SUPERIOR ENERGY SERVICES, INC.

SESI, L.L.C.

DISCLOSURE TO STOCKHOLDERS

On September 29, 2025, Superior Energy Services, Inc., a Delaware corporation ("Superior"), issued a press release announcing that, subject to market conditions, its wholly-owned subsidiary SESI, L.L.C. ("SESI") intends to offer for sale $600 million in aggregate principal amount of Senior Secured Notes due 2030 (the "notes") in a private placement (the "offering"). The notes are being offered only to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Act"), and to non-U.S. persons in reliance on Regulation S under the Act.

The notes will be senior secured obligations of SESI and guaranteed, jointly and severally, by Superior and certain of Superior's subsidiaries that guarantee Superior's obligations under, or are co-borrowers with respect to, Superior's asset-based revolving credit facility. Interest on the notes will be payable semi-annually in arrears. The maturity date, interest rate and other terms of the notes will be determined at the time of pricing of the offering.

SESI intends to use the net proceeds from the offering to repay in full the indebtedness incurred to finance the acquisition of Quail Tools, LLC, including $250 million in seller financing from Nabors Industries and a $200 million bridge loan, to pay fees and expenses in connection with the offering, and for general corporate purposes.

The notes have not been registered under the Act or the securities laws of any other jurisdiction. Accordingly, they may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements.

The appendices hereto (the "Appendices") contain certain sections from the preliminary offering memorandum of SESI relating to the offering of the notes.

This disclosure, including the Appendices, does not constitute an offer to sell or the solicitation of an offer to buy any security, nor shall there be any sale of the notes and the related guarantees or any other security of Superior, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction. Any offers of the notes will be made only by means of a private offering memorandum.

This disclosure, including the Appendices, include forward-looking statements. These statements relate to future events or Superior's future performance. Generally, the words "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "seeks," "will," "estimates," "could," "may" and variations of such words and similar expressions identify forward-looking statements, although not all forward-looking statements contain these identifying words. All statements, other than statements of historical fact, included in this disclosure, including the Appendices, regarding our financial position, financial performance, liquidity, strategic alternatives, market outlook, future capital needs, capital allocation plans, business strategies and other plans and objectives of our management for future operations and activities are forward-looking statements. These statements are based on certain assumptions and analyses made by our management based on their experience and prevailing circumstances on the date such statements are made. Such forward-looking statements, and the assumptions on which they are based, are inherently speculative and are subject to risks and uncertainties that could cause our actual results to differ materially from such statements. Superior undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except to the extent required under federal securities laws.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This offering memorandum includes forward-looking statements. These statements relate to future events or the Company's future performance. Generally, the words "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "seeks," "will," "estimates," "could," "may" and variations of such words and similar expressions identify forward-looking statements, although not all forward-looking statements contain these identifying words. All statements, other than statements of historical fact, included in this offering memorandum regarding our financial position, financial performance, liquidity, strategic alternatives, market outlook, future capital needs, capital allocation plans, business strategies and other plans and objectives of our management for future operations and activities are forward-looking statements. These statements are based on certain assumptions and analyses made by our management based on their experience and prevailing circumstances on the date such statements are made. Such forward-looking statements, and the assumptions on which they are based, are inherently speculative and are subject to risks and uncertainties that could cause our actual results to differ materially from such statements. Such risks and uncertainties and factors that could cause our actual results and financial condition to differ materially from those indicated in forward-looking statements include, but are not limited to:

- the completion of the offering and timing thereof;
- the expected net proceeds from this offering and the Company's intended use thereof;
- the realization of anticipated benefits and synergies of the Quail Tools Acquisition and the timing and quantum thereof;
- expectations regarding financial and operating results, our ability to service our debt, anticipated levels of capital expenditures and uses of capital;
- the success of integration plans and the time it takes to implement such integration plans;
- the focus of management time and attention and other disruptions related to the Quail Tools Acquisition;
- the difficulty to predict our long-term liquidity requirements and the adequacy of our capital resources;
- restrictive covenants in our debt agreements that could limit our growth and our ability to finance our operations, fund our capital needs, respond to changing conditions and engage in other business activities that may be in our best interests;
- the price and price volatility of, and demand for, oil, natural gas and natural gas liquids;
- our ability to realize expected revenues and profitability levels from current and future contracts;
- our ability to generate cash flow from operations to fund our operations;
- U.S. and global market and economic conditions, including impacts relating to inflation, interest rates and supply chain disruptions;
- the effects of public health threats, pandemics and epidemics, and the adverse impact thereof on our growth, operating costs, supply chain, labor availability, logistical capabilities, customer demand and industry demand generally, margins, utilization, cash position, taxes, the price of our securities, and our ability to access capital markets;
- the ability of the members of Organization of Petroleum Exporting Countries ("**OPEC+**") to agree on and to maintain crude oil price and production controls;

- operating hazards or other risks, including the significant possibility of accidents resulting in personal injury or death, or property damage or other claims or events for which we may have limited or no insurance coverage or indemnification rights;
- the possibility of not being fully indemnified against losses incurred due to catastrophic events;
- cost and availability of insurance;
- claims, litigation or other proceedings that require cash payments or could impair financial condition;
- credit risks associated with our customer base;
- the effect of regulatory programs and environmental matters on our operations or prospects;
- the impact that unfavorable or unusual weather conditions could have on our operations;
- the potential inability to attract, motivate and retain key employees and skilled workers;
- political, legal, economic and other uncertainties (such as the war in Ukraine and conflict in Israel and broader geopolitical tensions in the Middle East and eastern Europe) associated with our international operations that could materially restrict our operations or expose us to additional risks;
- potential changes in tax laws, adverse positions taken by tax authorities or tax audits impacting our operating results;
- changes in competitive and technological factors affecting our operations;
- risks associated with the uncertainty of macroeconomic conditions worldwide, including capital and credit markets conditions, inflation and interest rates;
- risks to our operations and related infrastructure, or that of our business associates, from potential cyber-attacks;
- counterparty risks associated with reliance on key suppliers;
- challenges with estimating our potential liabilities related to our oil and natural gas properties;
- risks associated with potential changes of Bureau of Ocean Energy Management ("**BOEM**") security and bonding requirements for offshore platforms; and
- the other factors discussed under "*Risk Factors*."

The foregoing list of risks is not exhaustive and pertains only to the forward-looking information included in this offering memorandum.

The forward-looking information included in this offering memorandum is made as of the date hereof and, except as required by applicable law, we undertake no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise.

SUMMARY

The following summary highlights certain information contained elsewhere in this offering memorandum and is qualified in its entirety by the more detailed information in the audited financial statements and the notes related thereto of Superior Energy Services, Inc. and Quail Tools, LLC (collectively, the "Audited Financial Statements") included elsewhere herein. Because this is a summary, it is not complete and may not contain all of the information that may be important to you in making a decision to invest in the Notes. Before making an investment decision, you should carefully read the entire offering memorandum, including "Risk Factors," "Cautionary Statement Regarding Forward-Looking Statements," and "Management's Discussion and Analysis of Financial Condition and Results of Operations," as well as the Audited Financial Statements and the notes to those financial statements, and the unaudited pro forma condensed combined financial statements and the notes related thereto (the "Pro Forma Financial Statements") included elsewhere herein. Certain financial measures are presented for the LTM period and on a pro forma basis to give effect to the Quail Tools Acquisition. See "Non-GAAP Financial Measures" for additional information on certain of these measures.

Unless otherwise indicated or the context otherwise requires, as used in this offering memorandum, the terms "Superior," the "Company," "we," "us," "our" and "ours" refer to Superior Energy Services, Inc. and its consolidated subsidiaries, including the Issuer. The term "Parent" refers to Superior Energy Services, Inc. and not to any of its consolidated subsidiaries.

Company Overview

Superior is a leading global provider of premium rental equipment and specialized well services supporting customers across all phases of the oil and gas well lifecycle. Through a curated portfolio of market-leading brands, we operate in more than 30 countries, serving what we believe to be a high-quality customer base of integrated oil companies, independents, and national oil companies, with operations spanning U.S. land, offshore, and international markets.

We believe our global scale and reach support differentiated growth, enhanced cash flow visibility, superior margins, and leading capital efficiency. Approximately 39% of LTM pro forma revenue was derived from international markets that typically have longer planning cycles and project horizons, providing what we believe to be durable cash flow through commodity cycles and significant insulation from short-term fluctuations in U.S. rig count.

We have a leading portfolio of brands across our two reporting segments: (i) Rentals — premium tubulars, downhole tools and accessories, offshore accommodations equipment and OEM-certified blowout preventers; and (ii) Services — specialized solutions in offshore completions, well control, production, intervention and decommissioning. We offer mission critical, non-commoditized products and services to our customers that typically represent only a fraction of the total well cost, enabling us to use our engineering expertise, portfolio breadth and track record for innovation to differentiate Superior from our competitors.

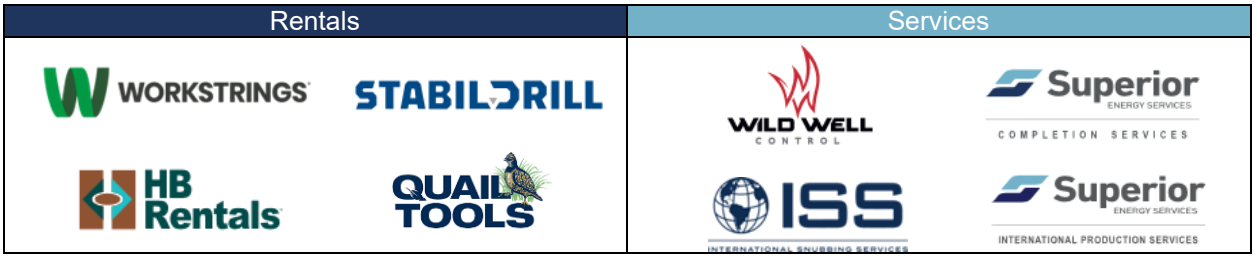
We have transformed our business in recent years to focus on capital-light, high-margin businesses with differentiated technology, global reach, and low capital intensity. We have achieved this through focusing on operational excellence and safety; leveraging our global platform to serve a blue-chip customer base; high grading our portfolio and offerings to drive differentiated growth, margins, and free cash flow generation through the cycle; maintaining robust balance sheet to mitigate financial risk and provide capital allocation flexibility; and pursuing returns focused, accretive M&A opportunities with strong industrial and strategic logic, such as our recent Quail Tools Acquisition.

Superior is led by CEO Dave Lesar, former Chairman and CEO of Halliburton, and COO Jim Brown, former VP of Western Hemisphere for Halliburton, who have a proven track record of leadership, execution, and value creation in the oilfield services market. In addition, our senior management has been strengthened by a seasoned team of professionals with over 160 years of combined industry experience.

Segments and Brands

We have built a differentiated portfolio of long-standing, market-leading brands that provide critical products and services across the full well lifecycle. We believe these businesses are recognized by customers for their reliability, engineering expertise, and ability to deliver solutions in technically complex and operationally challenging

environments. Each brand carries strong name recognition in its niche, and, collectively, we believe the portfolio positions Superior as a trusted, first-call partner to international oil companies, national oil companies, and leading independents. Our brands benefit from decades of experience, embedded customer relationships, and global infrastructure that has allowed us to deliver consistent performance across geographies.



Rentals

Our Rental brands offer value-added products and services to meet a wide range of project needs. We maintain a large, diverse inventory of rental products and have a strong historical track record for innovation and successful execution for our customers. The cost efficiency and breadth of our product offerings facilitate attractive, industry-leading profitability and margins.

- **Workstrings** — A global leader in tubular rentals, providing premium drill strings, tubing, landing strings, completion tubulars and handling accessories. We believe our Workstrings brand is known for deep global inventory, in-house engineering, and the ability to support the most challenging wells.
- **Stabil Drill** — Provider of performance drilling tools, motors, bottom-hole assembly tools, downhole services, and repairs, with an inventory of more than 20,000 tools and custom engineering and manufacturing capabilities. Stabil Drill serves customers globally with advanced technology and responsive service.
- **HB Rentals** — Provider of offshore accommodation assets and utility packages, offering end-to-end support for offshore projects including design, project management, logistics, fabrication and commissioning.
- **Quail Tools (acquired 2025)** — A leading provider of premium drill pipe, landing strings, completion tubulars and OEM-certified pressure control equipment in the U.S. land market, with what we believe to be a reputation for quality, dependable service and innovative solutions.

Services

Our Well Service brands provide solutions for drilling, production, completion and decommissioning. The services we offer are highly technical and require specialized equipment and a skilled labor force. Among our customers and vendor partners, these brands have a history of strong, collaborative relationships.

- **Wild Well Control** — A global leader in well control and emergency response with expertise in blowout response, capping stacks, engineering, training and preparedness services. Wild Well is recognized for responding to some of the most complex well control events worldwide.
- **Superior Completion Services (SCS)** — Provider of advanced downhole technologies and lower completions systems for offshore wells. SCS core offerings include multi-zone single trip systems, packers, subsurface safety valves, flow control, and intelligent well completion systems.
- **International Snubbing Services (ISS)** — Provider of hydraulic workover and snubbing solutions, with operations across U.S. land, the Gulf of America and Australia. ISS offers what we believe to be safe, efficient completion, intervention and plug and abandon capabilities.
- **International Production Services** — Provider of coiled tubing, wireline, slickline and cementing services in Argentina and Kuwait, with what we believe to be strong relationships with national oil companies.

Superior's brand portfolio is not only diversified by product and service line, but also strategically positioned to support customers' most critical operations. By combining global scale with niche specialization, these businesses are not easily replicable, which positions Superior to deliver premium margins and free cash flow.

Customers and Markets

Superior serves a diversified global customer base that includes international oil companies, national oil companies and large independent operators, such as ExxonMobil, Chevron, Kuwait Oil Company, Petrobras, and YPF. Our customers are generally large-scale, investment-grade counterparties engaged in long-cycle projects, which provide what we believe to be cash flow visibility and stability through commodity cycles. Our customer base values reliability, safety and technical excellence, and typically contracts on a multi-year basis. No single customer represents a material portion of revenues, reducing dependence on any one relationship and reinforcing the durability of Superior's earnings.

Approximately 39% of LTM pro forma revenue was derived from international markets and maintain operations in over 30 countries spanning Latin America, the Middle East, Europe, Africa and Asia Pacific. We believe this international presence distinguishes us from our competitors, as it provides:

- **Exposure to long-cycle offshore and international projects** that are less sensitive to near-term commodity price volatility and rig count swings.
- **Opportunities for higher-margin, specialized work** given the complexity of offshore and international wells.
- **Greater customer diversification and reduced cyclicality,** as international operations reduce our exposure to the volatility of the U.S. land rig count and create enduring partnerships with large, global operators.
- **Secular growth opportunities** in international offshore developments, deepwater projects and high-spec completion technologies.

Our global footprint allows us to redeploy assets and services across geographies in response to shifts in customer demand. With premium tubular inventories, downhole tools and specialized service teams positioned in multiple regions, we can efficiently support projects in high-growth markets while maintaining utilization and pricing discipline. Additionally, our rental products are typically deployed to international markets from key operating bases on an ex-works basis, allowing us to benefit from geographical diversification without incurring the cost of establishing local infrastructure in each country in which our products work. We believe this operational flexibility, combined with long-standing customer relationships, enables us to respond quickly to changing market dynamics and sustain durable, cash flow generation across commodity cycles.

Competitive Strengths

Superior's competitive strengths reflect the deliberate transformation of our business into a capital-light, high-margin platform anchored by premium brands and global scale. These advantages position us to generate resilient free cash flow, capture opportunities across diverse markets, and maintain financial discipline through commodity cycles. The combination of portfolio breadth, operational expertise, customer relationships, and leadership support provides meaningful differentiation within the oilfield services industry.

