portion of the Purchase Price before, during, or after the Auction, the Debtors reserve the right to require that such Qualified Bidder adjust its Deposit so that it equals ten percent (10%) of the increased cash portion of the Purchase Price; provided, further, that the requirements set forth in this sub-section (M)(i) do not apply to the Stalking Horse Bidder;

(ii) the contact information of the specific person(s) whom the Debtors or their advisors should contact in the event that the Debtors have any questions or wish to discuss the Bid submitted by the Potential Bidder;

(iii) a covenant to cooperate with the Debtors to provide pertinent factual information regarding the Potential Bidder's operations reasonably required to analyze issues arising with respect to any applicable Antitrust Laws (as defined in the Stalking Horse Agreement) and other applicable regulatory requirements; and

(iv) a detailed analysis of the value of any non-cash component of the Bid, if any, and back-up documentation to support such value.

Notwithstanding anything herein to the contrary, (i) the DIP Agent or its designee has the right, but not the requirement, to credit bid up to the full amount of the outstanding obligations

under the DIP Credit Agreement at or before the Auction in accordance with the terms thereof and pursuant to section 363(k) of the Bankruptcy Code and (ii) any credit bid submitted by the DIP Agent or its designee shall be deemed a Qualified Bid without the need to comply with any of the foregoing requirements except (A), (B)(i)(a)-(b), (B)(vii), (H)-(I), (L)(i)-(ii), and (L)(iv)-(vi).

Review of Bids; Designation and Notice of Qualified Bids

The Debtors will evaluate all Bids that are timely submitted and may engage in negotiations with Potential Bidders that submit Bids as the Debtors deem appropriate, in the exercise of their business judgment, based upon the Debtors' evaluation of each Bid. A Bid will not be a Qualified Bid if it is materially less favorable than the terms of the Stalking Horse Agreement.

The Debtors shall determine, in their reasonable judgment, in consultation with the Consultation Parties, which of the Bids received by the Bid Deadline qualify as a "**Qualified Bid**" (each Potential Bidder that submits such a Qualified Bid, a "**Qualified Bidder**") and shall notify each Qualified Bidder of its status as a Qualified Bidder by **August 31, 2020, at 5:00 p.m. (prevailing Central Time)** (the "**Qualified Bid Deadline**"). The Stalking Horse Bidder is a Qualified Bidder and the Stalking Horse Bid (including as may be modified in favor of the Debtors at the Auction (if any)) represents a Qualified Bid.

Without the written consent of the Debtors, in consultation with the Consultation Parties, a Qualified Bidder may not modify, amend, or withdraw its Qualified Bid, except for proposed amendments to increase the Purchase Price or otherwise improve the terms of its Qualified Bid during the period that such Qualified Bid remains binding as specified herein; provided, that any Qualified Bid may be improved at the Auction as set forth in these Bidding Procedures. The Debtors reserve the right to work with any Potential Bidder in advance of the Auction to cure any deficiencies in a Bid that is not initially deemed a Qualified Bid and to clarify or otherwise improve such Bid such that it may be designated a Qualified Bid.

In evaluating the Bids, the Debtors may take into consideration the following non-exhaustive factors:

1. the amount and the form of consideration of the Purchase Price;

2. the Assets, Equity Interests and liabilities included in or excluded from the Bid, including any Contracts or other liabilities proposed to be assumed;

3. the value to be provided to the Debtors under the Bid, including the net economic effect upon the Debtors' estates; taking into account any Stalking Horse Bidder's right to any Termination Payment;

4. any benefit to the Debtors' bankruptcy estates from any assumption or waiver of liabilities;

5. the transaction structure and execution risk, including conditions to, timing of, and certainty of closing, termination provisions, availability of financing and financial wherewithal to meet all commitments, and required governmental or other approvals;

6. the impact on employees and the proposed treatment of the Employee Obligations, including whether the Potential Bidder has an agreement with the Debtors' labor unions regarding post-closing labor relations matters;

7. the impact on trade creditors;

8. the impact on the Debtors' ability to confirm a chapter 11 plan; and

9. any other factors the Debtors may reasonably deem relevant consistent with their fiduciary duties.

On or before the Qualified Bid Deadline, the Debtors shall notify Qualified Bidders and the Consultation Parties of (i) the Bids that the Debtors have determined to be Qualified Bids and (ii) the Bid(s) that the Debtors have determined to be the highest or otherwise best Qualified Bid(s) to serve as the baseline bid(s) at the Auction (the "**Baseline Bid**"). For the avoidance of doubt, the Baseline Bid shall equal (or exceed) an amount equal to the value of the Stalking Horse Bid plus the Initial Overbid.

Failure to Receive Qualified Bids Other Than Stalking Horse Bid

If the Debtors do not receive any Qualified Bids (other than the Stalking Horse Bid) for any of the Assets or Equity Interests on the same or better terms as provided in the Stalking Horse Bid by the Bid Deadline, the Debtors will not conduct the Auction and shall file a notice with the Bankruptcy Court by **August 31, 2020, at 5:00 p.m. (prevailing Central Time)** indicating that no Auction will be held and designating the Stalking Horse Bid as the Successful Bid and the Stalking Horse Bidder as the Successful Bidder. The Debtors shall also publish such notice on the website of their claims and noticing agent, Kurtzman Carson Consultants LLC (http://www.kccllc.net/Briggs, the "**Claims Agent Website**").

Auction Procedures

If the Debtors receive one or more Qualified Bids (other than the Stalking Horse Bid) for any of the Assets or Equity Interests on the same or better terms as provided in the Stalking Horse Bid by the Bid Deadline, the Debtors will conduct the Auction on **September 1, 2020 beginning at 10:00 a.m. (prevailing Eastern Time) at (i) the offices of Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 or (ii) virtually pursuant to procedures to be timely filed by the Debtors on the Bankruptcy Court's docket**, or such other date or at such other location as may be determined by the Debtors in consultation with the Stalking Horse Bidder and the Consultation Parties. Only Qualified Bidders, including the Stalking Horse Bidder, will be eligible to participate in the Auction, subject to such limitations as the Debtors may impose in good faith. In addition, professionals and/or other representatives of the Debtors and Consultation Parties shall be permitted to attend and observe the Auction. Further, any creditor of the Debtors may attend and observe the Auction; provided that such creditor provides the Debtors with written

notice of its intention to attend the Auction on or before one (1) business day prior to the Auction, which written notice shall be sent to proposed counsel for the Debtors via electronic mail at Project.Badger.Weil@weil.com.