- **Comprehensive coverage across the entire well lifecycle:** Unlike many oilfield service providers that focus on only one stage, Superior delivers premium rental and service offerings that span drilling, completion, production, intervention and decommissioning. We believe this breadth allows us to capture a larger share of customer spend, deepen long-term relationships, and insulate our business from shifts in activity at any single phase of the well lifecycle.
- **Differentiated portfolio of long-standing, trusted brands with leading margins and cash flow:** We believe Superior's businesses — including Workstrings, Stabil Drill, HB Rentals, Quail Tools, International Snubbing Services, Wild Well Control and Superior Completion Services — have decades-long reputations for reliability, service quality, safety, and technical excellence. These brands are embedded with customers globally and are recognized as first-call partners for complex and high-value operations. Their strong market positions and engineering-driven solutions create high barriers to entry, support resilient pricing, and

underpin LTM pro forma Adjusted EBITDA margins of approximately 37% and LTM pro forma unlevered free cash flow conversion of approximately 59%.

- **Blue-chip, diversified customer base:** Superior serves a broad set of investment-grade international oil companies, national oil companies and large independent operators engaged in long-cycle projects. This customer base values reliability, safety and technical excellence, and typically contracts on a multi-year basis, providing visibility and stability through commodity cycles. No single customer represents a material portion of revenues, reducing dependence on any one relationship and reinforcing the durability of the Company's earnings.

- **Global and geographically diversified portfolio:** We believe Superior's balanced mix of U.S. land, U.S. offshore and international operations provides meaningful insulation from short-term rig count volatility. Approximately 39% of LTM pro forma revenue was generated internationally across more than 30 countries. This global reach underpins margin resiliency through the cycle and positions Superior to capture opportunities in long-cycle offshore and international developments.

- **Experienced leadership with proven track record of execution and value creation:** Beginning in mid-2024, Superior strengthened its senior leadership team, onboarding CEO Dave Lesar, former Chairman & CEO of Halliburton in addition to Jim Brown, our COO and Kyle O'Neill, our CFO. The Company is led by experienced business unit leaders, and collectively, our senior management team has over 160 years of combined industry experience. Our team has deep sector knowledge, operational expertise, and a demonstrated ability to lead through commodity cycles, expand margins and create shareholder value. Under their leadership, Superior has focused its portfolio, improved profitability, and positioned itself for disciplined growth.

- **Conservative balance sheet offers financial flexibility:** With what we believe to be a strong and streamlined capital structure, low leverage and ample liquidity, Superior reduces financial risk and enhances resilience through industry cycles. Our balance sheet strength provides the capacity to reinvest in our businesses, pursue growth initiatives, and act opportunistically on strategic M&A. The Company maintains low leverage and intends to sustain a long-term leverage of less than 1.0x net leverage. Further, the company intends to maintain a minimum cash balance of $150 million, providing for liquidity above and beyond the availability under the Amended Credit Agreement. We intend to prioritize reinvesting excess free cash flow into the business to support organic growth, maintaining liquidity and pursuing growth through M&A.

Business Strategies

Superior's business strategies are designed to reinforce our position as a capital-light, high-margin platform and to differentiate our portfolio of rentals and specialized services offered across the full well lifecycle. By executing on the strategies outlined below, we seek to achieve consistent free cash flow generation, maintain financial resilience through industry cycles, and strengthen our standing as the first-call partner to international oil companies, national oil companies and independents. Collectively, we believe these strategies position us towards winning in the marketplace by leveraging our premium brands, global reach and disciplined approach to growth.

- **Commitment to operational excellence and safety**: We are committed to maintaining a culture of safety, reliability, and execution across all business units. By embedding engineering expertise and systematic maintenance processes into our operations, we seek to maximize asset utilization, minimize downtime, and deliver consistent, high-quality results to our customers.

- **Leverage global footprint and customer relationships**: With operations spanning U.S. land, the Gulf of America, and international markets, and a customer base including major integrated oil companies and national oil companies, we are well positioned to capture opportunities across multiple geographies and phases of the well lifecycle. We believe our diversified reach helps insulate our business from regional volatility and creates long-term partnership opportunities with high-quality clients.

- **Capitalize on a streamlined, capital-light portfolio to drive resilience and growth:** Our strategy is to maintain a focused portfolio of rental and specialized service businesses that require limited

capital intensity and generate premium margins and strong free cash flow. We believe this streamlined mix enhances operational durability through industry cycles and enables us to reinvest in our core brands, pursue disciplined growth and act opportunistically in the market. Since 2021, we have exited commoditized and labor-intensive business lines, improving profitability and increasing Adjusted EBITDA margins from less than 20% in 2021 to an approximate LTM pro forma EBITDA margin of 37%.

- **Focus on premium brands and differentiated offerings**: Our portfolio of market-leading brands positions us as the first-call partner for critical well lifecycle needs. We intend to continue investing in these brands to maintain their premium positioning and expand their market penetration.

- **Drive revenue growth, margin expansion and free cash flow generation through execution**: Our operating philosophy is centered on disciplined execution, operational efficiency and practical innovation. By maintaining a rigorous focus on utilization, cost management, and engineered solutions, we have historically delivered attractive EBITDA margins and strong free cash flow conversion. As a result, we believe we are positioned towards generating profitable growth through commodity cycles and benefiting from operating leverage as activity expands.

- **Maintain a conservative financial profile**: We aim to operate with a target net leverage of less than 1.0x and a focus on maintaining ample liquidity, supported by an optimal cash balance and availability under our Amended Credit Agreement. We intend to continue to maintain a strong balance sheet and disciplined capital allocation. Excess free cash flow is prioritized for reinvestment in the business for capital expenditures and bolstering the Company's liquidity position in addition to pursuing opportunistic growth initiatives.

- **Pursue accretive growth through disciplined M&A**: We intend to pursue strategic acquisitions that enhance our portfolio, expand geographic reach, and provide clear synergy opportunities. We believe our 2025 acquisition of Quail Tools exemplifies this strategy by strengthening our U.S. land presence with premium rental equipment and creating recurring and non-recurring synergy potential, while maintaining a disciplined financial framework.

Recent Developments

Acquisition of Quail Tools (2025)

In August 2025, Superior acquired Quail Tools from Parker North America Operations, LLC, an indirect subsidiary of Nabors Industries Ltd, for a net consideration of $625 million in cash, consisting of a $600 million purchase price and a $25 million working capital adjustment.

Quail Tools is a U.S. land leader in premium drill pipe, landing strings, completion tubulars and OEM-certified pressure control equipment, with a reputation for high service quality and dependable execution across major shale basins of the U.S. lower 48 states. Quail Tools has a strong historical track record for profitability and cash flow generation.

The highly strategic acquisition expands our U.S. land rental platform with what we believe to be complementary, premium assets and strengthens our position as a partner of choice for leading operators. Quail Tools brings scale, a broad and differentiated tubular inventory, and long-standing customer relationships that deepen Superior's reach across the well lifecycle. The combination enhances our portfolio by creating one of the most comprehensive rental offerings in the industry, alongside Workstrings and Stabil Drill, and further reinforces Superior's ability to provide solutions across drilling, completions, production and intervention.

We believe the transaction will be immediately accretive and enhances our ability to generate free cash flow. Pro forma for the transaction, LTM Adjusted EBITDA margins improved from approximately 30% to approximately 37%, and LTM unlevered free cash flow margin increased from approximately 18% to approximately 22%. In addition, we have identified recurring and non-recurring synergy opportunities, driven by operational efficiencies, supply chain benefits and cross-selling across our rental brands. The Integration of Quail Tools is underway, with a roadmap to align operations, optimize inventory and capture identified synergies.

Supported by our experienced leadership team, we believe the combination creates one of the leading premium tubular and downhole rental platforms in North America, with meaningful growth opportunities and enhanced resilience through the cycle.

Seller Note

In connection with the Quail Tools Acquisition, in August 2025 Covey Holdings, LLC, a subsidiary of the Parent ("**Covey**"), received $250 million in seller financing (the "**Seller Loan**") pursuant to a seller note and security agreement (the "**Seller Note**") by and among Covey, the Parent, Quail Tools and an affiliate of Nabors Industries Ltd., as lender. The obligations under the Seller Note are guaranteed by the Parent and Quail Tools and are secured by a pledge of the equity of Quail Tools and a lien on substantially all personal property of Quail Tools. The net proceeds of this offering will be used to repay in full the Seller Loan and all other outstanding obligations under the Seller Note. For a more detailed description of the Seller Note, see "*Description of Other Indebtedness*."

Bridge Loan Credit Agreement

In connection with the Quail Tools Acquisition, in August 2025, Superior MidCo, Inc., a subsidiary of the Parent ("**MidCo**"), borrowed $200 million of term loans (the "**Bridge Loan**") pursuant to a term loan credit agreement (the "**Bridge Loan Credit Agreement**") by and among the Parent, MidCo, Alter Domus (US) LLC, as administrative agent, and GoldenTree Asset Management LP ("**GoldenTree**") and Monarch Alternative Capital LP ("**Monarch**" and together with GoldenTree, the "**Bridge Loan Lenders**"), each a stockholder of the Parent, as lenders. We used the proceeds of the Bridge Loan to finance, in part, the purchase price for the acquisition of Quail Tools. The obligations under the Bridge Loan Credit Agreement are unsecured and are guaranteed by the Parent and substantially the same subsidiaries of the Parent that guarantee the Issuer's obligations under the Existing Credit Agreement. The net proceeds of this offering will be used to repay in full the Bridge Loan and all other outstanding obligations under the Bridge Loan Credit Agreement. For a more detailed description of the Bridge Loan Credit Agreement, see "*Description of Other Indebtedness*."

Amended Credit Agreement

In December 2023, the Issuer entered into an amended and restated credit agreement with JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto (the "**Existing Credit Agreement**"), which includes a $140 million asset based revolving credit facility (the "**ABL**"). In connection with this offering and the Quail Tools Acquisition, on September 26, 2025, the Issuer, the Parent and the other guarantors party to the Existing Credit Agreement entered into an amendment with the lenders of the ABL to amend the Existing Credit Agreement (as so amended, the "**Amended Credit Agreement**"). The Amended Credit Agreement is expected to become effective substantially concurrently with the consummation of this offering, the repayment of the Seller Loan and the Bridge Loan, and the satisfaction of other customary closing conditions. The Amended Credit Agreement, among other things, extends the maturity date of the ABL from December 2028 to October 2030, increases the ABL commitments from $140 million to $200 million and increases the letter of credit sublimit from $40 million to $75 million. Upon the effectiveness of the Amended Credit Agreement, the obligations under the Amended Credit Agreement will be guaranteed by the Parent and the same subsidiaries of the Parent that guarantee the Notes and will be secured by a first priority lien on the ABL Priority Collateral and a second priority lien on the Notes Priority Collateral, in each case subject to certain permitted liens and the ABL Intercreditor Agreement. For a more detailed description of the Amended Credit Agreement, see "*Description of Other Indebtedness*."

Additional Information

Superior's executive offices are located at 1001 Louisiana Street, Suite 2900, Houston, Texas 77002, and its telephone number at that address is (713) 654-2200. Superior's website is located at www.superiorenergy.com. The information on or accessible through Superior's website is not incorporated by reference herein, does not constitute a part of this offering memorandum and should not be relied upon in connection with making any investment decision with respect to the Notes offered hereby.

SUMMARY PRO FORMA AND HISTORICAL FINANCIAL AND OPERATIONAL DATA

The following summary unaudited pro forma condensed combined financial information has been derived from and should be read in conjunction with the historical consolidated financial statements and related notes of Superior and Quail Tools, respectively, included elsewhere in this offering memorandum. The presentation of the summary unaudited pro forma condensed combined balance sheet gives effect to the Quail Tools Acquisition as if it had occurred on June 30, 2025. The presentation of the summary unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2025, the year ended December 31, 2024, and the six months ended June 30, 2024 reflect the combined results as if the Quail Tools Acquisition had occurred on January 1, 2024, the beginning of Superior's 2024 fiscal year.

The summary unaudited pro forma condensed combined financial information is being provided for informational purposes only and is not necessarily indicative of results that would have occurred had the Quail Tools Acquisition been completed as of the dates indicated. In addition, the unaudited pro forma condensed combined financial information does not purport to be indicative of the future financial position or operating results of the combined operations. Actual financial conditions and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors.

The summary unaudited pro forma condensed combined financial information should also be read in conjunction with the information presented in "Unaudited Pro Form Condensed Combined Financial Information," which further discuss the presentation of, and transaction adjustments resulting in, financial information in the following tables.

Superior Energy Services, Inc. and Subsidiaries
Unaudited Pro Forma Condensed Combined Balance Sheet
(amounts in thousands)

		June 30, 2025
		Pro Forma
ASSETS		
Current assets:		
Cash and cash equivalents	$	126,104
Accounts receivable, net		275,182
Rig materials and supplies		-
Inventory		60,597
Income taxes receivable		22,689
Prepaid expenses		26,255
Other current assets		9,248
Total current assets		520,075
Property, plant and equipment, net		744,344
Note receivable		97,659
Restricted cash		54,110
Right of use assets		-
Deferred tax assets		40,346
Goodwill		135,725
Intangible assets, net		169,409
Other assets, net		52,863
Total assets	$	1,814,531
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$	82,374
Accrued expenses		105,784
Income taxes payable		14,735
Decommissioning liability		26,212
Short-term notes payable		441,894
Total current liabilities		670,999
Long-term deferred tax liabilities		-
Long-term lease liabilities		-
Decommissioning liability		183,490
Other liabilities		51,151
Total liabilities		905,640
Stockholders' equity:		
Common stock		201
Additional paid-in capital		905,371
Retained earnings		3,319
Total stockholders' equity		908,891
Total liabilities and stockholders' equity	$	1,814,531

Superior Energy Services, Inc. and Subsidiaries
Unaudited Pro Forma Condensed Combined Statements of Operations
(amounts in thousands)

		Six Months Ended June 30, 2025	Six Months Ended June 30, 2024	Year Ended December 31, 2024
		Pro Forma	Pro Forma	Pro Forma
Revenues	$	567,926	541,140	1,075,304
Cost of revenues		272,929	252,801	524,226
Operating expenses		-	-	-
Depreciation, depletion, amortization and accretion		82,775	71,873	144,180
General and administrative expenses		80,716	77,489	155,007
Restructuring and transaction expenses		-	-	7,205
Other losses		5,571	2,646	14,043
Income from operations		125,935	136,331	230,643
Other income (expense):				
Interest income (expense), net		(19,621)	(12,488)	(30,744)
Loss on Blue Chip Swap securities, net		-	-	(5,113)
Other income (expense), net		(1,458)	(3,845)	(8,517)
Income from continuing operations before income taxes		104,856	119,998	186,269
Income tax expense		(26,968)	(34,468)	(24,374)
Net income from continuing operations		77,888	85,530	161,895
Income from discontinued operations, net of tax			1,896	1,896
Net income	$	77,888	87,426	168,791
Income from discontinued operations, net of tax		-	(1,896)	163,791
Income tax expense (benefit)		26,968	34,468	(1,896)
Net interest expense (income)		19,621	12,488	24,374
Depreciation, depletion, amortization and accretion		82,775	71,873	30,744
EBITDA[(1)]		207,252	204,359	144,180
Loss on Blue Chip Swap securities, net		-	-	5,113
Other expense, net		1,458	3,845	8,517
Restructuring and transaction expenses		-	-	7,205
Other adjustments		6,205	-	13,539
Adjusted EBITDA[(1)]	$	214,915	208,204	395,567
Capital expenditures		98,303	98,429	164,220
Unlevered free cash flow[(1)]	$	116,612	109,775	231,347
Adjusted EBITDA margin (%)[(1)]		38%	38%	37%
Unlevered free cash flow margin (%)[(1)]		21%	20%	22%
Unlevered free cash flow conversion (%)[(1)]		54%	53%	58%

[(1)] See "*Non-GAAP Financial Measures*" and "*Reconciliations of Non-GAAP Financial Measures*" for additional information on this metric.

The following table shows our historical consolidated and condensed consolidated financial data for the periods and as of the dates indicated. The summary historical consolidated financial data as of and for the years ended December 31, 2024 and 2023 were derived from the audited consolidated financial statements of Superior which are included elsewhere in this offering memorandum. The summary condensed consolidated financial data as of and for the six months ended June 30, 2025 were derived from the unaudited condensed consolidated financial statements of Superior which are included elsewhere in this offering memorandum.

You should read the following summary data in conjunction with the "*Use of Proceeds*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" sections of this offering memorandum. Among other things, our consolidated and condensed consolidated financial statements include more detailed information regarding the basis of presentation for the following information. The historical financial results are not necessarily indicative of results to be expected for any future periods.

	Superior Energy Services, Inc.		
		Year Ended December 31,	
	As of June 30, 2025	2024	2023
	(in thousands)		
Balance sheet data (at period end):			
Total current assets	$ 647,419	$ 658,760	$ 780,625
Total noncurrent assets	694,505	620,694	560,368
Total assets	1,341,924	1,279,454	1,340,993
Total current liabilities	207,924	206,716	183,847
Total noncurrent liabilities	225,109	226,841	196,235
Total liabilities	433,033	433,557	380,082
Common stock $0.01 par value	201	202	202
Additional paid-in capital	905,371	911,862	911,388
Retained earnings (deficit)	3,319	(66,167)	49,321

	Six Months Ended June 30,		Year Ended December 31,	
	2025	2024	2024	2023
Statements of operations data:				
Revenues	$ 445,603	$ 409,715	$ 819,290	$ 919,420
Costs of revenues	235,807	214,907	451,169	474,127
Income from operations	85,532	86,810	137,627	241,821
Other expense, net	(1,488)	(3,895)	(8,599)	(13,391)
Income from continuing operations before income taxes	92,953	95,515	146,923	234,335
Income tax expense	(23,467)	(28,157)	(13,889)	(59,741)
Net income from continuing operations	69,486	67,358	133,034	174,594
Net income	69,486	69,254	134,930	175,020
Statements of cash flows data:				
Net cash from operating activities	$ 88,274	$ 162,670	$ 270,387	$ 202,390
Net cash from investing activities	(114,196)	(52,157)	(96,955)	(63,253)
Net cash from financing activities	(7,380)	(252,384)	(252,741)	(1,116)
Other financial data:				
Adjusted EBITDA[(1)]	$ 143,954	$ 128,125	$ 241,435	$ 322,406
Unlevered free cash flow[(1)]	83,439	72,683	144,079	247,910
Adjusted EBITDA margin[(1)]	32%	31%	29%	35%
Unlevered free cash flow margin[(1)]	19%	18%	18%	27%

[(1)] See "*Non-GAAP Financial Measures*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Reconciliations of Non-GAAP Financial Measures*" for additional information on this metric.

RISK FACTORS

An investment in and ownership of the Notes involves a high degree of risk. In evaluating an investment in the Notes, you should carefully consider each of the risks described below, as well as the other information contained in this offering memorandum.

The risks and uncertainties described below are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently deem to be immaterial may also impair our business operations. If any of those risks actually occurs, our business, financial condition and results of operations could suffer. In any such case, you may lose all or a part of your investment in the Notes. The risks discussed below also include forward-looking statements and our actual results may differ substantially from those discussed in these forward-looking statements. Please read "Cautionary Note Regarding Forward-Looking Statements."

Risks Related to Our Business

Our business depends on conditions in the oil and gas industry, especially oil and natural gas prices and capital expenditures by oil and gas companies.

Our business depends on the level of oil and natural gas exploration, development and production activity of, and the corresponding capital spending by, oil and gas companies worldwide. The level of exploration, development and production activity is directly affected by trends in oil and natural gas prices, which historically have been volatile and difficult to predict and are likely to continue to be volatile. Oil and natural gas prices are subject to large fluctuations in response to relatively minor changes in supply and demand, economic growth trends, market uncertainty and a variety of other factors beyond our control. In addition, oil prices are particularly sensitive to actual and perceived threats to global political stability, such as Russia's invasion of Ukraine, the conflict in Israel and broader geopolitical tensions in the Middle East and eastern Europe, and to changes in production from OPEC+ member states. Lower oil and natural gas prices generally lead to decreased spending by our customers, while higher oil and natural gas prices generally lead to increased spending up to a point. Our customers may also consider the volatility of oil and natural gas prices and other risk factors, which may reduce capital expenditures or require higher returns for individual projects if there is higher perceived risk. Any of these factors could significantly affect the demand for oil and natural gas, which could affect the level of capital spending by our customers and in turn could have a material effect on our business, results of operations, financial condition and cash flow.

The availability of quality drilling prospects, exploration success, relative production costs, expectations about future oil and natural gas demand and prices, the stage of reservoir development, the availability of financing, and political and regulatory environments are also expected to affect levels of exploration, development, and production activity, which would impact the demand for our services. Any prolonged reduction of oil and natural gas prices, as well as anticipated declines, could also result in lower levels of exploration, development, and production activity. In addition, the transition of the global energy sector from a primarily fossil fuel-based system to a diverse system which includes renewable energy sources could affect our customers' levels of expenditures and reduce demand for our services.

Our financial results depend on demand for our services and products in the U.S. and the international markets in which we operate. The demand for our services and products may be affected by numerous factors, including the following:

- the cost of exploring for, producing and delivering oil and natural gas;
- demand for energy, which is affected by worldwide economic activity, population growth and market expectations regarding future trends;
- the ability of OPEC+ and other key oil-producing countries to set and maintain production levels for oil;

- the level of production in non-OPEC countries;
- the discovery rate, size and location of new oil and natural gas reserves;
- the rate of decline of existing oil and natural gas reserves due to production;
- domestic and global political and economic uncertainty, socio-political unrest and instability, terrorism or hostilities;
- weather conditions and changes in weather patterns, including summer and winter temperatures that impact demand;
- the availability, proximity and capacity of transportation facilities;
- oil refining capacity and shifts in end-customer preferences toward fuel efficiency;
- the level and effect of trading in commodity futures markets, including trading by commodity price speculators and others;
- demand for and availability of alternative, competing sources of energy;
- the extent to which taxes, tax credits, environmental regulations, auctions of mineral rights, drilling permits, drilling concessions, drilling moratoriums or other governmental regulations, actions or policies affect the production, cost of production, price or availability of petroleum products and alternative energy sources;
- technological advances affecting energy exploration, production and consumption;
- raw material inflation and availability;
- acquisition and divestiture activity among exploration and production companies; and
- reduction in, and availability of, funds by exploration and production companies for exploration and development due to increased dividend payments and share repurchase programs.

The oil and gas industry has historically experienced periodic downturns, which have been characterized by significantly reduced demand for oilfield services and downward pressure on the prices we charge. Moreover, weakness in the oil and gas industry may adversely impact the financial position of our customers, which in turn could cause them to fail to pay amounts owed to us in a timely manner or at all. We expect continued volatility in both crude oil and natural gas prices, as well as in the level of drilling and production related activities as a result of decisions of OPEC+ and other oil exporting nations regarding production, and the other factors listed above. In particular, oil prices fluctuated during 2018 and 2019, and declined dramatically during 2020 due to the decline in demand caused by COVID-19 and associated lockdowns, dropping to $9.12 per barrel of Brent crude oil on April 21, 2020. Oil prices steadily increased significantly in 2021 and the first half of 2022 due to increased demand, domestic supply reductions, OPEC control measures and market disruptions resulting from the Russia-Ukraine war and sanctions on Russia. Since the Russia-Ukraine conflict first commenced, Brent crude oil prices have been volatile, reaching a high of $112.24 per barrel in June 2022 before declining to $69.42 per barrel as of September 25, 2025. Natural gas prices reached a high of $9.85 per MMbtu in August 2022 before declining to $2.90 per MMbtu as of September 22, 2025. Any of these events have affected, and could further affect, the demand for oil and natural gas and has and could further have a material adverse effect on our business, results of operations, financial condition and cash flow.

Our customers and thereby our business and profitability could be adversely affected by low oil prices or turmoil in the global economy.

Changes in general economic and political conditions may negatively affect our business, financial condition, results of operations and cash flows. As a result of the volatility of oil and natural gas prices, we are unable to fully predict the level of exploration, drilling and production activities of our customers and whether our customers or suppliers will be able to sustain their operations and fulfill their commitments and obligations. If oil prices decrease or global economic conditions deteriorate, there could be a material adverse effect on the liquidity and operations of our customers, vendors and other worldwide business partners, which in turn could have a material effect on our results of operations and liquidity. These conditions may result in certain of our customers being unable to pay vendors, including us. In addition, we may experience difficulties forecasting future capital expenditures by our customers, which in turn could lead to either over capacity in deployable assets or, in the event of further recovery in oil prices and the worldwide economy, under capacity, either of which could adversely affect our operations.

Uncertain economic conditions and instability make it particularly difficult for us to forecast and demand trends, and there can be no assurance that the global economic environment will not deteriorate in the future due to one or more factors. Consequently, we may not be able to accurately predict future economic conditions or the effect of such conditions on demand for our services and products and our results of operations or financial condition.

We must renew customer contracts and obtain new contracts to remain competitive.

In addition to our performance, our ability to renew existing customer contracts, or obtain new contracts, and the terms of any such contracts depends on market conditions and our customers' future plans, which are subject to change. Due to the highly competitive nature of the industry, which can be exacerbated during periods of depressed market conditions, we may not be able to renew or replace expiring contracts or, if we are able to, we may not be able to secure or improve existing terms, which could have an adverse effect on our business, financial condition and results of operations.

Our long-term liquidity requirements and the adequacy of our capital resources are difficult to predict at this time.

While we have a significant cash balance currently, we cannot assure you that cash on hand, letters of credit and borrowings under the Amended Credit Agreement, and cash flow from operations will be sufficient to continue to fund our acquisition strategy and our operations over the long-term.

Furthermore, turmoil in the credit and financial markets could adversely affect financial institutions, inhibit lending and limit our access to funding through the public or private capital markets on terms we believe to be reasonable. Prevailing market conditions could be adversely affected by disruptions in domestic or overseas corporate debt markets, low commodity prices or other factors impacting our business, tariffs, contractions or limited growth in the economy or other similar adverse economic developments in the U.S. or abroad. Instability in the global financial markets has from time to time resulted in periodic volatility in the capital markets. This volatility, as well as increased focus on environmental, social and governance investing by some investors and negative sentiment, could limit our access to the credit markets, leading to higher borrowing costs in the future or, in some cases, the inability to obtain financing on terms that are acceptable to us, or at all. Any such failure to obtain future financing could jeopardize our ability to repay, refinance or reduce our debt obligations, including payments due under these Notes, or to meet our other financial commitments.

Restrictive covenants in the Amended Credit Agreement and the Indenture could limit our growth and our ability to finance our operations, fund our capital needs, respond to changing conditions and engage in other business activities that may be in our best interests.

The Amended Credit Agreement and the Indenture impose operating and financial restrictions that may limit our ability to, among other things, subject to permitted exceptions:

- incur additional indebtedness;

- make investments in or loans to our current and future joint ventures and subsidiaries that do not guarantee our obligations under the Amended Credit Agreement;
- grant liens on any assets;
- make acquisitions;
- consummate mergers, consolidations or engage in other fundamental changes;
- pay dividends or make other restricted payments;
- dispose of assets (including through sale and leaseback transactions);
- prepay certain indebtedness (including the Notes) or make certain amendments to the documents governing such indebtedness;
- create or make investments in unrestricted subsidiaries;
- enter into transactions with affiliates; and
- change our line of business.

The restrictions contained in the Amended Credit Agreement and the Indenture could:

- limit the ability to plan for, or react to, market conditions, to meet capital needs or otherwise restrict our activities or business plan; and
- adversely affect the ability to finance our operations or to engage in other business activities that would be in our interest.

Our available borrowing capacity under the Amended Credit Agreement is limited by the borrowing base as calculated thereunder, which is generally calculated as the sum of a percentage of our eligible accounts receivable and eligible cash, minus reserves. The Amended Credit Agreement includes customary provisions that require mandatory prepayment of outstanding borrowings if the amount outstanding thereunder exceeds the borrowing base, which could limit the ability to generate liquidity from asset sales and limit our future liquidity. Also, the Amended Credit Agreement requires compliance with a specified financial ratio if triggered by a default thereunder or availability beneath specified thresholds. The ability to comply with this ratio may be affected by events beyond our control and, as a result, this ratio may not be met in circumstances when it is tested. This financial ratio restriction could limit the ability to obtain future financings, make needed capital expenditures, withstand a continued downturn in our business or a downturn in the economy in general or otherwise conduct necessary corporate activities. Declines in oil and natural gas prices could result in failure to meet the financial covenant under the Amended Credit Agreement or a reduction in our borrowing base, which could require refinancing or amendment of such obligations resulting in the payment of consent fees or higher interest rates or require a capital raise at an inopportune time or on unfavorable terms.

A breach of any of these covenants, a reduction in our borrowing base below our outstanding borrowings or the inability to comply with the required financial ratio test could result in a default under the Amended Credit Agreement. If such a default occurs, we may not be able to make all of the required payments under the Amended Credit Agreement or be able to borrow sufficient funds to refinance the Amended Credit Agreement. Even if new financing were available at that time, it may not be on terms that are favorable or acceptable to the Company. A default under the Amended Credit Agreement, if not cured or waived, could result in acceleration of all indebtedness outstanding thereunder and/or a requirement to cash collateralize letters of credit issued thereunder and ultimately, exercise of remedies by the lenders thereunder against the Company and the other guarantors under the Amended

Credit Agreement and/or the collateral securing the Amended Credit Agreement. See "—*Risks Related to Our Indebtedness*."

Our business may be materially and adversely impacted by U.S. and global market and economic conditions, including impacts relating to inflation and supply chain disruptions.

Our revenue is derived from the services and products that we offer to major, national and independent oil and natural gas exploration and production companies around the world for the various phases of their respective well's economic life cycle. Given the concentration of our business activities in the oil and gas industry, we are particularly exposed to certain economic downturns.

U.S. and global market and economic conditions have been, and continue to be, disrupted and volatile due to many factors, including component shortages and related supply chain challenges, geopolitical developments such as the conflicts and geopolitical tensions in the Middle East and Eastern Europe and inflation rates and the responses by central banking authorities to control such inflation, among others.

General business and economic conditions that could affect us and our customers include fluctuations in economic growth, debt and equity capital markets, liquidity of the global financial markets, the availability and cost of credit, investor and consumer confidence and the strength of the economies in which we and our customers operate. A weak economic environment could result in significant decreases in demand for our products and services, including the delay or cancellation of current or anticipated projects. In particular, inflation rates in the U.S. have affected businesses across many industries, including ours, by increasing the costs of labor, equipment, parts, consumables and shipping. An inflationary environment may also cause customers to defer or decrease their expenditures on the services and products that we provide. In addition, supply chain disruptions and delays could adversely affect our ability to provide our services and deliver our products in a timely manner, which could impair our ability to meet customer demand and result in lost sales, increased supply chain costs or damage to our reputation. Any of foregoing these economic conditions could have a material adverse effect on our business, financial condition and results of operations.

From time to time, we are subject to various claims, litigation and other proceedings that could ultimately be resolved against us, requiring material future cash payments or charges, which could impair our financial condition or results of operations.

The size, nature and complexity of our business make us susceptible to various claims, both in litigation and binding arbitration proceedings. We may in the future become subject to various claims, which, if not resolved within amounts we have accrued, could have a material adverse effect on our financial position, results of operations or cash flows. In addition, during periods of depressed market conditions we may be subject to an increased risk of our customers, vendors, former employees and others initiating legal proceedings against us.

Any litigation or claims, even if fully indemnified or insured, could negatively impact our reputation among our customers and the public, and make it more difficult for us to compete effectively or obtain adequate insurance in the future.

There are operating hazards inherent in the oil and gas industry that could expose us to substantial liabilities.