The Debtors may, in the exercise of their reasonable business judgment, adopt rules for the Auction consistent with these Bidding Procedures and the Bidding Procedures Order that the Debtors reasonably determine in consultation with the Consultation Parties to be appropriate to promote a competitive Auction. Any rules developed by the Debtors will provide that all Bids in the Auction will be made and received on an open basis, and all Qualified Bidders participating in the Auction will be entitled to be present for all bidding with the understanding that the true identity of each Qualified Bidder placing a Qualified Bid at the Auction will be fully disclosed to all other bidders participating in the Auction and that all material terms of a Qualified Bid submitted in response to any successive Bids made at the Auction will be disclosed to all other Qualified Bidders. Each Qualified Bidder will be permitted an amount of time that the Debtors reasonably determine to be an appropriate amount of time to respond to the previous bid at the Auction. The Auction will be conducted openly and shall be transcribed or recorded.

At the Auction, Qualified Bidders (including the Stalking Horse Bidder) will be permitted to increase their bids. For each Baseline Bid, bidding will start at the Purchase Price and terms proposed in the applicable Baseline Bid, and will proceed thereafter in minimum bid increments of not less than $1,000,000 (a "**Minimum Overbid Amount**"). The Debtors reserve the right to increase or decrease the Minimum Overbid Amount at any time during the Auction. If the Stalking Horse Bidder bids at the Auction for the applicable Assets and Equity Interests that are the subject of its Stalking Horse Bid, such Stalking Horse Bidder will also be entitled to include the amount of the Termination Payment in its bid, such that the cash and other consideration proposed by the Stalking Horse Bidder plus the Termination Payment must exceed the most recent bid by at least the Minimum Overbid Amount.

At the Auction, the Debtors, in their reasonable business judgment and after consultation with the Consultation Parties, will be permitted to request best and final offers from the Qualified Bidders (including the Stalking Horse Bidder). The Debtors may adopt additional rules, in consultation with the Consultation Parties, for the Auction at any time that the Debtors reasonably determine to be appropriate to promote the goals of maximizing the value of the Assets and Equity Interests and provided that such rules are not inconsistent with these Bidding Procedures.

Absent consent of the Debtors, pursuant to 18 U.S.C. §§ 156 and 157, Potential Bidders and their representatives may not communicate with one another, collude, or otherwise coordinate for purposes of participating in the Auction. Each Potential Bidder participating in an Auction will be required to confirm in writing and on the record at an Auction that (i) it has not engaged in any collusion with respect to the submission of any Bid or the Auction and (ii) its Bid represents a binding, good faith, and bona fide offer to purchase the Assets and Equity Interests identified in such Bid if selected as the Successful Bidder.

All parties attending the Auction must keep the proceedings and results of the Auction confidential until the Debtors have closed the Auction; provided, that parties may speak with clients or parties necessary to place their Bid or increase it so long as such individuals are

advised of the confidentiality restrictions provided hereunder and in the confidentiality agreements.

The Debtors may, in the exercise of their reasonable business judgment, and in consultation with the Consultation Parties, identify the highest or otherwise best Qualified Bid(s) for particular Assets or Equity Interests as the successful bid(s) (each, a "**Successful Bid**" and, the bidder submitting such bid, a "**Successful Bidder**"). The Debtors may also, in consultation with the Consultation Parties, identify which Qualified Bid(s) constitute the next highest or otherwise best bid(s) and deem such next highest or otherwise best bid(s) each a back-up bid (such bid(s) shall each be a "**Back-Up Bid**" and, the bidder submitting such bid, a "**Back-Up Bidder**"). Back-Up Bid(s) shall remain open and irrevocable until the earliest to occur of (i) the applicable outside date for consummation of the Sale Transaction set forth in the Back-Up Bid, (ii) consummation of the Sale Transaction with a Successful Bidder, and (iii) the release of such Back-Up Bid by the Debtors in writing (such date, the "**Back-Up Bid Expiration Date**"). If a Sale Transaction with a Successful Bidder is terminated prior to the Back-Up Bid Expiration Date, the Back-Up Bidder shall be deemed a Successful Bidder and shall be obligated to consummate the Back-Up Bid as if it were a Successful Bid. Notwithstanding the foregoing, any Bid submitted by the DIP Agent shall not be required to serve as a Back-Up Bid absent consent of the DIP Agent.

Within one (1) business day after the Auction, or at such later time agreed to by the Debtors in their reasonable business judgment, and in consultation with the Consultation Parties, (i) the Successful Bidder(s) shall submit to the Debtors fully executed documentation memorializing the terms of the Successful Bid(s) and (ii) the Back-Up Bidder(s) shall submit to the Debtors execution versions of the documentation memorializing the terms of the Back-Up Bid(s). Neither a Successful Bid nor a Back-Up Bid may be assigned to any party without the consent of the Debtors.

At any time before entry of an order approving any Sale Transaction, the Debtors reserve the right to and may, in consultation with the Consultation Parties, reject the applicable Qualified Bid (other than the Stalking Horse Bid) if such Qualified Bid, in the Debtors' reasonable business judgment, is: (i) inadequate or insufficient; (ii) not in conformity with the requirements of the Bankruptcy Code, these Bidding Procedures, or the terms and conditions of the applicable Sale Transaction; or (iii) contrary to the best interests of the Debtors and their estates.

Post-Auction Process

Within two (2) calendar days after the conclusion of the Auction, if one is held, or as soon as reasonably practicable thereafter, the Debtors shall file with the Bankruptcy Court and post on the Claims Agent Website a notice containing the results of the Auction (the "**Notice of Auction Results**") that includes (i) the identity of the Successful Bidder(s) and the Back-Up Bidder(s); (ii) adequate assurance of future performance information for the Successful Bidder (if different from Stalking Horse Bidder), (iii) schedule of Proposed Assumed Contracts in the Successful Bid(s) and Back-Up Bid(s), if known, (iv) identify any known proposed assignees of Proposed Assumed Contracts (if known and if different from the applicable Successful Bidder(s) or Back-Up Bidders(s)), and (v) set forth the deadlines and procedures for filing Sale Objections in response to the Notice of Auction Results.