Our operations are subject to hazards inherent in the oil and gas industry that may lead to property damage, personal injury, death or the discharge of hazardous materials into the environment. Many of these events are outside of our control. From time to time, personnel are injured or equipment, property, natural resources, the environment or wildlife is damaged or destroyed as a result of accidents, failed equipment, faulty products or services, failure of safety measures, uncontained formation pressures or other dangers inherent in oil and natural gas exploration, development and production. Any of these events can be the result of human error or purely accidental, and it may be difficult or impossible to definitively determine the ultimate cause of the event or whose personnel or equipment contributed thereto. All of these risks expose us to a wide range of significant health, safety and environmental risks and potentially substantial litigation claims for damages. With increasing frequency, our products and services are deployed in more challenging exploration, development and production locations. From time to time, customers and third parties may seek to hold us accountable for damages and costs incurred as a result of an accident, including pollution, even under

circumstances where we believe we did not cause or contribute to the accident. Our insurance policies are subject to exclusions, limitations and other conditions, and may not protect us against liability for some types of events, including events involving a well blowout, or against losses from business interruption or other events such as pandemics. Moreover, we may not be able to maintain insurance at levels of risk coverage or policy limits that we deem adequate or on terms that we deem commercially reasonable, or at all. Additionally, insurance rates have in the past been subject to wide fluctuation and may be unavailable on terms that we or our customers believe are economically acceptable. Reductions in coverage, changes in the insurance markets and accidents affecting our industry may result in further increases in our cost and higher deductibles and retentions in future years and may also result in reduced activity levels in certain markets. As a result, we may not be able to continue to obtain insurance on commercially reasonable terms. Any damages or losses that are not covered by insurance, or are in excess of policy limits or subject to substantial deductibles or retentions, could adversely affect our financial condition, results of operations and cash flows.

We may not be fully indemnified against losses incurred due to catastrophic events.

As is customary in our industry, our contracts generally provide that we will indemnify and hold harmless our customers from any claims arising from personal injury or death of our employees, damage to or loss of our equipment, and pollution emanating from our equipment and services. Similarly, our customers generally agree to indemnify and hold us harmless from any claims arising from personal injury or death of their employees, damage to or loss of their equipment or property, and pollution caused from their equipment or the well reservoir (including uncontained oil flow from a reservoir). Our indemnification arrangements may not protect us in every case. For example, from time to time we may enter into contracts with less favorable indemnities or perform work without a contract that protects us. In addition, our indemnification rights may not fully protect us if we cannot prove that we are entitled to be indemnified or if the customer is bankrupt or insolvent, does not maintain adequate insurance or otherwise does not possess sufficient resources to indemnify us. In addition, our indemnification rights may be held unenforceable in some jurisdictions.

Our customers' changing views on risk allocation could cause us to accept greater risk to win new business or could result in us losing business if we are not prepared to take such risks. To the extent that we accept such additional risk, and insure against it, our insurance premiums could rise.

The credit risks of our customer base could result in losses.

Many of our customers are oil and gas companies that from time to time face liquidity constraints as the commodity price environment changes. These customers impact our overall exposure to credit risk as they are also affected by prolonged changes in economic and industry conditions. If a significant number of our customers experience a prolonged business decline or disruptions, we may incur increased exposure to credit risk and bad debts. A reduction in the credit quality of our customers could also reduce availability under our Amended Credit Agreement since a component of our borrowing base is determined based on eligible accounts receivable.

Adverse and unusual weather conditions may affect our operations.

Our operations may be materially affected by severe weather conditions in areas where we operate. Severe weather, such as hurricanes, high winds and seas, blizzards and extreme temperatures may cause evacuation of personnel, curtailment of services and suspension of operations, inability to deliver materials to jobsites in accordance with contract schedules, loss of or damage to equipment and facilities and reduced productivity. In addition, variations from normal weather patterns can have a significant impact on demand for oil and natural gas, thereby reducing demand for our services and equipment.

We face significant competition in attracting and retaining talented employees. Further, managing succession for, and retention of, key executives is critical to our success, and our failure to do so could adversely affect our future performance.

Our ability to attract and retain qualified and experienced employees is essential to meet our current and future goals and objectives. There is no guarantee we will be able to attract and retain such employees or that competition among potential employers will not result in increased salaries or other benefits. If we are unable to retain

existing employees or attract additional employees, we could experience a material adverse effect on our business and results of operations. We may not be able to locate or employ on acceptable terms qualified replacements for key executives if their services are no longer available. Furthermore, our business could be affected adversely if suitable replacement personnel are not recruited quickly or effectively. Our failure to adequately plan for succession of senior management and other key management roles or the failure of key employees to successfully transition into new roles could result in a loss of institutional knowledge and have a material adverse effect on our businesses and results of operations.

Failure to realize the anticipated benefits of acquisitions, divestitures, investments and other strategic transactions may adversely affect our business, results of operations and financial position.

We undertake from time-to-time acquisitions (such as the Quail Tools Acquisition), divestitures, investments and other strategic transactions that we expect to further our business objectives. We continue to actively evaluate various strategic acquisition opportunities but there can be no assurance that we will engage in any such transactions. In addition, the anticipated benefits of acquisitions, divestitures, investments and other strategic transactions may not be fully realized, or may be realized more slowly than expected, and may result in operational and financial consequences, including, but not limited to, the loss of key customers, suppliers or employees or the disposition of certain assets or operations, which may have an adverse effect on our business, financial condition and results of operations. See "*—Risks Related to the Quail Tools Acquisition*."

If we are not able to design, develop and produce commercially competitive products and to implement commercially competitive services in a timely manner in response to changes in the market, customer requirements, competitive pressures and technological trends, our business and results of operations could be materially and adversely affected.

The market for oilfield services in which we operate is highly competitive and includes numerous small companies capable of competing effectively in our markets on a local basis, as well as several large companies that possess substantially greater financial resources than we do. Contracts are traditionally awarded on the basis of competitive bids or direct negotiations with customers.

The market for our services and products is characterized by continual technological developments to provide better and more reliable performance and services. If we are not able to design, develop and produce commercially competitive products and to implement commercially competitive services in a timely manner in response to changes in the market, customer requirements, competitive pressures and technological trends (including artificial intelligence and machine learning) our business and consolidated results of operations could be materially and adversely affected. Likewise, if our proprietary technologies, equipment, facilities or work processes become obsolete, we may no longer be competitive, and our business and results of operations could be materially and adversely affected. In addition, we may be disadvantaged competitively and financially by a significant movement of exploration and production operations to areas of the world in which we are not currently active.

Our operations may be subject to cyber-attacks that could have an adverse effect on our business operations.

Like most companies, we rely heavily on information technology networks and systems, including the Internet, to process, transmit and store electronic information, to manage or support a variety of our business operations, and to maintain various records, which may include information regarding our customers, employees or other third parties, and the integrity of these systems are essential for us to conduct our business and operations. We make significant efforts to maintain the security and integrity of these types of information and systems (and maintain contingency plans in the event of security breaches or system disruptions) and currently have policies related to our information technology networks and systems, including a plan to implement document and email retention policies. However, we cannot provide assurance that our security efforts and measures will prevent security threats from materializing, unauthorized access to our systems, loss or destruction of data, account takeovers, or other forms of cyber-attacks or similar events, whether caused by mechanical failures, human error, fraud, malice, sabotage or otherwise. We have office employees who work remotely. Remote work relies heavily on the use of remote networking and online conferencing services that enable employees to work outside of our corporate infrastructure and, in some cases, use their own personal devices, which exposes us to additional cybersecurity risks, including unauthorized access to sensitive information as a result of increased remote access and other cybersecurity related incidents. Cyber-

attacks include, but are not limited to, malicious software, attempts to gain unauthorized access to data, unauthorized release of confidential or otherwise protected information and corruption of data. It is possible that our business, financial and other systems could be compromised, which could go unnoticed for a prolonged period of time. While various procedures and controls are being utilized to mitigate exposure to such risk, there can be no assurance that the procedures and controls that we implement, or which we cause third party service providers to implement, will be sufficient to protect our systems, information or other property. Additionally, customers as well as other third parties whom we rely on face similar cybersecurity threats, which could directly or indirectly impact our business and operations. The frequency, scope and sophistication of cyber-attacks continue to grow, which increases the possibility that our security measures will be unable to prevent our systems' improper functioning or the improper disclosure of proprietary information. Any failure of our information or communication systems, whether caused by attacks, mechanical failures, natural disasters or otherwise, could interrupt our operations, damage our reputation, or subject us to claims, any of which could materially adversely affect us.

We depend on particular suppliers and are vulnerable to product shortages and price increases.

Some of the materials that we use are obtained from a limited group of suppliers. Our reliance on these suppliers involves several risks, including price increases, supply chain disruptions, inferior quality and a potential inability to obtain an adequate supply in a timely manner. We do not have long-term contracts with most of these sources, and the partial or complete loss of certain of these sources could have a negative impact on our results of operations and could damage our customer relationships. Further, a significant increase in the price of one or more of these materials could have a negative impact on our results of operations.

Estimates of our potential liabilities relating to our oil and natural gas property may be incorrect.

Actual abandonment expenses may vary substantially from those estimated by us and any significant variance in these assumptions could materially affect the estimated liability recorded in our consolidated financial statements. Therefore, the risk exists that we may underestimate the cost of plugging wells and abandoning production facilities. If costs of abandonment are materially greater than our estimates, this could have an adverse effect on our financial condition, results of operations and cash flows.

Risks Related to Regulation and Government Action

Our operations require us to comply with a number of U.S. and international regulations, violations of which could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Our operations require us to comply with a number of U.S. and international regulations. For example, the Foreign Corrupt Practices Act (the "**FCPA**") and other anti-corruption laws in the countries where we operate prohibit companies and their employees, or other individuals acting on their behalf, from providing anything of value to a public official for the purposes of influencing any act or decision of these individuals to help obtain or retain business or obtain any unfair advantage. We have implemented policies and procedures designed to encourage compliance with applicable anti-corruption laws. However, our ability to comply with such laws depends on the success of our ongoing compliance programs and we cannot assure that our programs will always protect us from criminal acts committed by our employees or agents. Allegations of violations of anti-corruption laws may result in internal, independent or government investigations. Violations of anti-corruption laws may result in severe criminal or civil sanctions, as well as legal expenses and reputational harm, and we may be subject to other liabilities, which could have a material adverse effect on our business, operations and financial condition.

In addition, the shipment of goods, services and technology across international borders subjects us to extensive trade laws and regulations. Our import activities are governed by the unique customs laws and regulations in each of the countries where we operate. Moreover, many countries, including the U.S., control the export, re-export and in-country transfer of certain goods, services and technology, impose related export recordkeeping and reporting obligations and impose trade barriers or tariffs. Governments may also impose economic sanctions against certain countries, persons and entities that may restrict or prohibit transactions involving such countries, persons and entities, which may limit or prevent our conduct of business in certain jurisdictions.

Changes in U.S. foreign trade policies, including as a result of the current presidential administration, could lead to the imposition of additional trade barriers and tariffs on us in foreign jurisdictions. We cannot predict the full extent of new, extended or changed trade policies, including tariffs, that may be made by the current or a future presidential administration or U.S. Congress, including whether existing tariff policies will be maintained or modified or if changes in U.S. trade policy result in reactions from U.S. trading partners, including adopting responsive trade policies making it more difficult or costly for us to export or import our products from countries where we currently purchase or sell products. Such changes in U.S. trade policy or in laws and policies governing foreign trade, and any resulting negative sentiments towards the U.S. as a result of such changes, could materially and adversely affect our business, financial condition, results of operations and liquidity.

The laws and regulations concerning import activity, export recordkeeping and reporting, export control and economic sanctions are complex and constantly changing. These laws and regulations can cause delays in shipments and unscheduled operational downtime. Any failure to comply with applicable legal and regulatory trading obligations could result in government investigations of our activities, as well as criminal and civil penalties and sanctions, such as fines, imprisonment, debarment from governmental contracts, seizure of shipments and loss of import and export privileges.

Our activities outside of the U.S. expose us to various legal, social, economic and political issues that could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

We are subject to environmental and worker health and safety laws and regulations, which could reduce our business opportunities and revenue, and increase our costs and liabilities.

Our business is significantly affected by a wide range of environmental and worker health and safety laws and regulations in the areas in which we operate, including increasingly rigorous environmental laws and regulations governing air emissions, water discharges and waste management. Generally, these laws and regulations have become more stringent and have sought to impose greater liability on a larger number of potentially responsible parties. Onshore or offshore accidents have in the past and could in the future lead to additional regulation of our operations. Failure to comply with applicable environmental and worker health and safety laws and regulations may result in a variety of administrative, civil and criminal enforcement measures, including the assessment of monetary penalties, imposition of remedial requirements, permit modifications or revocations, requirements for additional pollution controls and/or injunctions limiting or prohibiting some or all of our operations.

Environmental laws and regulations may provide for "strict liability" for remediation costs, damages to natural resources or threats to public health and safety as a result of our conduct that was lawful at the time it occurred or the conduct of, or conditions caused by, prior owners or operators or other third parties. Strict liability can render a party liable for damages without regard to such party's negligence or fault. Some environmental laws provide for joint and several strict liability for remediation of spills and releases of hazardous substances. Our well service and fluids businesses routinely involve the handling of significant amounts of waste materials, some of which are classified as hazardous substances. We also store, transport and use radioactive and explosive materials in certain of our operations. In addition, many of our current and former facilities are, or have been, used for industrial purposes that may result in, or may have resulted in, releases of hazardous substances. Accordingly, we could become subject to material liabilities relating to the containment and disposal of hazardous substances, oilfield waste and other waste materials, the use of radioactive materials, or the use of underground injection wells, and to claims alleging personal injury or property damage as the result of exposures to, or releases of, hazardous substances. In addition, stricter enforcement of existing laws and regulations, new domestic or foreign laws and regulations, the discovery of previously unknown contamination or the imposition of new or increased requirements could require us to incur costs or become the basis of new or increased liabilities that could reduce our earnings and our cash available for operations.

In addition, we and our customers may need to apply for, renew or amend facility permits or licenses from time to time with respect to storm water or wastewater discharges, waste handling or air emissions relating to manufacturing activities or equipment operations, which subjects us and our customers to new or revised permitting conditions that may be onerous or costly to comply with.

Our business may be subject to risks related to climate change, including physical risks such as increased adverse weather patterns and transition risks such as evolving climate change regulation, alternative fuel measures and

mandates, shifting consumer preferences, technological advances and negative shifts in market perception towards the oil and natural gas industry and associated businesses, any of which could result in increased operating expenses and capital costs or decreased resources and adversely affect our financial results.

Climate change continues to attract considerable attention in the U.S. and internationally, including from regulators, legislators, companies in a variety of industries, financial market participants and other stakeholders. This focus, together with government grants, incentives and subsidies focused on alternative energy development, such as those contained in the Inflation Reduction Act of 2022, and changes in consumer and industrial/commercial behavior, preferences and attitudes with respect to the generation and consumption of energy, petroleum products and the use of products manufactured with, or powered by, petroleum products, may in the long term result in (i) the enactment of additional climate change-related regulations, policies and initiatives (at the government, regulator, corporate and investor community levels), including alternative energy requirements, new fuel consumption standards, energy conservation and emissions reductions measures and responsible energy development, (ii) technological advances with respect to the generation, transmission, storage and consumption of energy (*e.g.*, wind, solar and hydrogen power, smart grid technology and battery technology and increasing efficiency) and (iii) increased availability of, and increased consumer and industrial/commercial demand for, alternative energy sources and products manufactured with, or powered by, alternative energy sources (*e.g.*, electric vehicles and renewable residential and commercial power supplies).

Climate change legislation and regulatory initiatives may arise from a variety of sources, including international, national, regional and state levels of government and associated administrative bodies, seeking to monitor, restrict or regulate existing emissions of greenhouse gases ("**GHGs**"), such as carbon dioxide and methane, as well as to restrict or eliminate future emissions. Restrictions on GHG emissions that may be imposed, or the adoption and implementation of regulations that require reporting of GHG emissions or other climate-related information or otherwise seek to limit GHG emissions (including carbon pricing schemes) from us or our customers, could adversely affect our business and the oil and gas industry generally. Moreover, any other legislation or regulatory programs related to climate change could increase our costs and require substantial capital, compliance, operating and maintenance costs, reduce demand for oil and natural gas production, reduce our access to financial markets and create greater potential for governmental investigations or litigation.

The adoption of legislation or regulatory programs to reduce GHG emissions could require us or our customers to incur increased operating costs or acquire emissions allowances to comply with new regulatory requirements. Such regulatory initiatives could also stimulate demand for alternative forms of energy that do not rely on petroleum products and indirectly reduce demand for our products and services. Although there has been a recent push at the federal level in the United States to roll back previous initiatives relating to the regulation of GHG emissions, including a July 2025 proposal by the U.S. Environmental Protection Agency ("**EPA**") to rescind the 2009 GHG endangerment finding that serves as the basis for many EPA regulations of GHGs under the federal Clean Air Act, the ultimate outcome and long-term effect of this proposed rescission is uncertain.

Litigation risks are also increasing as a number of entities have sought to bring suit against various oil and natural gas companies in state or federal court, alleging, among other things, that such companies created public nuisances by producing fuels that contributed to climate change or alleging that the companies have been aware of the adverse effects of climate change for some time but defrauded their investors or customers by failing to adequately disclose those impacts. Such litigation against us or our customers could reduce the demand for our products and services, which could have a material adverse effect on our business, financial condition and results of operations.

There are also increasing financial risks for fossil fuel producers as stockholders currently invested in fossil fuel energy companies may elect in the future to shift some or all of their investments into non-fossil fuel related sectors. Institutional lenders who provide financing to fossil fuel energy companies also have become more attentive to sustainable lending practices, and some of them may elect not to provide funding for fossil fuel energy companies. There is also a risk that financial institutions will be required to adopt policies that have the effect of reducing the funding provided to the fossil fuel sector. Limitation of investments in and financing for fossil fuel energy companies could result in the restriction, delay or cancellation of drilling programs or development or production activities, which could reduce the demand for our products and services and have a material adverse effect on our business, financial condition and results of operations.

Continuing or worsening inflationary pressures and associated changes in monetary policy have resulted in and may result in additional increases to our operating costs, which in turn have caused and may continue to cause our capital expenditures and operating costs to rise.

Increases in the U.S. inflation rate in recent years have resulted in and may result in additional increases to our operating costs, which in turn have caused and may continue to cause our capital expenditures and operating costs to rise. Sustained levels of high inflation have caused and may continue to cause the Federal Reserve and other central banks to maintain increased interest rates, which could have the effects of raising the cost of capital and depressing economic growth, either of which, or the combination thereof, could hurt the financial and operating results of our business.

Policy changes affecting international trade could adversely impact the demand for our products and our competitive position.

Changes in government policies on foreign trade and investment can affect the demand for our products and services, impact the competitive position of our products and services or prevent us from being able to sell products and services in certain countries. Our business benefits from free trade agreements, and efforts to withdraw from or substantially modify such agreements, in addition to the implementation of more restrictive trade policies, such as more detailed inspections, higher tariffs, import or export licensing requirements, economic sanctions, anti-boycott laws, exchange controls or new barriers to entry, could have a material adverse effect on our business, financial condition, results of operations and cash flows. For example, we are already experiencing increased tariffs on certain of our products and product components from China and other steel producing nations. In addition, in April 2025, the Trump Administration announced a baseline tariff of 10% on products imported from all countries and an individualized reciprocal tariff on the countries with which the U.S. has the largest trade deficits. Many of these reciprocal tariffs went into effect in August 2025. Further, in March 2025, the Trump Administration imposed a 25% tariff on steel and aluminum imports, which was later raised to 50% in June 2025. Finally, in August 2025, the Trump Administration announced a 25% tariff on India in response to its continued importation of Russian oil, which went into effect on August 27, 2025 and will be in addition to the existing 25% reciprocal tariff on India. Increased tariffs by the U.S. have led and may continue to lead to the imposition of retaliatory tariffs by foreign jurisdictions. Such tariffs and any retaliatory tariffs may put upwards pressure on prices in other jurisdictions from which we purchase product components, which could reduce our ability to offer competitive pricing to potential customers and affect the demand for our products. Additionally, the Trump Administration has announced and rescinded multiple tariffs on several foreign jurisdictions, which has increased uncertainty regarding the ultimate effect of the tariffs on economic conditions.

We cannot predict what changes to trade policy will be made by the Trump Administration, U.S. Congress or other governments, including whether existing tariff policies will be maintained or modified or whether the entry into new bilateral or multilateral trade agreements will occur, nor can we predict the effects that any such changes would have on our business or the global economy. Changes in U.S. trade policy, or threat of such changes, have resulted and could again result in reactions from U.S. trading partners, including adopting responsive trade policies making it more difficult or costly for us to export our products or import products or product components from countries where we currently purchase products or product components or sell products or services. Such changes, or threatened changes, to trade policy or in laws and policies governing foreign trade, and any resulting negative sentiments towards the U.S. as a result of such changes, could materially and adversely affect our business, financial condition, results of operations and liquidity.

Our international operations and revenue are affected by political, economic and other uncertainties worldwide.

Our international operations are subject to varying degrees of regulation in each of the foreign jurisdictions in which we provide services. Local laws and regulations, and their interpretation and enforcement, differ significantly among those jurisdictions, and can change significantly over time. Future regulatory, judicial and legislative changes or interpretations may have a material adverse effect on our ability to deliver services within various foreign jurisdictions.

In addition to these international regulatory risks, our international operations are subject to a number of other risks inherent in any business operating in foreign countries, including, but not limited to, the following:

- political, social and economic instability;
- potential expropriation, seizure, deprivation, confiscation or nationalization of assets, or other governmental actions;
- inflation;
- deprivation of contract rights;
- increased operating costs;
- inability to collect receivables and longer receipt of payment cycles;
- social unrest and protests, strikes, acts of terrorism, war or other armed conflict;
- import-export quotas or restrictions, including tariffs and the risk of fines or penalties assessed for violations;
- confiscatory taxation or other adverse tax policies;
- currency exchange controls;
- currency exchange rate fluctuations, devaluations and conversion restrictions;
- potential submission of disputes to the jurisdiction of a foreign court or arbitration panel;
- pandemics or epidemics that disrupt our ability to transport personnel or equipment;
- embargoes or other restrictive governmental actions that could limit our ability to operate in foreign countries;
- trade and economic sanctions or other restrictions imposed by the European Union, the U.S. or other regions or countries;
- additional U.S. and other regulations of non-domestic operations, including regulations under the FCPA as well as other anti-corruption laws;
- restrictions on the repatriation of funds;
- limitations in the availability, amount or terms of insurance coverage;
- the risk that our international customers may have reduced access to credit because of higher interest rates, reduced bank lending or a deterioration in our customers' or their lenders' financial condition;
- the burden of complying with multiple and potentially conflicting laws and regulations;
- the imposition of unanticipated or increased environmental and safety regulations or other forms of public or governmental regulation that increase our operating expenses;
- complications associated with installing, operating and repairing equipment in remote locations;
- theft of, or lack of sufficient legal protection for, proprietary technology and other intellectual property;

- the geographic, time zone, language and cultural differences among personnel in different areas of the world; and

- challenges in staffing and managing international operations.

These and the other risks outlined above could cause us to curtail or terminate operations, result in the loss of personnel or assets, disrupt financial and commercial markets and generate greater political and economic instability in some of the geographic areas in which we operate. International areas where we operate that have significant risk include Indonesia, Brazil, Mexico and West Africa.

We are subject to foreign currency exchange risks and limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries or to repatriate assets from some countries.

A sizable portion of our consolidated revenue and consolidated operating expenses is in foreign currencies. As a result, we are subject to significant risks, including foreign currency exchange risks resulting from changes in foreign currency exchange rates and the implementation of exchange controls and limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries.

As an example, we conduct business in countries that have restricted or limited trading markets for their local currencies and restrict or limit cash repatriation. We may accumulate cash in those geographies, but we may be limited in our ability to convert our profits into U.S. dollars or to repatriate the profits from those countries.

Laws, regulations or practices in foreign countries could materially restrict our operations or expose us to additional risks.

In many countries around the world where we do business, all or a significant portion of the decision making regarding procuring our services and products is controlled by state-owned oil companies. State-owned oil companies or prevailing laws may (i) require us to meet local content or hiring requirements or other local standards, (ii) restrict with whom we can contract or (iii) otherwise limit the scope of operations that we can legally or practically conduct. Our inability or failure to meet these requirements, standards or restrictions may adversely impact our operations in those countries. In addition, our ability to work with state-owned oil companies is subject to our ability to negotiate and agree upon acceptable contract terms and to enforce those terms. In addition, many state-owned oil companies may require integrated contracts or turnkey contracts that could require us to provide services outside our core businesses. Providing services on an integrated or turnkey basis generally requires us to assume additional risks.

Moreover, in order to effectively compete in certain foreign jurisdictions, it is frequently necessary or required to establish joint ventures or strategic alliances with local contractors, partners or agents. In certain instances, these local contractors, partners or agents may have interests that are not always aligned with ours. Reliance on local contractors, partners or agents could expose us to the risk of being unable to control the scope or quality of our overseas services or products, or being held liable under the FCPA, or other anti-corruption laws for actions taken by our strategic or local contractors, partners or agents even though these contractors, partners or agents may not themselves be subject to the FCPA or other applicable anti-corruption laws. Any determination that we have violated the FCPA or other anti-corruption laws could have a material adverse effect on our business, results of operations, reputation or prospects.

Potential changes of Bureau of Ocean Energy Management security and bonding requirements for offshore platforms could impact our operating cash flows and results of operations.

Federal oil and natural gas leases contain standard terms and require compliance with detailed Bureau of Safety and Environmental Enforcement ("**BSEE**") and BOEM regulations and orders issued pursuant to various federal laws, including the Outer Continental Shelf Lands Act. In 2016, BOEM undertook a review of its historical policies and procedures for determining a lessee's ability to decommission platforms on the Outer Continental Shelf ("**OCS**") and whether lessees should furnish additional security. In April 2024, BOEM released a final rule that changes the way BOEM evaluates the financial health of companies and offshore assets in setting financial assurance

requirements. Under the new rule, BOEM streamlined the criteria used to evaluate the financial health of an energy company down to two factors: (i) the company's credit rating and (ii) the ratio of the value of the company's proved reserves to decommissioning liability associated with those reserves. The new rule also codifies the usage of BSEE decommissioning estimates to evaluate supplemental financial assurance requirements and allows third party guarantors (upon agreement with BOEM) to provide limited guarantees to specific amounts or specific leases instead of the blanket guarantees that have been used in the past. Finally, the new rule also requires a base financial assurance requirement of $500,000 for federal right-of-use easement grants ("**RUEs**") to match the requirement for state RUEs. Following the announcement of the new rule, a series of lawsuits from both states and industry groups have been filed against BOEM to block the implementation of the new rule. We are actively monitoring ongoing litigation with respect to the new rule.

If we fail to comply with the new rule and such future orders, the BOEM could commence enforcement proceedings or take other remedial action against us, including assessing civil penalties, suspending operations or production, or initiating procedures to cancel leases, which, if upheld, would have a material adverse effect on our business, properties, results of operations and financial condition. In addition, if we are required to provide collateral in the form of cash or letters of credit, our liquidity position could be negatively impacted, and we may be required to seek alternative financing. To the extent we are unable to secure adequate financing, we may be forced to reduce our capital expenditures.

Additionally, as a result of adverse developments in restructuring and bankruptcies of companies operating in the OCS, many surety companies have left the offshore surety market or greatly decreased their participation in the offshore surety market, which has materially reduced the availability of surety bonds for projects in the OCS and may reduce the ability of companies operating in the OCS to obtain bonding without posting collateral. As a result, bonding may not be available to us on commercially reasonable terms, which may lead to significantly increased costs on our operations. Further, there may not be sufficient surety bond capacity available for companies in the OCS which could consequently have a material adverse effect on our ability to conduct operations.

All of these factors may make it more difficult for us to obtain the financial assurances required by the BOEM to conduct operations in the OCS. We cannot predict what actions President Trump may take regarding these regulations or the timing thereof or the availability of surety bonds on commercially reasonable terms in the marketplace. There is significant uncertainty with respect to the financial assurance regulatory requirements and current market availability of surety bonds. These and other changes to BOEM bonding and financial assurance requirements could result in increased costs on our operations and consequently have a material adverse effect on our business and results of operations. A BSEE final rule, published on August 23, 2023, that strengthens testing and performance requirements for blowout preventers and other well control equipment could have a similar impact.

Moreover, under existing BOEM and BSEE rules relating to assignment of offshore leases and other legal interests on the OCS, assignors of such interests may be held jointly and severally liable for decommissioning of OCS facilities existing at the time the assignment was approved by BOEM, in the event that the assignee or any subsequent assignee is unable or unwilling to conduct required decommissioning.

Changes in tax laws or tax rates, adverse positions taken by taxing authorities and tax audits could impact our operating results.

We are subject to taxes in the U.S. and numerous jurisdictions where we operate and our subsidiaries are organized. Due to economic and political conditions, tax rates in the U.S. and other jurisdictions may be subject to significant change.

Our tax returns are subject to examination by the U.S. Internal Revenue Service ("**IRS**") and other tax authorities and governmental bodies. We regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for taxes.

Adverse outcomes resulting from examinations of our tax returns, an increase in tax rates in a jurisdiction where we generate substantial income, particularly in the U.S., or changes in our ability to realize our deferred tax assets could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

Risks Related to the Quail Tools Acquisition

We may fail to realize all of the anticipated benefits of the Quail Tools Acquisition or those benefits may take longer to realize than expected. We may also encounter significant difficulties integrating Quail Tools into our business.

Our ability to realize the anticipated benefits of the Quail Tools Acquisition will depend, to a large extent, on our ability to successfully integrate Quail Tools into our business. The integration of a business is a complex, costly and time-consuming process. As a result, we will be required to devote significant management attention and resources to integrating our business practices and operations with the business practices and operations of Quail Tools. The integration process may disrupt our business and, if implemented ineffectively, would restrict the full realization of the anticipated benefits from the Quail Tools Acquisition. The failure to meet the challenges involved in integrating the acquired business and to realize the anticipated benefits of the transaction could adversely impact the carrying value of the Quail Tools Acquisition premium or goodwill; could cause an interruption of, or a loss of momentum in, our business activities; and could adversely impact our business, financial condition or results of operations. In addition, the overall integration of Quail Tools may result in material unanticipated problems, expenses, liabilities, loss of customers and diversion of the attention of our management and employees. Challenges of integrating the operations of acquired businesses include, among others:

- difficulties in achieving anticipated cost savings, synergies, business opportunities and growth prospects from the Quail Tools Acquisition;
- difficulties in the integration of operations and systems, including information technology systems;
- difficulties in establishing effective uniform controls, standards, systems, procedures, business cultures, compensation structures and accounting and other policies between the two businesses;
- difficulties in the acculturation of employees;
- difficulties managing the expanded operations of a larger and more complex company, including in new regions and in new, ancillary business lines;
- difficulties in managing key supplier relationships;
- challenges in keeping existing customers and obtaining new customers;
- challenges in attracting and retaining key personnel, including personnel that are considered key to the future success of the business; and
- challenges in keeping key business relationships in place.

Many of these factors are outside of our control, and any one of them could result in increased costs and liabilities, decreases in the amount of expected revenue and earnings and diversion of management's time and energy, which could have a material adverse effect on our business, financial condition and results of operations. In addition, even if the operations of our business and Quail Tools are integrated successfully, the full benefits of the Quail Tools Acquisition may not be realized, including the synergies, cost savings, growth opportunities or cash flows that are expected, and we will also be subject to additional risks that could impact future earnings. These benefits may not be achieved within the anticipated time frame, or at all. Further, additional unanticipated costs may be incurred in the integration of Quail Tools. In addition, it is possible that the integration process could result in the loss of key employees and inconsistencies in standards, controls, procedures and policies, which may adversely affect our ability to maintain relationships with our customers and employees or to achieve the anticipated benefits of the Quail Tools Acquisition. These integration matters and our amount of indebtedness may hinder our ability to make further acquisitions and could have an adverse effect on us for an undetermined period after the Quail Tools Acquisition. All of these factors could decrease or delay the expected accretive effect of the Quail Tools Acquisition or have a material adverse effect on our business, financial condition and results of operations.

We have incurred and may incur additional substantial transaction-related costs in connection with the Quail Tools Acquisition, including fees paid to legal, financial and accounting advisors.

We have incurred and are expected to continue to incur a number of substantial non-recurring costs associated with the Quail Tools Acquisition, combining the operations of Quail Tools with ours and achieving desired synergies. A significant majority of non-recurring expenses will consist of transaction costs and include, among others, fees paid to financial, legal, accounting and other advisors and employee retention, severance and benefit costs.