Within seven (7) calendar days after the Auction, if one is held, the Debtors shall direct the Escrow Agent to return the Deposits of all bidders, together with interest accrued thereon, other than the Deposits of the Successful Bidder(s) and Back-Up Bidder(s); provided, for the avoidance of doubt, the return of the Escrow Amount (as defined in the Stalking Horse Agreement) shall be governed by the Stalking Horse Agreement and the Escrow Agreement (as defined in the Stalking Horse Agreement). Within five (5) calendar days after the Back-Up Bid Expiration Date, the Debtors shall direct the Escrow Agent to return the Deposit(s) of the Back-Up Bidder(s), together with interest accrued thereon (if any). Upon the authorized return of any such Deposits, the Bid associated therewith shall be deemed revoked and no longer enforceable.

Each Successful Bidder's Deposit shall be applied against the cash portion of the Purchase Price of such bidder's Successful Bid upon the consummation of a Sale Transaction. In addition to the foregoing, the Deposit of any Qualified Bidder will be forfeited to the Debtors if (i) the Qualified Bidder attempts to modify, amend, or withdraw its Qualified Bid, except as permitted herein or with the Debtors' written consent, during the time the Qualified Bid remains binding and irrevocable or (ii) except as provided herein, the Qualified Bidder is selected as a Successful Bidder or a Back-Up Bidder and refuses or fails to enter into the required definitive documentation or to consummate a Sale Transaction in accordance with these Bidding Procedures, which forfeiture will not limit any other rights and remedies of the Debtors; provided, however, that this paragraph shall not apply to the Escrow Amount (as defined in the Stalking Horse Agreement), and such Escrow Amount shall be treated as set forth in the Stalking Horse Agreement and the Escrow Agreement (as defined in the Stalking Horse Agreement).

Notices Regarding Assumption and Assignment

The Debtors shall provide all notices regarding the proposed assumption and assignment of Contracts in accordance with the Assumption and Assignment Procedures included in the Bidding Procedures Order.

Sale Objections and Hearing

At the hearing before the Bankruptcy Court, the Debtors will seek entry of an order approving and authorizing, among other things, the Sale Transaction to the Successful Bidder(s) (the hearing, the "**Sale Hearing**"). The Sale Hearing may be adjourned or continued to a later date by the Debtors, after consultation with the Successful Bidder and the Consultation Parties, by sending notice prior to or making an announcement at the Sale Hearing; provided, that any such adjournment shall not by itself extend any milestone or deadline in the Stalking Horse Agreement and/or DIP Credit Agreement. No further notice of any such adjournment or continuance will be required to be provided to any party.

The Debtors will seek entry of an order authorizing and approving, among other things, the applicable Sale Transaction at a Sale Hearing to be held on **September 11, 2020, at [●] [a.m./p.m.] (prevailing Central Time)**.

Objections to the Sale Transaction, including any objection to the sale of any Assets and Equity Interests free and clear of liens, claims, encumbrances, and other interests (each, a "**Sale Objection**"), shall (i) be in writing; (ii) state the name and address of the objecting party and

the amount and nature of the claim or interest of such party; (iii) state with particularity the basis and nature of any objection, and provide proposed language that, if accepted and incorporated by the Debtors, would obviate such objection; (iv) conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court for the Eastern District of Missouri; (v) be filed with the Bankruptcy Court; and (vi) be served upon the Objection Notice Parties (as defined below) by **September 8, 2020, at 5:00 p.m. (prevailing Central Time)** (the "**Sale Objection Deadline**"); provided, that the Debtors may extend the applicable Sale Objection Deadline, as the Debtors deem appropriate in the exercise of their reasonable business judgment. If a timely Sale Objection cannot otherwise be resolved by the parties, such objection shall be heard by the Bankruptcy Court at the Sale Hearing.

Each Successful Bidder shall appear at the Sale Hearing and be prepared to have a representative(s) testify in support of its Successful Bid and the Successful Bidder's ability to close in a timely manner and provide adequate assurance of its future performance under the Proposed Assumed Contracts to be assumed and assigned as part of the applicable Sale Transaction.

Any party who fails to file a Sale Objection with the Bankruptcy Court and serve it on the Objection Notice Parties (as defined herein) by the applicable Sale Objection Deadline will be forever barred from asserting, at the Sale Hearing or thereafter, any objection any objection to the relief requested in the Motion with regard to a Successful Bidder, or to the consummation and performance of a Sale Transaction, including the transfer of Assets and Equity Interests to such Successful Bidder, free and clear of all liens, claims, encumbrances, and other interests pursuant to section 363(f) of the Bankruptcy Code.

Consent to Jurisdiction and Authority as Condition to Bidding

All Potential Bidders (including any Stalking Horse Bidder and any credit bidder) that participate in the bidding process shall be deemed to have (i) consented to the core jurisdiction of the Bankruptcy Court with respect to these Bidding Procedures, the bid process, the Auction, any Sale Transaction, the Sale Hearing, and the construction and enforcement of any agreement or any other document relating to a Sale Transaction; (ii) waived any right to a jury trial in connection with any disputes relating to any of the foregoing; and (iii) consented to the entry of a final order or judgment in any way related to any of the foregoing if it is determined that the Bankruptcy Court would lack Article III jurisdiction to enter such a final order or judgment absent the consent of the parties.