There are a large number of processes, policies, procedures, operations, technologies and systems that may need to be integrated, including purchasing, accounting and finance, sales, payroll, pricing and benefits. While we have assumed that a certain level of costs will be incurred, there are many factors beyond our control that could affect the total amount or the timing of the integration costs. Moreover, many of the costs that will be incurred are, by their nature, difficult to estimate accurately. These costs could, particularly in the near term, exceed the savings that we expect to achieve from the elimination of duplicative costs and the realization of economies of scale and cost savings. These integration costs may result in us taking significant charges against earnings as a result of the Quail Tools Acquisition, and the amount and timing of such charges are uncertain at present. Although we expect that the elimination of duplicative costs, as well as the realization of synergies and efficiencies, related to the integration of Quail Tools should allow us to offset these transaction costs over time, this net benefit may not be achieved in the near term or at all.

Significant demands will be placed on us and Quail Tools because of the Quail Tools Acquisition.

As a result of the Quail Tools Acquisition, significant demands will be placed on our managerial, operational and financial personnel and systems as well as those of Quail Tools. We cannot assure you that our and Quail Tools' respective systems, procedures and controls will be adequate to support the expansion of operations following and resulting from the Quail Tools Acquisition. Our future operating results will be affected by the ability of our officers and key employees to manage changing business conditions and to implement and expand our operational and financial controls and reporting systems in response to the Quail Tools Acquisition.

The unaudited pro forma condensed combined financial information in this offering memorandum is presented for illustrative purposes only and may not be reflective of our operating results or financial condition following completion of the Quail Tools Acquisition.

The unaudited pro forma condensed combined financial information in this offering memorandum is presented for illustrative purposes only and is not necessarily indicative of what our actual financial condition or results of operations would have been had the Quail Tools Acquisition or this offering been completed on the dates indicated. The unaudited pro forma condensed combined financial information reflects adjustments, which are based upon preliminary estimates, to reflect Quail Tools' identifiable assets to be acquired and liabilities to be assumed at fair value and the resulting goodwill. The fair value estimates reflected in this offering memorandum are preliminary, and final amounts will be based upon the actual consideration and the fair value of the assets and liabilities of Quail Tools as of the acquisition date for accounting purposes. Accordingly, the final acquisition accounting adjustments may differ materially from the pro forma adjustments reflected in this offering memorandum. For more information, see "*Summary Pro Forma and Historical Financial and Operational Data*."

Risks Related to Our Indebtedness

In connection with the Quail Tools Acquisition, we incurred substantial indebtedness that will be refinanced with the proceeds of the Notes, and we may be required to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness if cash flows and capital resources are insufficient to service our indebtedness.

Prior to the Quail Tools Acquisition we had no funded debt for borrowed money. In connection with the Quail Tools Acquisition, we incurred $450.0 million of indebtedness, consisting of a $250.0 million Seller Note and a $200.0 million unsecured Bridge Loan with the Bridge Loan Lenders, which will be repaid in full with the proceeds of the Notes. In connection with the offering contemplated hereby, we are entering into the Amended Credit

Agreement. Any indebtedness incurred by us under the Amended Credit Agreement will increase the amount of interest payable by us from time to time until such indebtedness is repaid, which will represent an increase in our interest costs and a potential reduction in our net income. In addition, we may need to find additional sources of financing to repay any such additional indebtedness when it becomes due. There can be no guarantee that we will be able to obtain financing on terms acceptable to us or at all at such time.

After giving effect to the completion of the Quail Tools Acquisition, the entry into the Amended Credit Agreement, this offering and the use of proceeds therefrom, we anticipate that we will have approximately $600.0 million of total debt for borrowed money. Upon consummation of the offering contemplated hereby, the Amended Credit Agreement will be undrawn, and we will have $200.0 million of available commitments thereunder. Availability under the Amended Credit Agreement is subject to a borrowing base calculation, which fluctuates based upon a percentage of our eligible accounts receivable and eligible cash, minus reserves established by the lenders under our Amended Credit Agreement. Following the consummation of this offering and the effectiveness of the Amended Credit Agreement, we expect to have approximately $68 million of available borrowing capacity under the Amended Credit Agreement (assuming the inclusion of Quail Tool's eligible accounts receivable).

A high level of indebtedness increases the risk that we may default on our debt obligations. Our ability to meet our debt obligations and to reduce our level of indebtedness depends on our future performance. Our future performance depends on many factors independent of the Quail Tools Acquisition, some of which are beyond our control, such as general economic conditions and oil and natural gas and commodity prices. We may not be able to generate sufficient cash flows to service all of our indebtedness, and we may be forced to take other actions to satisfy our obligations under our indebtedness that may not be successful. Future working capital, borrowings or equity financing may not be available to pay or refinance such debt.

If cash flows and capital resources are insufficient to service our indebtedness, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness, including the Amended Credit Agreement and the Notes. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. Our ability to restructure or refinance our indebtedness will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. In addition, the terms of existing or future debt agreements, including the Amended Credit Agreement and the Indenture, may restrict us from adopting some of these alternatives.

If we are required to dispose of material assets or operations to meet our debt service and other obligations, we may not be able to consummate those dispositions for fair market value or at all. Furthermore, any proceeds that we could realize from any such dispositions may not be adequate to meet our debt service obligations then due. Our inability to generate sufficient cash flow to satisfy our indebtedness, or to refinance our indebtedness on commercially reasonable terms or at all, could result in a material adverse effect on our business, results of operations and financial condition and could negatively impact our ability to satisfy our obligations under the Amended Credit Agreement and the Notes. If we cannot make scheduled payments on our indebtedness, we will be in default and holders of our debt could declare all outstanding principal and interest to be due and payable, the lenders under the Amended Credit Agreement could terminate their commitments to loan money and declare all outstanding principal and interest to be due and payable, the Notes may come due and payable, our secured creditors could foreclose against the assets securing their indebtedness and we could be forced into bankruptcy or liquidation.

We and our subsidiaries may still be able to incur substantially more debt in the future, which could impact our business and results of operations.

We and our subsidiaries may be able to incur significant additional indebtedness in the future. Although the Indenture and the Amended Credit Agreement contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the additional indebtedness incurred in compliance with these restrictions could be substantial. If we incur any additional indebtedness that ranks equally with the Notes, subject to collateral arrangements, the holders of that debt will be entitled to share ratably with you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up of our company. This may have the effect of reducing the amount of proceeds paid to you. If new debt is added to our current debt levels, the related risks that we and the guarantors now face could intensify.

We may be unable to service our indebtedness.

Our ability to make scheduled payments on and to refinance our indebtedness, including the Amended Credit Agreement and the Notes, depends on and is subject to our financial and operating performance, which in turn is affected by general and regional economic, financial, competitive, business and other factors beyond our control, including the availability of financing in the banking and capital markets. We cannot provide assurance that our business will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to service our debt, including the Notes, to refinance our debt or to fund our other liquidity needs. If we are unable to meet our debt obligations or to fund our other liquidity needs, we may be forced to reduce or delay scheduled expansion and capital expenditures, sell material assets or operations, obtain additional capital or restructure our debt, including the Notes, which could cause us to default on our debt obligations and impair our liquidity. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. If we are required to dispose of material assets or operations or restructure our debt to meet our debt service and other obligations, we cannot provide assurance that the terms of any such transaction will be satisfactory to us or if, or how soon, any such transaction could be completed.

Increases in interest rates, a reduction in credit rating or other factors negatively impacting the availability, terms and costs of capital could have a material adverse effect on our planned growth and operating results.

We require continued access to capital, and our business and operating results can be harmed by factors such as the availability, terms and cost of capital, increases in interest rates or a reduction in credit rating. These changes could cause our cost of doing business to increase, limit our ability to pursue acquisition opportunities, reduce cash flow used for operations and place us at a competitive disadvantage. Potential disruptions and volatility in the global financial markets may lead to a contraction in credit availability impacting our ability to finance our operations. A significant reduction in cash flows from operations or the availability of credit could materially and adversely affect our ability to achieve our planned growth and operating results.

Risks Related to the Notes, Guarantees and Collateral

The Notes will be secured only to the extent of the value of the assets that have been granted as security for the Notes, which may not be sufficient to satisfy all or any of our obligations under the Notes. Relatedly, with respect to any ABL Priority Collateral, the Notes will be effectively subordinated to all of our and the Guarantors' obligations under the Amended Credit Agreement and any other Pari Passu ABL Lien Indebtedness, and any proceeds from the ABL Priority Collateral must first be used to pay in full any obligations under the Amended Credit Agreement and other Pari Passu ABL Lien Indebtedness; and as a result, proceeds of the ABL Priority Collateral may not be available to repay the Notes in full or at all.

The Notes will be secured by first-priority Liens, subject to certain Permitted Liens, on the Notes Priority Collateral and by second-priority Liens, subject to certain Permitted Liens, on the ABL Priority Collateral. The Notes Priority Collateral also secures our obligations under the Amended Credit Agreement on a second-priority basis. Under the Indenture and under the Amended Credit Agreement, we are permitted to incur additional first and second Lien debt. Therefore, your rights to the Collateral will be diluted by any increase in such debt. Proceeds from the ABL Priority Collateral must be used first to pay in full our obligations under the Amended Credit Agreement and other future Pari Passu ABL Lien Indebtedness, before they may be used to repay the Notes or any other Pari Passu Notes Lien Indebtedness that we may incur in the future. The value of the Notes Priority Collateral, which also secures our obligations under the Amended Credit Agreement and any Pari Passu ABL Lien Indebtedness that we may incur in the future, may not be sufficient to pay any or all amounts due under the Notes. Additionally, the value of the ABL Priority Collateral must first be used to pay in full any Pari Passu ABL Lien Indebtedness, and as a result, proceeds of the ABL Priority Collateral may not be available to repay the Notes in full or at all.

No appraisals of any of the Collateral securing the Notes have been prepared by us or on behalf of us in connection with this offering. The Fair Market Value of the Collateral securing the Notes is subject to fluctuations based on factors that include, among others, our ability to implement our business strategy, the ability to sell the Collateral in an orderly sale, general economic conditions, the availability of buyers and similar factors. The amount to be received upon a sale of any Collateral depends on numerous factors, including, but not limited to, the actual Fair

Market Value of the Collateral at such time, general, market and economic conditions and the timing and the manner of the sale.

In addition, the Collateral securing the Notes is subject to Permitted Liens whether arising prior to, on or after the date the Notes were issued or are issued in the future, including Liens to secure capital lease obligations, purchase money indebtedness and any obligation not constituting "indebtedness," as defined in the Indenture and assets subject to such Liens will in certain circumstances be excluded from the Collateral. The existence of any Permitted Liens could adversely affect the value of the Collateral securing the Notes, as well as the ability of the Notes Collateral Agent under the Security Documents to realize or foreclose on such Collateral.

There also can be no assurance that the Collateral securing the Notes will be saleable and, even if saleable, the timing of its liquidation is uncertain. To the extent that Liens or other rights granted to third parties encumber assets constituting the Collateral securing the Notes, such third parties may have rights and remedies with respect to the assets subject to such Liens that could adversely affect the value of the Collateral and/or the ability of the Notes Collateral Agent to realize or foreclose on the Collateral. By its nature, some or all of the Collateral securing the Notes may be illiquid and may have no readily ascertainable market value. If the proceeds of any sale of Collateral are not sufficient to repay all amounts due under the Notes, our Amended Credit Agreement and any other first or second-Lien Secured Debt Incurred in the future, the holders of Notes would have only an unsecured claim against the remaining assets of the Company and the Guarantors.

Furthermore, not all of our and the Guarantors' assets will secure the Notes. See "*Description of Notes—Security*." For example, the Collateral will not include, among other things:

- any lease, license, contract or agreement to which the Company or any Guarantor is a party or any of its rights or interests thereunder if and only for so long as the grant of a Lien under the Security Documents will constitute or result in a termination under, or a default or breach thereof that would give the other party thereto the right to terminate, any such lease, license, contract or agreement;
- any assets held by any Unrestricted Subsidiaries;
- any letter-of-credit rights;
- certain equity interests owned in a joint venture permitted to be incurred under the Indenture;
- assets securing purchase money obligations or capital lease obligations permitted to be incurred under the Indenture, to the extent no Lien on those assets secures any other indebtedness of the Company or any of the Restricted Subsidiaries other than such purchase money obligations or capital lease obligations;
- certain equity interests in foreign subsidiaries;
- any aircraft, trucks, trailers, cars and all other vehicles covered by certificates of title or ownership;
- assets where the cost of obtaining a security interest therein or perfection thereof exceeds the practical benefit to the holders afforded thereby;
- any building or manufactured (mobile) home on a mortgaged real property that is located in a flood zone; and
- certain deposit accounts.

Some of these assets may be material to us and such exclusion could have a material adverse effect on the value of the Collateral.

To the extent that the claims of the holders of the Notes exceed the value of the assets securing the Notes and other liabilities, those claims will rank equally with the claims of the holders of any of our unsecured senior indebtedness. As a result, if the value of the assets pledged as security for the Notes and other liabilities is less than the value of the claims of the holders of the Notes and other secured liabilities, those claims may not be satisfied in full before the claims of our unsecured creditors are also paid in full.

The payment and enforcement provisions of the ABL Intercreditor Agreement limit the rights of holders of the Notes and the rights and remedies of the holders of the Notes under the Indenture and the other agreements governing the Notes, including during an Event of Default, and, as a result, may materially and adversely affect our ability to repay the Notes in part or in full and the holders' ability to enforce rights and remedies or to direct the trustee under the Indenture or the Notes Collateral Agent under the Security Documents to take enforcement action.

The rights of the holders of the Notes, including with respect to the Collateral securing the Notes and the Guarantees, are limited by the provisions of the ABL Intercreditor Agreement. The ABL Intercreditor Agreement provides that rights and remedies of the trustee and the holders of the Notes with respect to the ABL Priority Collateral will be restricted and until the expiry of a 180-day standstill period. The standstill period will be extended (and the enforcement rights of the holders of the Notes will be deferred) if (i) the holders of the obligations under the Amended Credit Agreement and other Pari Passu ABL Lien Indebtedness have commenced and are diligently pursuing the exercise of their rights or remedies with respect to all, substantially all or any material portion of the ABL Priority Collateral (or are diligently attempting to vacate any stay or prohibition against such exercise) or are stayed or otherwise precluded from pursuing such rights or remedies pursuant to applicable laws or Insolvency or Liquidation Proceedings (including pursuant to any order made in connection therewith) or (ii) the Company or any Guarantor is subject to insolvency or liquidation proceedings, including any reorganization, compromise with creditors, plan of arrangement or other winding up of or relating to the Company or any Guarantor, whether voluntary or not and whether or not involving bankruptcy or insolvency and including, for certainty, similar proceedings under the arrangement provisions of any applicable corporate law ("**Insolvency or Liquidation Proceedings**") (including pursuant to any order made in connection therewith). During the pendency of such standstill period, the trustee and the holders of the Notes will not be permitted to (A) institute or commence any enforcement actions or instruct the Notes Collateral Agent to institute or commence any enforcement actions with respect to the ABL Priority Collateral, (B) institute or commence any Insolvency or Liquidation Proceeding or take any steps or proceedings in connection therewith, or (C) institute or commence any action or proceeding to enforce, collect or receive payment of any obligations outstanding under the Notes or exercise any rights to enforce payment of any obligations outstanding under the Notes, including any action of enforcement, realization, foreclosure, collection, seizure, garnishment, execution or the taking of any other enforcement action (whether as a secured or unsecured creditor). The ABL Collateral Agent, for itself and on behalf of the holders of ABL Obligations, will agree to similar limitations with respect to their rights in the Notes Priority Collateral.

Any actions that may be taken to cause the commencement of enforcement proceedings against the ABL Priority Collateral and to control the conduct of such proceedings will be at the direction of the holders of a majority of the obligations secured by the ABL Priority Collateral (including the Amended Credit Agreement). Any such action may adversely affect the interests of holders of Notes.

In addition, the ABL Intercreditor Agreement contains certain provisions for the benefit of the lenders and other creditors under the Amended Credit Agreement and other obligations secured by the ABL Priority Collateral, including provisions that provide that such creditors will have exclusive rights to take certain actions with respect to the ABL Priority Collateral. The ABL Intercreditor Agreement also precludes the trustee for the Notes, the holders of Notes and holders of any other Pari Passu Notes Lien Indebtedness from proposing or supporting any plan or proceeding that would be inconsistent with the provisions of the ABL Intercreditor Agreement. After the commencement of insolvency proceedings, the value of the Collateral securing the Notes could materially deteriorate, and holders of the Notes would be unable to raise any objections. In addition, the right of holders of obligations secured by the ABL Priority Collateral or the Notes Priority Collateral to foreclose upon and sell such Collateral upon the occurrence of an Event of Default also would be subject to limitations under applicable bankruptcy and insolvency laws if we or any of our Subsidiaries become subject to a bankruptcy, insolvency or foreclosure proceeding. Any of the above may result in our not being able to make any payments with respect to the Notes. See "*Description of Notes— ABL Intercreditor Agreement*."

The imposition of certain Permitted Liens could materially adversely affect the value of the Collateral.

The Collateral is subject to Permitted Liens under the terms of Indenture, whether arising on or after the Issue Date. The existence of any Permitted Liens could materially adversely affect the value of the Collateral that could be realized by the holders of the Notes as well as the ability of the Notes Collateral Agent to realize or foreclose on such Collateral.

Your rights in the Collateral securing the Notes may be adversely affected by the failure to perfect security interests in Collateral.

Applicable law provides that a security interest in certain tangible and intangible assets can only be properly perfected and its priority retained through certain actions undertaken by the secured party or the grantor of the security, as applicable. The Liens in the Collateral securing the Notes may not be perfected with respect to the claims of holders of the Notes if we and our Guarantors are not able to timely take the actions necessary to perfect the Liens. If additional Subsidiaries are formed or acquired and become Guarantors under the Indenture, additional perfection steps will be required to perfect the security interests in the assets of such Guarantors. In addition, applicable law provides that certain property and rights acquired after the grant of a general security interest, such as real property, intellectual property and certain proceeds, can only be perfected at or after the time such property and rights are acquired and identified and may then be subject to claw back in the event of bankruptcy of the relevant collateral provider. We cannot assure you that the Notes Collateral Agent under the Indenture will monitor, or that we will inform the Notes Collateral Agent of, the future Guarantors or acquisition of property and rights that constitute Collateral, and that the necessary action will be taken to properly perfect the security interest in after-acquired Collateral. The Notes Collateral Agent has no obligation to monitor the acquisition of additional property or rights that constitute Collateral or the perfection of any security interest in any Collateral in favor of the Notes. This failure may result in the loss of the security interest in any additional property or rights that constitute Collateral or the priority of the security interest in favor of the Notes against third parties. Even if the Notes Collateral Agent does take all actions necessary to create properly perfected security interests on Collateral acquired in the future, any such security interests that are perfected after the date of the Indenture would (as described further herein) remain at risk of being avoided under certain circumstances as a preferential transfer or otherwise in any bankruptcy even after the security interests perfected on the closing date were no longer subject to such risk. See "*—Applicable statutes allow courts, under specific circumstances, to void the Guarantees of certain of the Guarantors*" and "*Any future pledge of Collateral or future Guarantee, in each case for the Notes, may be voidable in a bankruptcy proceeding.*"

The Collateral securing the Notes is subject to casualty risks and potential environmental liabilities.

The Indenture and the Security Documents governing the Notes require us and the Guarantors to maintain insurance or otherwise insure against risks to the extent customary with companies in the same or similar businesses operating in the same or similar locations as us. There are, however, certain losses that may be either uninsurable or not economically insurable, in whole or in part. As a result, we cannot assure you that the insurance proceeds will compensate us fully for our losses. If there is a total or partial loss of any of the Collateral securing the Notes, we cannot assure that any insurance proceeds received by us will be sufficient to satisfy our obligations, including those under the Notes.

Moreover, the Notes Collateral Agent under the Indenture may need to evaluate the impact of potential liabilities before determining to foreclose on Collateral consisting of real property because secured creditors that realize on a security interest in real property in certain circumstances may be held liable under environmental laws for the costs of remediating or preventing the release or threatened release of hazardous substances at that real property. Consequently, the Notes Collateral Agent under the Indenture may decline to foreclose on that Collateral or exercise remedies available in respect thereof if it does not receive indemnification to its satisfaction from the holders of the Notes.

The rights of holders of the Notes to the Collateral may be adversely affected by other issues generally associated with the realization of security interests in Collateral.

The security interest of the Notes Collateral Agent will be subject to practical challenges generally associated with the realization of security interests in Collateral. For example, the Notes Collateral Agent may need to obtain the

consent of third parties or make additional filings. If we are unable to obtain these consents or make these filings, the security interests may be invalid and the holders of the Notes will not be entitled to the Collateral or any recovery with respect to the Collateral. The Notes Collateral Agent may not be able to obtain any such consent. Further, the consents of any third parties may not be given when required to facilitate a foreclosure on such Collateral. Accordingly, the Notes Collateral Agent may not have the ability to foreclose upon those assets. These requirements may limit the number of potential bidders for certain Collateral in any foreclosure or other auction and may delay any sale, either of which events may have an adverse effect on the sale price of the Collateral. Therefore, the practical value of realizing on the Collateral may, without the appropriate consents and filings, be limited.

Lien searches may not reveal all Liens on the Collateral securing the Notes.

We cannot guarantee that the Lien searches on the Collateral that will secure the Notes will reveal any or all existing Liens on such Collateral. Any such existing Lien, including undiscovered Liens, could be significant, could be prior in ranking to the Liens securing the Notes and could have an adverse effect on the ability of the Collateral Agent to realize or foreclose upon the Collateral securing the Notes.

The Collateral for the Notes is subject to condemnation or expropriation risks, which may limit your ability to recover as a secured creditor for losses to the Collateral consisting of mortgaged properties, and which may have an adverse impact on our operations and results.

It is possible that all or a portion of the mortgaged properties securing the Notes may become subject to a condemnation or expropriation proceeding by a governmental or other expropriating authority. In such event, we may be compensated for any total or partial loss of property but it is possible that such compensation or expropriation will be insufficient to fully compensate us for our losses. In addition, a total or partial condemnation or expropriation may interfere with our ability to use and operate all or a portion of the affected facility, which may have an adverse impact on our operations and results.

We will in most cases have control over the Collateral securing the Notes.

The Security Documents generally allow us and the Guarantors to remain in possession of, to retain exclusive control over, to freely operate, and to collect, invest and dispose of any income from, the Collateral securing the Notes. These rights may adversely affect the value of such Collateral at any time and may impact the type and quality of the security interest granted in respect of the Collateral. In addition, to the extent we sell any assets that constitute Collateral, the proceeds from such sale will be subject to a Lien securing the Notes only to the extent such proceeds would otherwise constitute "Collateral" securing the Notes under the Security Documents. To the extent the proceeds from any sale of Collateral do not constitute "Collateral" under the Security Documents, the pool of assets securing the Notes would be reduced.

There are circumstances other than repayment or discharge of the Notes under which the Collateral securing the Notes and the Guarantees will be released automatically, without your consent or the consent of the trustee or the Notes Collateral Agent.

Under various circumstances, Collateral securing the Notes will be released automatically, including:

- a sale, transfer or other disposal of the Collateral in a transaction that complies with the Indenture;
- with respect to Collateral held by a Guarantor, upon the release of the Guarantor from its Guarantee;
- upon the Legal Defeasance or Covenant Defeasance of the Notes and the Indenture;
- upon payment in full and discharge of all Notes outstanding under the Indenture and all other obligations that are outstanding, due and payable under the Indenture at the time the Notes are paid in full and discharged;

- with respect to Collateral foreclosed upon by the Notes Collateral Agent or against which the Notes Collateral Agent otherwise exercises its rights or remedies, including any enforcement action;

- with respect to Collateral that becomes an Excluded Asset;

- with respect to any other release of any of the Collateral, if consent has been given by the requisite percentage or number of holders of the Notes; and

- with respect to any Collateral in which the Company and no Guarantor owned an interest at the time the lien was granted or at any time thereafter.

See "*Description of Notes—Release of Liens on Collateral*."

The Indenture will also permit us to designate one or more of our Restricted Subsidiaries that is a Guarantor of the Notes as an Unrestricted Subsidiary. If we designate a Guarantor as an Unrestricted Subsidiary for purposes of the Indenture, all of the Liens on any Collateral owned by such Subsidiary or any of its Subsidiaries and any Guarantees of the Notes by such Subsidiary or any of its Subsidiaries will be released under the Indenture but not necessarily under the Amended Credit Agreement. Designation of an Unrestricted Subsidiary will reduce the aggregate value of the Collateral securing the Notes to the extent that Liens on the assets of the Unrestricted Subsidiary and its Subsidiaries are released. In addition, the creditors of the Unrestricted Subsidiary and its Subsidiaries will have a senior claim on the assets of such Subsidiary and its Subsidiaries.

The Notes are structurally subordinated to the debt of our non-guarantor Subsidiaries.

The Notes will be guaranteed by each of our existing and subsequently acquired or organized Subsidiaries that provide guarantees under the Amended Credit Agreement. Payments on the Notes are only required to be made by us and the Guarantors. Accordingly, claims of holders of the Notes will be structurally subordinated to the claims of creditors of these non-guarantor Subsidiaries, including trade creditors. All obligations of our non-guarantor Subsidiaries, including trade payables, will have to be satisfied before any of the assets of such Subsidiaries would be available for distribution, upon liquidation or otherwise, to us or a Guarantor of the Notes.

In addition, our Subsidiaries that provide, or will provide, Guarantees will be automatically released from those Guarantees upon the occurrence of certain events, including the following:

- the sale, disposition or other transfer (including through merger, amalgamation or consolidation or otherwise) of all of the capital stock (or any sale, disposition or other transfer of capital stock following which such Guarantor is no longer a Restricted Subsidiary), or of all or substantially all the assets, of such Guarantor (other than a sale, disposition or other transfer to the Company or a Restricted Subsidiary) if such sale, disposition or other transfer is made in compliance with the applicable provisions of the Indenture;

- the designation of that Guarantor as an Unrestricted Subsidiary in accordance with the Indenture;

- the release or discharge of such Guarantor from its guarantee of indebtedness under the Amended Credit Agreement and each other guarantee that resulted in the Obligation of such Guarantor to guarantee the Notes, in each case, if such Guarantor would not then otherwise be required to guarantee the Notes pursuant to the covenant described under "*Description of Notes—Note Guarantees*" except, in each case, a release or discharge by, or as a result of, payment under any such guarantee;

- the exercise by the Company of its Legal Defeasance option or its Covenant Defeasance option in the event of Legal Defeasance or Covenant Defeasance; or

- the discharge of the Company's obligations under the Indenture in accordance with the terms of the Indenture.

If any Guarantee is released, no holder of the Notes will have a claim as a creditor against the applicable Subsidiary, and the claims of holder of Notes will be structurally subordinated to the indebtedness and other liabilities, including trade payables and preferred stock, if any, whether secured or unsecured, of that Subsidiary. See "*Description of Notes—Note Guarantees*."

We may redeem your Notes at our option, which may adversely affect your return.

At any time prior to , 2027 we may on any one or more occasions redeem up to an aggregate of 40% of the aggregate principal amount of the Notes at a redemption price of % of the principal amount thereof, plus accrued and unpaid interest, if any, to, but not including the redemption date, with an amount not greater than the net cash proceeds that we raise in certain equity offerings, if at least 60% of the aggregate principal amount of the Notes issued under the Indenture remains outstanding immediately after such redemption and the redemption occurs within 180 days of the closing date of such equity offering. In addition, at any time prior to , 2027, we may on any one or more occasions redeem all or a part of the Notes at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to, but not including the redemption date, plus the "make-whole" premium set forth under "*Description of Notes—Optional Redemption*." On or after , 2027 we may redeem the Notes, in whole or in part, at the redemption prices set forth under "*Description of Notes—Optional Redemption*." We may choose to exercise these redemption rights when prevailing interest rates are relatively low. In addition, we may redeem up to 10% of all the Notes during any 12-month period at a redemption price equal to 103% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to, but not including the redemption date. Any redemption of this kind shall be made upon not less than 10 and no more than 60 days' prior notice. In addition, we may be required to offer to prepay the Notes with proceeds of certain non-ordinary course assets sales. See "*Description of Notes—Certain Covenants—Merger, Consolidation or Sale of Assets*." As a result, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes.

Many of the covenants contained in the Indenture will be terminated if the Notes are rated investment grade by two or more rating agencies and no default has occurred and is continuing.

Many of the covenants in the Indenture governing the Notes will be terminated if the Notes receive Investment Grade Ratings from two or more rating agencies provided at such time no default has occurred and is continuing. There can be no assurance that the Notes will ever be rated investment grade.

An adverse rating of the Notes may cause the value of such Notes to fall.

If the rating agencies that rate the Notes reduce their ratings on the Notes in the future or indicate that they have their ratings on such Notes under surveillance or review with possible negative implications, the value of the Notes could decline. In addition, a ratings downgrade could adversely affect our ability to access capital. Our credit ratings are an assessment by rating agencies of our ability to pay our debts when due. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the Notes. These credit ratings may not reflect the potential impact of risks relating to structure or marketing of the Notes. Agency ratings are not a recommendation to purchase, hold or sell the Notes and may be revised or withdrawn at any time by the issuing organization. Each agency's rating should be evaluated independently of any other agency's rating.

We may not be able to repurchase the Notes upon a Change of Control Triggering Event or Asset Sale.

If we experience certain kinds of Changes of Control and there is a related decline in any of the credit ratings on the Notes, we may be required to offer to repurchase all outstanding Notes at 101% of their principal amount plus accrued and unpaid interest, if any. In addition, we may be required to offer to repurchase Notes with certain proceeds of Asset Sales if we do not use such proceeds in a specified way within a specified period of time. The source of funds for any such purchase of the Notes will be our available cash or cash generated from the operations of our Subsidiaries or other sources, including borrowings, sales of assets or sales of equity or debt securities. We may not be able to repurchase the Notes upon a Change of Control or in connection with an Asset Sale because we may not have sufficient financial resources to purchase all of the Notes that are tendered or we may be contractually restricted from doing so under our Amended Credit Agreement or otherwise. Our failure to repurchase the Notes upon a Change of Control or

following an Asset Sale could cause a default under the Indenture governing the Notes and could lead to a cross-default under our existing debt instruments, including the Amended Credit Agreement.

Additionally, any Change of Control under the Indenture would likely constitute a change of control under the Amended Credit Agreement, which if not waived by the requisite lenders under the Amended Credit Agreement would constitute an event of default under the Amended Credit Agreement.

We may enter into transactions that would not constitute a Change of Control that could affect our ability to satisfy our obligations under the Notes, and the ability of holders of Notes to require us to repurchase Notes as a result of a disposition of "substantially all" of our assets may be uncertain.

Legal uncertainty regarding what constitutes a Change of Control and the provisions of the Indenture may allow us to enter into transactions such as acquisitions, re-financings or recapitalizations that would not constitute a Change of Control but may increase our outstanding indebtedness or otherwise affect our ability to satisfy our obligations under the Notes. The definition of Change of Control for purposes of the Notes includes phrases relating to the transfer of "all or substantially all" of our properties or assets and the Restricted Subsidiaries. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, your ability to require us to repurchase Notes as result of transfer of less than all of our assets to another Person may be uncertain. See "*Description of Notes—Repurchase at the Option of Holders—Change of Control*."

Certain actions in respect of defaults taken under the Indenture that will govern the Notes by beneficial owners with short positions in excess of their interests in the Notes will be disregarded.

By acceptance of the Notes, each holder of Notes agrees, in connection with any notice of default, notice of acceleration or instruction to the trustee to provide a notice of default, notice of acceleration or take any other action (a "**Noteholder Direction**"), to (i) deliver a written representation to us and the trustee that such holder and any of its affiliates acting in concert with it in connection with its investment in the Notes (other than screened affiliates) are not (or, in the case such holder is DTC or its nominee, that such holder is being instructed solely by beneficial owners that (together with such affiliates) are not) Net Short and (ii) provide us with such other information as we may reasonably request from time to time in order to verify the accuracy of such holder's representation within five Business Days of request therefor. These restrictions may impact a holder's ability to participate in Noteholder Directions if it is unable to make such a representation.