Noticing

Information that must be provided to the "**Objection Notice Parties**" under these Bidding Procedures must be provided to each of the following parties:

(i) Briggs & Stratton Corporation, 12301 West Wirth St., Wauwatosa, WI 53222 (Attn: Kathryn M. Buono, Esq.);

(ii) proposed attorneys to the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Ronit J. Berkovich,

Esq., Debora A. Hoehne, Esq., and Martha E. Martir, Esq.); and Carmody MacDonald P.C., 120 South Central Avenue, Suite 1800, St. Louis, MO 63105 (Attn: Robert E. Eggmann, Esq., Christopher J. Lawhorn, Esq., and Thomas H. Riske, Esq.);

(iii) attorneys for the Stalking Horse Bidder, Kirkland & Ellis LLP, 300 N. LaSalle, Chicago, IL 60654 (Attn: Chad Husnick, P.C., Esq. and Gregory F. Pesce, Esq.);

(iv) proposed attorneys to the Creditors' Committee, [●] (Attn: [●]);

(v) attorneys for JPMorgan Chase Bank, N.A., as administrative agent and collateral agent under the ABL Facility and as DIP Agent, Latham & Watkins LLP, 330 North Wabash Ave., Chicago, IL 60611 (Attn: Peter P. Knight, Esq. and Jonathan C. Gordon, Esq.);

(vi) attorneys for Wilmington Trust, N.A., as indenture trustee under the Senior Notes, Pryor Cashman LLP, 7 Time Square, 40th Floor, New York, NY 10036 (Attn: Seth H. Lieberman, Esq. and David W. Smith, Esq.);

(vii) the Office of the United States Trustee for the Eastern District of Missouri (Attn: Sirena T. Wilson, Esq.); and

(viii) the United States Attorney's Office for the Eastern District of Missouri.

For the avoidance of doubt, any consultation rights provided to the Consultation Parties by these Bidding Procedures shall not limit the Debtors' discretion in any way and shall not include the right to veto any decision made by the Debtors in the exercise of their reasonable business judgment.

In the event that any Consultation Party or any member of the Creditors' Committee, or an affiliate of any of the foregoing, submits a bid that is a Qualified Bid (other than any Stalking Horse Bid), any obligation of the Debtors to consult with the bidding party established under these Bidding Procedures will be waived, discharged, and released without further action; provided, that the bidding party will have the same rights as any other Potential Bidder set forth above in addition to any rights that it may have as a secured party under any prepetition or postpetition loan agreement and/or under the DIP Order then in effect.

If a member of the Creditors' Committee submits a Qualified Bid, the Creditors' Committee will continue to have Consultation Rights; provided, that the Creditors' Committee shall exclude such member from any discussions or deliberations regarding the sale of the Assets and Equity Interests and shall not provide any confidential information regarding the sale of the Assets and Equity Interests to such member.

Reservation of Rights

Without limiting the rights of the DIP Agent under the DIP Credit Agreement or DIP Order then in effect, the Debtors, in their reasonable business judgment, in a manner consistent with their fiduciary duties and applicable law, and after consultation with the Consultation Parties, reserve the right to: (i) modify these Bidding Procedures; (ii) waive the terms and conditions set forth herein with respect to all Potential Bidders; (iii) extend the deadlines set forth herein; and (iv) announce at the Auction any modified or additional procedures for conducting the Auction. Nothing in these Bidding Procedures shall obligate the Debtors to consummate or pursue any transaction with respect to any Asset or Equity Interests with a Qualified Bidder.

Fiduciary Duties

Nothing in these Bidding Procedures shall require the Debtors to take any action, or refrain from taking any action to the extent the Debtors determine that refraining from taking such action or taking such action, as applicable, would be inconsistent with applicable law or its fiduciary obligations under applicable law.

Exhibit B

Amendment to DIP Credit Agreement

AMENDMENT NO. 1 TO CREDIT AGREEMENT

This Amendment No. 1 to Senior Secured Debtor-in-Possession Revolving and Term Credit Agreement, dated as of August 19, 2020 (this "Amendment"), is among BRIGGS & STRATTON CORPORATION, a Wisconsin corporation (the "Lead Borrower"), each other Loan Party, JPMORGAN CHASE BANK, N.A., as Administrative Agent (the "Administrative Agent") and the lenders party hereto (the "Lenders"). Capitalized terms used and not otherwise defined herein have the definitions provided therefor in the Credit Agreement referenced below.

W I T N E S S E T H:

WHEREAS, the Lead Borrower, the other Borrowers from time to time party thereto, the Lenders (as defined therein) from time to time party thereto and the Administrative Agent are parties to that certain Senior Secured Debtor-in-Possession Revolving and Term Credit Agreement, dated as of July 22, 2020 (as amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the "Credit Agreement"; the Credit Agreement, as amended by this Amendment, the "Amended Credit Agreement");

WHEREAS, pursuant to Section 13.12 of the Credit Agreement, the Loan Parties party to the Credit Agreement, the Administrative Agent and the Required Lenders may amend the Credit Agreement; and

WHEREAS, the Lead Borrower has requested that the Administrative Agent and the Required Lenders amend, and the Administrative Agent and the Required Lenders have agreed to amend, the Credit Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, and subject to the conditions set forth herein, the parties hereto agree as follows:

1. Amendments to the Credit Agreement. Effective as of the date of satisfaction of the conditions precedent set forth in Section 2 below, the parties hereto agree that:

(a) Section 2.09(a) of the Credit Agreement is hereby amended by deleting the words "(except as provided in Section 2.09(e) with respect to the DIP Term Loans)" therein.

(b) Section 2.09(b)(v) of the Credit Agreement is hereby amended by deleting the words "subject to Section 2.09(e)" therein.

(c) Section 2.09(e) of the Credit Agreement is hereby amended and restated in its entirety with the word "[Reserved]."

2. Condition Precedent. The effectiveness of this Amendment is subject to the following condition precedent: that the Administrative Agent shall have received counterparts to this Amendment, duly executed by each Loan Party, the Administrative Agent and Lenders constituting the Required Lenders.

3. Representations and Warranties. To induce the Administrative Agent to enter into this Amendment, each Loan Party hereby represents and warrants to the Administrative Agent and the Lenders that:

(a) This Amendment and the Amended Credit Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their terms, subject to (i) the effects of bankruptcy, insolvency, moratorium, reorganization, administration, examinership, fraudulent conveyance or other similar laws affecting creditors' rights generally, including in the case of the Debtors only the entry by the Bankruptcy Court of the Interim Order and the Final Order and to the terms thereof, (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (iii) implied covenants of good faith and fair dealing; and

(b) As of the date hereof and immediately after giving effect to the terms of this Amendment, (i) no Default or Event of Default has occurred and is continuing and (ii) the representations and warranties of the Loan Parties set forth in the Credit Agreement are true and correct in all material respects (without duplication of any materiality standard set forth in any such representation or warranty), except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties are true and correct in all material respects as of such date (without duplication of any materiality standard set forth in any such representation or warranty).

4. Reaffirmation. Without in any way establishing a course of dealing by the Administrative Agent or any Lender, each Loan Party consents to this Amendment and reaffirms the terms and conditions of the Guarantee Agreement and any other Loan Document executed by it and acknowledges and agrees that such agreements and each and every such Loan Document executed by the undersigned in connection with the Amended Credit Agreement remains in full force and effect and is hereby reaffirmed, ratified and confirmed. All references to the Credit Agreement contained in the above referenced documents shall be a reference to the Amended Credit Agreement and as the same may from time to time hereafter be amended, modified or restated.

5. Reference to and Effect on the Credit Agreement.

(a) Upon the effectiveness hereof, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein," or words of like import, and each reference in any other Loan Document to the Credit Agreement (including, without limitation, by means of words like "thereunder," "thereof," and words of like import), shall mean and be a reference to the Amended Credit Agreement and this Amendment and the Credit Agreement shall be read together and construed as a single instrument referred to herein as the Amended Credit Agreement.

(b) Except as expressly amended hereby, the Credit Agreement and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby reaffirmed, ratified and confirmed.

(c) The Liens and security interests in favor of the Collateral Agent for the benefit of the Secured Parties securing payment of the Obligations (and all filings with any Governmental Authority in connection therewith) are in all respects continuing and in full force and effect with respect to all Obligations, in each case in accordance with and to the extent contemplated by the terms of the respective Loan Documents.

(d) Except with respect to the subject matter hereof, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Administrative Agent or the Lenders, nor constitute a waiver of any provision of the Credit Agreement or any other documents, instruments and agreements executed and/or delivered in connection therewith.

(e) This Amendment is a Loan Document under (and as defined in) the Credit Agreement.

6. Miscellaneous.

(a) Governing Law. This Amendment shall be construed in accordance with and governed by the law of the State of New York.

(b) Headings. The headings of the several Sections and subsections of this Amendment are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Amendment.

(c) Counterparts. This Amendment may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by telecopy, e-mailed .pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Amendment.

7. Release; Loan Party Acknowledgment.

(a) In consideration of, among other things, the Administrative Agent's and the Lenders' execution and delivery of this Amendment, each of the Lead Borrower and the other Loan Parties, on behalf of itself and its agents, representatives, officers, directors, advisors, employees, subsidiaries, affiliates, successors, and assigns (collectively, the "Releasors"), hereby absolutely, unconditionally, irrevocably, and forever agrees and covenants not to sue or prosecute (at law, in equity, in any regulatory proceeding, or otherwise) against any Releasee (as hereinafter defined) and hereby forever waives, releases, and discharges, to the fullest extent permitted by law, each Releasee from any and all claims (including, without limitation, crossclaims, counterclaims, rights of set-off, and recoupment), defenses, affirmative defenses, actions, causes of action, suits, debts, accounts, interests, liens, promises, warranties, damages and consequential damages, demands, agreements, bonds, bills, specialties, covenants, controversies, agreements, provisions, liabilities, demands, variances, trespasses, judgments, executions, costs, expenses or claims whatsoever (collectively, the "Claims") that such Releasor now has or hereafter may have, of whatsoever nature and kind, whether known or unknown, whether now existing or hereafter arising, whether arising at law or in equity, against the Administrative Agent, the Collateral Agent, the Australian Security Trustee, the Issuing Banks, the Swingline Lender and/or any or all of the Lenders and their respective affiliates, subsidiaries, shareholders and "controlling persons" (within the meaning of the federal securities laws), and their respective successors and assigns and each and all of the officers, directors, partners, employees, agents, attorneys, insurers, and other representatives of each of the foregoing (collectively, the "Releasees"), in each case based in whole or in part on facts, whether or not now known, existing on or before the date of this Amendment, in each case that relate to, arise out of, or otherwise are in connection with: (i) any or all of the Loan Documents or financing transactions contemplated thereby or any actions or omissions in connection therewith; or (ii) any aspect of the dealings or relationships between or among the Lead Borrower and the other Loan Parties, on the one hand, and any or all of the Administrative Agent, the Collateral Agent, the Australian Security Trustee, the Issuing Banks, the Swingline Lender and/or any or all of the Lenders, on the other hand, relating to any or all of the documents, transactions, actions, or omissions referenced in clause (i) hereof. The receipt by the Lead Borrower or any other Loan Party of any Loans or other financial accommodations made by any Lender after the date hereof shall constitute a ratification, adoption, and confirmation by such party of the foregoing general release of all Claims against the Releasees which are based in whole or in part on facts, whether or

not now known or unknown, existing on or prior to the date of receipt of any such Loans or other financial accommodations. In entering into this Amendment, the Lead Borrower and each other Loan Party consulted with, and has been represented by, legal counsel and expressly disclaims any reliance on any representations, acts, or omissions by any of the Releasees and hereby agrees and acknowledges that the validity and effectiveness of the releases set forth above do not depend in any way on any such representations, acts, and/or omissions or the accuracy, completeness, or validity hereof. If the Lead Borrower, any other Loan Party, any other Releasor or any of their successors, assigns, or other legal representatives violates the covenant in this Section 7(a), the Lead Borrower and the other Loan Parties, each for itself and its successors, assigns, other Releasors and legal representatives, agrees to pay, in addition to such other damages as any Releasee may sustain as a result of such violation, all reasonable and documented attorneys' fees and costs incurred by any Releasee as a result of such violation. The provisions of this Section 7(a) (the "Release Provisions") shall survive the termination of this Amendment, the Amended Credit Agreement, and the other Loan Documents and payment in full of the Obligations.

(b) The Lead Borrower and the other Loan Parties acknowledge and agree that the Administrative Agent and the Lenders are entering into this Amendment in reliance upon, and is consideration for, among other things, the general releases and indemnities contained in the Release Provisions and the other covenants, agreements, representations, and warranties of the Lead Borrower and the other Loan Parties hereunder.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

BRIGGS & STRATTON CORPORATION, as Lead Borrower

By: _____
Name:
Title:

BRIGGS & STRATTON AG, as a Loan Party

By: _____
Name:
Title:

BRIGGS & STRATTON INTERNATIONAL AG, as a Loan Party

By: _____
Name:
Title:

BILLY GOAT INDUSTRIES, INC., as a Loan Party

By: _____
Name:
Title:

ALLMAND BROS., INC., as a Loan Party

By: _____
Name:
Title:

BRIGGS & STRATTON INTERNATIONAL, INC., as a Loan Party

By: _____
Name:
Title:

BRIGGS & STRATTON TECH, LLC, as a Loan Party

By: _____
Name:
Title:

Signed, sealed and delivered by **BRIGGS & STRATTON AUSTRALIA PTY. LIMITED** ACN 006 576 656 in accordance with section 127 of the *Corporations Act 2001* (Cth) by:

Signature of director	Signature of director/secretary
Name of director (print)	Name of director/secretary (print)

Signed, sealed and delivered by **VICTA LTD ACN 000 341 640** in accordance with section 127 of the *Corporations Act 2001* (Cth) by:

Signature of director	Signature of director/secretary
Name of director (print)	Name of director/secretary (print)

JPMORGAN CHASE BANK, N.A., individually as a Revolving Lender and as Administrative Agent

By: _____
Name:
Title:

JPMORGAN CHASE BANK, N.A., LONDON BRANCH, as a Revolving Lender

By: _____
Name:
Title:

BANK OF AMERICA, N.A., as a Revolving Lender

By: _____
Name:
Title:

BANK OF MONTREAL, as a Revolving Lender

By: _____
Name:
Title:

BANK OF MONTREAL, LONDON BRANCH, as a Revolving Lender

By: _____
Name:
Title:

By: _____
Name:
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Revolving Lender

By: _____
Name:
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
LONDON BRANCH, as a Revolving Lender

By: _____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION, as a
Revolving Lender

By: _____
Name:
Title:

CIBC BANK USA, as a Revolving Lender

By: _____
Name:
Title:

KEYBANK NATIONAL ASSOCIATION, as a
Revolving Lender

By: _____
Name:
Title:

FIRST MIDWEST BANK, as a Revolving Lender

By: _____
Name:
Title:

BUCEPHALUS CREDIT, LLC, as a DIP Term Lender

By: _____
Name:
Title:

Exhibit C

Initial Approved DIP Budget

Briggs & Stratton Corporation, et al.

DIP Cash Flow Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Period Ending (In Weeks)	1	2	3	4	5	6	7	8	9	10	11	12	13	Weeks 1 - 13
$USD in 000s	7/24/2020	7/31/2020	8/7/2020	8/14/2020	8/21/2020	8/28/2020	9/4/2020	9/11/2020	9/18/2020	9/25/2020	10/2/2020	10/9/2020	10/16/2020	3 months
DIP Cash Flow Forecast	Post	Post	Post	Post	Post	Post	Post	Post	Post	Post	Post	Post	Post	Post
Operating Receipts	$ 12,063	$ 15,101	$ 14,974	$ 17,019	$ 21,463	$ 17,049	$ 16,850	$ 14,519	$ 14,028	$ 18,194	$ 13,923	$ 12,379	$ 12,739	$ 200,300
Operating Disbursements														
Wages & Benefits	$ (3,411)	$ (8,428)	$ (3,388)	$ (7,899)	$ (6,262)	$ (2,438)	$ (9,023)	$ (2,814)	$ (8,220)	$ (2,771)	$ (8,189)	$ (2,754)	$ (6,616)	$ (72,213)
Supplies and Materials	(18,106)	(12,814)	(12,361)	(18,426)	(7,458)	(10,418)	(15,060)	(16,142)	(15,881)	(17,569)	(21,354)	(16,115)	(17,003)	(198,708)
Utilities	–	(1,273)	–	–	–	(1,273)	–	–	–	(1,273)	–	–	–	(3,819)
Insurance	–	(273)	–	–	–	–	(273)	–	–	–	(328)	–	–	(874)
Other	(4,215)	(8,974)	(2,825)	(2,542)	(12,435)	(3,924)	(3,009)	(2,502)	(3,349)	(6,745)	(3,573)	(2,502)	(3,349)	(59,944)
Total Operating Disbursements	$ (25,732)	$ (31,762)	$ (18,574)	$ (28,866)	$ (26,156)	$ (18,053)	$ (27,365)	$ (21,458)	$ (27,450)	$ (28,358)	$ (33,443)	$ (21,371)	$ (26,968)	$ (335,557)
Net Operating Cash Flows	$ (13,669)	$ (16,662)	$ (3,600)	$ (11,848)	$ (4,693)	$ (1,004)	$ (10,515)	$ (6,940)	$ (13,422)	$ (10,164)	$ (19,520)	$ (8,992)	$ (14,229)	$ (135,257)
Restructuring														
Restructuring Professionals	$ (1,838)	$ (1,838)	$ (1,838)	$ (1,838)	$ (1,900)	$ (1,900)	$ (1,900)	$ (1,900)	$ (1,900)	$ (2,650)	$ (1,900)	$ (16,900)	$ (1,588)	$ (39,888)
Utility Deposits	–	(909)	–	–	–	–	–	–	–	–	–	–	–	(909)
DIP Interest and Fees	(5,156)	–	(1,644)	(2,650)	–	–	(2,494)	–	–	–	(2,313)	–	–	(14,257)
Total Restructuring Disbursements	$ (6,994)	$ (2,747)	$ (3,481)	$ (4,488)	$ (1,900)	$ (1,900)	$ (4,394)	$ (1,900)	$ (1,900)	$ (2,650)	$ (4,213)	$ (16,900)	$ (1,588)	$ (55,053)
Net Cash Flows	$ (20,663)	$ (19,408)	$ (7,081)	$ (16,335)	$ (6,593)	$ (2,904)	$ (14,909)	$ (8,840)	$ (15,322)	$ (12,814)	$ (23,733)	$ (25,892)	$ (15,817)	$ (190,310)
Beginning Cash Balance	$ 14,023	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 14,023
Net Cash Flows Before Financing	(20,663)	(19,408)	(7,081)	(16,335)	(6,593)	(2,904)	(14,909)	(8,840)	(15,322)	(12,814)	(23,733)	(25,892)	(15,817)	(190,310)
ABL Draw/ (Paydown)	6,639	19,408	7,081	16,335	6,593	2,904	14,909	8,840	15,322	12,814	23,733	25,892	15,817	176,287
Ending Cash Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
ABL Starting Balance[1]	$ 314,865	$ 271,135	$ 257,144	$ 243,270	$ 9,989	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 314,865
ABL Draw (Repayment)	(43,730)	(13,991)	(13,874)	(233,281)	(9,989)	-	-	-	-	-	-	-	-	(314,865)
Ending ABL Balance	$ 271,135	$ 257,144	$ 243,270	$ 9,989	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Terminated Hedge Starting Balance	$ 24,978	$ 22,621	$ 21,511	$ 20,411	$ 841	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 24,978
Repayment	(2,357)	(1,110)	(1,101)	(19,570)	(841)	-	-	-	-	-	-	-	-	(24,978)
Ending Terminated Hedge Balance	$ 22,621	$ 21,511	$ 20,411	$ 841	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FILO Balance	$ 20,000	$ 20,000	$ 20,000	$ 265,000	$ 265,000	$ 265,000	$ 265,000	$ 265,000	$ 265,000	$ 265,000	$ 265,000	$ 265,000	$ 265,000	$ 265,000
DIP ABL Starting Balance	$ -	$ 32,726	$ 67,235	$ 89,290	$ 122,644	$ 140,067	$ 142,971	$ 157,880	$ 166,720	$ 182,042	$ 194,856	$ 218,589	$ 244,481	$ -
US DIP ABL Draw (Repayment)	32,726	34,509	22,055	33,354	17,423	2,904	14,909	8,840	15,322	12,814	23,733	25,892	15,817	260,298
Ending DIP ABL Balance	$ 32,726	$ 67,235	$ 89,290	$ 122,644	$ 140,067	$ 142,971	$ 157,880	$ 166,720	$ 182,042	$ 194,856	$ 218,589	$ 244,481	$ 260,298	$ 260,298
Swiss ABL Starting Balance	$ 12,500	$ 11,186	$ 6,559	$ 5,186	$ 178	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,500
Swiss Repayment	(1,314)	(4,627)	(1,373)	(5,008)	(178)	-	-	-	-	-	-	-	-	(12,500)
Ending Swiss ABL Balance	$ 11,186	$ 6,559	$ 5,186	$ 178	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Swiss DIP Starting Balance	$ -	$ 2,035	$ 4,899	$ 7,640	$ 10,133	$ 12,175	$ 10,297	$ 11,612	$ 13,348	$ 14,044	$ 12,558	$ 13,056	$ 13,786	$ -
Swiss DIP Draw	2,035	2,864	2,741	2,493	2,042	(1,878)	1,315	1,736	696	(1,486)	498	730	949	14,735
Ending Swiss DIP Balance	$ 2,035	$ 4,899	$ 7,640	$ 10,133	$ 12,175	$ 10,297	$ 11,612	$ 13,348	$ 14,044	$ 12,558	$ 13,056	$ 13,786	$ 14,735	$ 14,735
Total Debt	$ 359,703	$ 377,348	$ 385,797	$ 408,785	$ 417,242	$ 418,268	$ 434,492	$ 445,068	$ 461,086	$ 472,414	$ 496,645	$ 523,268	$ 540,033	$ 540,033

(1) ABL beginning balance includes Letters of Credit

Exhibit D

DIP Term Budget

Briggs & Stratton Corporation, et al.

DIP Term Budget

Period Ending (In Weeks)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	Weeks 1 - 18
$USD in 000s	7/24/2020	7/31/2020	8/7/2020	8/14/2020	8/21/2020	8/28/2020	9/4/2020	9/11/2020	9/18/2020	9/25/2020	10/2/2020	10/9/2020	10/16/2020	10/23/2020	10/30/2020	11/6/2020	11/13/2020	11/20/2020	Total
DIP Cash Flow Forecast																			
Operating Receipts	$ 12,063	$ 15,101	$ 14,974	$ 17,019	$ 21,463	$ 17,049	$ 16,850	$ 14,519	$ 14,028	$ 18,194	$ 13,923	$ 12,379	$ 12,739	$ 16,358	$ 18,090	$ 29,577	$ 24,753	$ 21,924	$ 311,001
Operating Disbursements																			
Wages & Benefits	$ (3,411)	$ (8,428)	$ (3,388)	$ (7,899)	$ (6,262)	$ (2,438)	$ (9,023)	$ (2,814)	$ (8,220)	$ (2,771)	$ (8,189)	$ (2,754)	$ (6,616)	$ (2,754)	$ (6,616)	$ (2,754)	$ (6,616)	$ (2,754)	$ (93,707)
Supplies and Materials	(18,106)	(12,814)	(12,361)	(18,426)	(7,458)	(10,418)	(15,060)	(16,142)	(15,881)	(17,569)	(21,354)	(16,115)	(17,003)	(17,247)	(15,710)	(17,219)	(10,218)	(16,297)	(275,399)
Utilities	–	(1,273)	–	–	–	(1,273)	–	–	–	(1,273)	–	–	–	–	(1,273)	–	–	–	(5,092)
Insurance	–	(273)	–	–	–	–	(273)	–	–	–	(328)	–	–	–	(1,360)	–	–	–	(2,233)
Other	(4,215)	(8,974)	(2,825)	(2,542)	(12,435)	(3,924)	(3,009)	(2,502)	(3,349)	(6,745)	(3,573)	(2,502)	(3,349)	(5,056)	(3,980)	(3,801)	(3,502)	(5,086)	(81,369)
Total Operating Disbursements	$ (25,732)	$ (31,762)	$ (18,574)	$ (28,866)	$ (26,156)	$ (18,053)	$ (27,365)	$ (21,458)	$ (27,450)	$ (28,358)	$ (33,443)	$ (21,371)	$ (26,968)	$ (25,057)	$ (28,939)	$ (23,774)	$ (20,336)	$ (24,138)	$ (457,800)
Net Operating Cash Flows	$ (13,669)	$ (16,662)	$ (3,600)	$ (11,848)	$ (4,693)	$ (1,004)	$ (10,515)	$ (6,940)	$ (13,422)	$ (10,164)	$ (19,520)	$ (8,992)	$ (14,229)	$ (8,699)	$ (10,849)	$ 5,803	$ 4,417	$ (2,214)	$ (146,800)
Restructuring																			
Restructuring Professionals	$ (1,838)	$ (1,838)	$ (1,838)	$ (1,838)	$ (1,900)	$ (1,900)	$ (1,900)	$ (1,900)	$ (1,900)	$ (2,650)	$ (1,900)	$ (16,900)	$ (1,588)	$ (1,588)	$ (1,588)	$ (1,588)	$ (1,494)	$ (1,494)	$ (47,638)
Utility Deposits	–	(909)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(909)
DIP Interest and Fees	(5,156)	–	(1,644)	(2,650)	–	–	(2,494)	–	–	–	(2,313)	–	–	–	–	(3,148)	–	–	(17,405)
Total Restructuring Disbursements	$ (6,994)	$ (2,747)	$ (3,481)	$ (4,488)	$ (1,900)	$ (1,900)	$ (4,394)	$ (1,900)	$ (1,900)	$ (2,650)	$ (4,213)	$ (16,900)	$ (1,588)	$ (1,588)	$ (1,588)	$ (4,736)	$ (1,494)	$ (1,494)	$ (65,952)
Net Cash Flows	$ (20,663)	$ (19,408)	$ (7,081)	$ (16,335)	$ (6,593)	$ (2,904)	$ (14,909)	$ (8,840)	$ (15,322)	$ (12,814)	$ (23,733)	$ (25,892)	$ (15,817)	$ (10,287)	$ (12,437)	$ 1,067	$ 2,923	$ (3,708)	$ (212,751)
Beginning Cash Balance	$ 14,023	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 14,023
Net Cash Flows Before Financing	(20,663)	(19,408)	(7,081)	(16,335)	(6,593)	(2,904)	(14,909)	(8,840)	(15,322)	(12,814)	(23,733)	(25,892)	(15,817)	(10,287)	(12,437)	1,067	2,923	(3,708)	(212,751)
DIP Draw/ (Paydown)	6,639	19,408	7,081	16,335	6,593	2,904	14,909	8,840	15,322	12,814	23,733	25,892	15,817	10,287	12,437	(1,067)	(2,923)	3,708	198,728
Ending Cash Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
ABL Starting Balance	314,865	$ 271,135	$ 257,144	$ 243,270	$ 9,989	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 314,865
ABL Draw (Repayment)	(43,730)	(13,991)	(13,874)	(233,281)	(9,989)	-	-	-	-	-	-	-	-	-	-	-	-	-	(314,865)
Ending ABL Balance	$ 271,135	$ 257,144	$ 243,270	$ 9,989	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Terminated Hedge Starting Balance	24,978	$ 22,621	$ 21,511	$ 20,411	$ 841	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 24,978
Repayment	(2,357)	(1,110)	(1,101)	(19,570)	(841)	-	-	-	-	-	-	-	-	-	-	-	-	-	(24,978)
Ending Terminated Hedge Balance	$ 22,621	$ 21,511	$ 20,411	$ 841	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FILO Balance	$ 20,000	$ 20,000	$ 20,000	$ 265,000	$ 265,000	$ 265,000	$ 265,000	$ 265,000	$ 265,000	$ 265,000	$ 265,000	$ 265,000	$ 265,000	$ 265,000	$ 265,000	$ 265,000	$ 265,000	$ 265,000	$ 265,000
DIP ABL Starting Balance	-	$ 32,726	$ 67,235	$ 89,290	$ 122,644	$ 140,067	$ 142,971	$ 157,880	$ 166,720	$ 182,042	$ 194,856	$ 218,589	$ 244,481	$ 260,298	$ 270,585	$ 283,021	$ 281,954	$ 279,031	$ -
US DIP ABL Draw (Repayment)	32,726	34,509	22,055	33,354	17,423	2,904	14,909	8,840	15,322	12,814	23,733	25,892	15,817	10,287	12,437	(1,067)	(2,923)	3,708	282,738
Ending DIP ABL Balance	$ 32,726	$ 67,235	$ 89,290	$ 122,644	$ 140,067	$ 142,971	$ 157,880	$ 166,720	$ 182,042	$ 194,856	$ 218,589	$ 244,481	$ 260,298	$ 270,585	$ 283,021	$ 281,954	$ 279,031	$ 282,738	$ 282,738
Swiss ABL Starting Balance	12,500	$ 11,186	$ 6,559	$ 5,186	$ 178	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,500
Swiss Repayment	(1,314)	(4,627)	(1,373)	(5,008)	(178)	-	-	-	-	-	-	-	-	-	-	-	-	-	(12,500)
Ending Swiss ABL Balance	$ 11,186	$ 6,559	$ 5,186	$ 178	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Swiss DIP Starting Balance	-	$ 2,035	$ 4,899	$ 7,640	$ 10,133	$ 12,175	$ 10,297	$ 11,612	$ 13,348	$ 14,044	$ 12,558	$ 13,056	$ 13,786	$ 14,735	$ 15,905	$ 13,781	$ 15,201	$ 15,916	$ -
Swiss DIP Draw	2,035	2,864	2,741	2,493	2,042	(1,878)	1,315	1,736	696	(1,486)	498	730	949	1,170	(2,124)	1,420	714	436	16,352
Ending Swiss DIP Balance	$ 2,035	$ 4,899	$ 7,640	$ 10,133	$ 12,175	$ 10,297	$ 11,612	$ 13,348	$ 14,044	$ 12,558	$ 13,056	$ 13,786	$ 14,735	$ 15,905	$ 13,781	$ 15,201	$ 15,916	$ 16,352	$ 16,352
Total Debt	$ 359,703	$ 377,348	$ 385,797	$ 408,785	$ 417,242	$ 418,268	$ 434,492	$ 445,068	$ 461,086	$ 472,414	$ 496,645	$ 523,268	$ 540,033	$ 551,490	$ 561,802	$ 562,155	$ 559,947	$ 564,090	$ 564,090