We may be unable to repay or repurchase the Notes at maturity.

At maturity, the entire outstanding principal amount of the Notes, together with accrued and unpaid interest, if any, will become due and payable. We may not have the funds to fulfill these obligations or the ability to renegotiate these obligations. If, upon the maturity date, other arrangements prohibit us from repaying the Notes, we could try to obtain waivers of such prohibitions from the lenders and holders under those arrangements, or we could attempt to refinance the borrowings that contain the restrictions. In these circumstances, if we were not able to obtain such waivers or refinance these borrowings, we would be unable to repay the Notes.

We may not be able to generate sufficient cash flow to service all of our obligations, including our obligations relating to the Notes.

Our ability to make payments on and to refinance our indebtedness, including the indebtedness incurred under the Amended Credit Agreement and the Notes, will depend on our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

There can be no guarantee that our business will be able to generate sufficient cash flow from operations, or that future borrowings will be available to us under the Amended Credit Agreement, in amounts sufficient to enable us to pay our indebtedness, including the Notes, as such indebtedness matures and to fund our other liquidity needs. If this is the case, we will need to refinance all or a portion of our indebtedness, including the Notes, on or before

maturity, and we cannot assure holders of Notes that we will be able to refinance any of our indebtedness, including the Amended Credit Agreement and the Notes, on commercially reasonable terms, or at all. We may have to adopt one or more alternatives, such as reducing or delaying planned expenses and capital expenditures, selling assets, restructuring debt, or obtaining additional equity or debt financing or joint venture partners. These financing strategies may not be effected on satisfactory terms, if at all. If we do not generate sufficient cash flow from operations, and additional borrowings, refinancings or proceeds of Asset Sales are not available to us, we may not have sufficient cash to enable us to meet all of our obligations, including payments due on the Notes.

Bankruptcy and insolvency law may impair the trustee's and the Notes Collateral Agent's ability to enforce remedies under the Indenture.

The right of the Notes Collateral Agent to repossess and dispose of the Collateral securing the Notes upon the occurrence of an Event of Default under the Indenture is likely to be significantly impaired by applicable bankruptcy and insolvency laws if bankruptcy proceedings are commenced by or against us or such Guarantors prior to, or possibly even after, the Notes Collateral Agent has repossessed and disposed of the Collateral. Upon the commencement of a case for relief under bankruptcy and insolvency laws, a secured creditor, such as the Notes Collateral Agent, is prohibited from repossessing its security from a debtor in a bankruptcy case, or from disposing of security repossessed from a debtor, without prior bankruptcy court approval (which may not be given under the circumstances of each case). Moreover, bankruptcy and insolvency laws permit the debtor to continue to retain and to use Collateral, including cash collateral, and the proceeds, products, rents, or profits of the Collateral, even though the debtor is in default under the applicable debt instruments, provided that the secured creditors either consent or is given "adequate protection." The meaning of the term "adequate protection" may vary according to circumstances, but it is intended in general to protect the value of the secured creditor's interest in the Collateral and may include cash payments or the granting of additional or replacement security, if and at such time as the court in its discretion determines, for any diminution in the value of the Collateral as a result of the stay of repossession or disposition or any use of the Collateral by the debtor during the pendency of the bankruptcy case. A bankruptcy court may determine that a secured creditor may not require compensation for a diminution in the value of its Collateral if the value of the Collateral exceeds the debt it secures. In view of both the lack of a precise definition of the term "adequate protection" under the U.S. Bankruptcy Code and the broad discretionary powers of a bankruptcy court, it is impossible to predict under these circumstances whether or when payments under the Notes could be made following the commencement of a bankruptcy case (or the length of the delay in making any such payments), whether or when the Notes Collateral Agent would repossess or dispose of the Collateral, the value of the Collateral at any time during the course of the bankruptcy case, or whether or to what extent the holders of the Notes would be compensated for any delay in payment of loss of value of the Collateral through the requirements of "adequate protection" or otherwise. Furthermore, in the event the bankruptcy court determines that the value of the Collateral is not sufficient to repay all amounts due on the Notes (after taking into account all of our other obligations that have a senior or *pari passu* Lien on the Collateral), the indebtedness under the Notes would be "under secured" and the holders of the Notes would have unsecured claims as to the difference.

Bankruptcy and insolvency laws do not permit the payment or accrual of interest, costs, expenses and attorneys' fees on under secured indebtedness during the debtor's bankruptcy case. In addition, the right of holders of obligations secured by priority Liens to foreclose upon and sell such Collateral upon the occurrence of an Event of Default also would be subject to limitations under applicable bankruptcy and insolvency laws if we or any of our Subsidiaries become subject to a bankruptcy, insolvency or foreclosure proceeding.

The value of the Collateral securing the Notes may not be sufficient to entitle the holders of the Notes to receive post-petition interest or applicable fees, costs, expenses, or charges. Should our obligations in respect of the Notes equal or exceed the fair market value of the Collateral securing the Notes after taking into account senior and other pari passu Liens on such Collateral, the holders of the Notes may be deemed to have an unsecured claim.

In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding against us or a Guarantor, holders of the Notes will be entitled to post-petition interest, fees, and expenses under bankruptcy and insolvency laws only if and to the extent that the value of the Collateral securing the Notes and Guarantees and the obligations under the Amended Credit Agreement and certain other Permitted Debt is greater than the aggregate pre-bankruptcy claims of the secured parties under such shared Collateral indebtedness plus the claims of the revolving lenders for post-petition interest pursuant to their right to be paid first from the Collateral. If we default on the Notes,

and the proceeds of the sale of the Collateral are not sufficient to repay all amounts due on the Notes, then your claims against our remaining assets not constituting Collateral to repay any amounts still outstanding under the Notes would be unsecured. The bankruptcy trustee, a debtor-in-possession or competing creditors could assert that the Fair Market Value of the Collateral with respect to the Notes on the date of the bankruptcy filing, after taking into account first-priority claims on such Collateral, was less than the then-current principal amount of the Notes. The consequences of a finding of under-collateralization would include, among other things, a lack of entitlement on the part of holders of the Notes to receive post-petition interest, costs, expenses, and attorneys' and other fees, and a lack of entitlement on the part of the unsecured portion of the Notes to receive "adequate protection" under bankruptcy and insolvency laws. In addition, if any payments of post-petition interest had been made at the time of such a finding of under-collateralization, such payments could be re-characterized by the bankruptcy court as a reduction of the principal amount of the secured claim with respect to Notes (after taking into account all of our other obligations that have a senior or *pari passu* Lien on the Collateral). We cannot assure you that there will be sufficient Collateral to satisfy our and the Guarantors' obligations under the Notes. In addition, in certain other jurisdictions, holders of the Notes may not be entitled to post-petition interest during bankruptcy or insolvency proceedings.

Any future pledge of Collateral or future Guarantee, in each case for the Notes, may be voidable in a bankruptcy proceeding.

Any future pledge of Collateral or future Guarantee in favor of the Notes Collateral Agent under the Indenture, including pursuant to Security Documents or Guarantees delivered after the closing of the offering, might be voidable by the pledgor (as debtor-in-possession) or by its trustee in a bankruptcy proceeding (or potentially by competing creditors) if certain events or circumstances exist or occur, including if the pledgor or Guarantor is insolvent at the time of the pledge or Guarantee, the pledge or Guarantee permits the holders of the Notes to receive a greater recovery than if the pledge or Guarantee had not been given and a bankruptcy proceeding in respect of the pledger or Guarantor is commenced within 90 days following the pledge or Guarantee, or, in certain circumstances, a longer period.

The security agreements granted in favor of the Notes Collateral Agent which will secure the Notes and Guarantees may contain exceptions, defects and other imperfections.

The existing security agreements granted in favor of the Notes Collateral Agent which will secure the Notes and Guarantees may contain exceptions, defects and other imperfections, and no additional security documents will be entered into, no additional filings will be made and no additional perfection steps will be taken for the benefit of the holders of the Notes. The initial purchasers have neither analyzed the effectiveness of, nor participated in any negotiations relating to, such security agreements or such exceptions, defects and imperfections. The existence of any such exceptions, defects and other imperfections and the failure to enter into additional security documents, make additional filings or take additional perfection steps could adversely affect the value of the Collateral as well as the ability of the Notes Collateral Agent to realize, enforce or foreclose on the Collateral for the benefit of the holders of the Notes.

Your security interests in certain items of present and future Collateral will not be created or perfected on the Issue Date.

The security interests to be granted in respect of certain Collateral will not be created or perfected on the Issue Date. Under the Indenture governing the Notes, the Company may have a period of time after such date to create and perfect the liens on certain of our property constituting Collateral. Under applicable law, a security interest in certain assets can only be properly created and perfected, and its priority retained, through certain actions undertaken by the grantor of the security. The security interests on Collateral securing the Notes may not be created or perfected if we fail or are unable to take the actions required to create or perfect such security interests. Absent creation and perfection of the security interests in the Collateral, the holders of the Notes may have difficulty enforcing their rights in the portion of the Collateral with respect to third parties, including a trustee in bankruptcy and other creditors who claim a security interest of greater or equal priority in the Collateral.

Applicable statutes allow courts, under specific circumstances, to void the Guarantees of certain of the Guarantors.

Our creditors or the creditors of one or more Guarantors could challenge the Guarantees as a fraudulent transfer, conveyance or preference or on other grounds under applicable U.S. federal or state law, as applicable. In addition, enforcement of any of the guarantees against any Guarantor will be subject to certain defenses available to Guarantors. While the relevant laws vary from one jurisdiction to another, the entering into of the Guarantees by certain Guarantors could be found to be a fraudulent transfer, conveyance or preference or otherwise void if a court were to determine that:

- the Guarantor delivered its Guarantee with the intent to defeat, hinder, delay or defraud its existing or future creditors;
- the Guarantor did not receive fair consideration for the delivery of the Guarantee;
- the Guarantor was insolvent at the time it delivered the Guarantee; or
- the Guarantor acted in an oppressive manner, unfairly prejudicial to or unfairly disregarded the interests of any stakeholder or other interested party.

To the extent a court voids a Guarantee as a fraudulent transfer, preference or conveyance or holds it unenforceable for any other reason, holders of Notes would cease to have any direct claim against the Guarantor. If a court were to take this action, the Guarantor's assets would be applied first to satisfy the Guarantor's liabilities, including trade payables and preferred stock claims, if any, before any portion of its assets could be distributed to us to be applied to the payment of the Notes. If a court were to conclude that the Guarantee should be subordinated for equitable reasons to claims of other creditors of a Guarantor, then those other creditors must be satisfied before any portion of the assets of that Guarantor would be available to satisfy the Guarantee. We cannot assure you that a Guarantor's remaining assets would be sufficient to satisfy the claims of the holders of the Notes relating to any voided portions or subordinated portions of the Guarantees.

In addition, the corporate statutes or other instruments governing the Guarantors may also have provisions that serve to protect each Guarantor's creditors from impairment of its capital from financial assistance given to its corporate insiders where there are reasonable grounds to believe that, as a consequence of this financial assistance, the Guarantor would be insolvent or the book value, or in some cases the realizable value, of its assets would be less than the sum of its liabilities and its issued and paid-up share capital. While the applicable corporate laws may not prohibit financial assistance transactions and a corporation is generally permitted flexibility in its financial dealings, the applicable corporate laws may place restrictions on each Guarantor's ability to give financial assistance in certain circumstances.

Finally, as a court of equity, a bankruptcy court may otherwise subordinate the claims in respect of the Notes to other claims against us under the principle of equitable subordination, if the court determines that: (i) the holders of the Notes engaged in some type of inequitable conduct; (ii) such inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holders of the Notes; and (iii) equitable subordination is not inconsistent with the provisions of applicable bankruptcy laws.

There are restrictions on your ability to transfer or resell the Notes without registration under applicable securities laws.

The Notes are being offered and sold in the U.S. only to Persons reasonably believed to be qualified institutional purchasers (as defined in Rule 144A) pursuant to an exemption from registration under federal and applicable state securities laws. Therefore, you may transfer or resell the Notes in the U.S. only in a transaction exempt from the registration requirements of the federal and applicable state securities laws, and you may be required to bear the risk of your investment for an indefinite period of time. See "*Transfer Restrictions*." The Company has no obligation to and does not intend to register the Notes under the Securities Act. As a result, the Notes may be transferred or resold only in transactions exempt from the securities registration requirements of federal and applicable state securities laws. The Company cannot assure you that any such exemption, including any exemption under

Rule 144A promulgated under the Securities Act, will be available to the holders of the Notes and, if any such exemption is not available, holders of the Notes will not be able to transfer or resell their Notes. Therefore, you may be required to bear the risk of your investment for an indefinite period of time. In addition, the Indenture that will govern the Notes will not be qualified under the Trust Indenture Act and the Company will not be required to comply with the provisions of the Trust Indenture Act. Therefore, holders of the Notes will not be entitled to the benefit of the provisions and protection of the Trust Indenture Act.

It is your obligation to ensure that your offers and sales of the Notes within the U.S. or other jurisdictions comply with the transfer restrictions included in this offering memorandum, in the Indenture, and in the applicable laws of those jurisdictions. The lack of any registration statement or prospectus relating to the Notes could adversely affect the liquidity and price of the Notes.

There are restrictions on your ability to transfer or resell the Notes.

The Notes are being offered and sold pursuant to an exemption from registration under the Securities Act and applicable state securities laws, and we do not currently intend to register the Notes under the Securities Act or register resales of the Notes. The holders of the Notes will not be entitled to require us to register the Notes for resale or otherwise. Therefore, you may transfer or resell the Notes in the U.S. only in a transaction registered under or exempt from the registration requirements of the Securities Act and applicable state securities laws, and you may be required to bear the risk of your investment for an indefinite period of time. See "*Transfer Restrictions*."

We cannot assure you that an active trading market will be established or maintained for the Notes. Additionally, the market price for the Notes is subject to volatility.

The Notes will be a new issue of securities, and there is currently no established market for the Notes. Accordingly, purchasers may not be able to resell the Notes purchased under this offering memorandum. We do not intend to have the Notes listed on a national securities exchange or to arrange for quotation on any automated dealer quotation systems. Certain of the initial purchasers have advised us that they intend to make a market in the Notes, as permitted by applicable laws and regulations; however, the initial purchasers are not obligated to make a market in the Notes, and they may discontinue their market-making activities at any time without notice. Therefore, we cannot assure you as to the development or liquidity of any trading market for the Notes. The lack of a trading market for the Notes may adversely affect the pricing of the Notes in the secondary market, the transparency and availability of trading prices, the liquidity of the Notes and the extent of issuer regulation.

The liquidity of any trading market for the Notes that may develop will depend on a number of factors, including:

- the number of holders of Notes;
- our operating performance and financial condition;
- the market for similar securities;
- the interest of securities dealers in making a market in the Notes; and
- prevailing interest rates.

If the Notes are traded after their initial issuance, they may trade at a discount from their initial offering price depending on prevailing interest rates, the market for similar securities, our performance and other factors. For example, prevailing interest rates will affect the market value of the Notes, as they carry a fixed interest rate. Assuming all other factors remain unchanged, the market value of the Notes, which carry a fixed interest rate, will decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline. Furthermore, the market for non-investment grade debt has historically been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The market, if any, for the Notes may face similar disruptions that may adversely affect the prices at which you may sell your Notes.

Therefore, you may not be able to sell your Notes at a particular time and the price that you receive when you sell may not be favorable, regardless of our operating and financial performance.

Changes in the debt markets may adversely affect the market price of the Notes.

The price for the Notes will depend on a number of factors, including:

- time remaining on the maturity of the Notes;
- our credit ratings with major credit rating agencies;
- the prevailing interest rates being paid by other companies similar to us;
- our financial condition, operating performance and future prospects; and
- the overall condition of the financial markets and global and domestic economies.

The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Such fluctuations could have an adverse effect on the price of the Notes. In addition, credit rating agencies continually review their ratings for the companies that they follow, including us. The credit rating agencies also evaluate the industries in which we operate as a whole and may change their credit rating for us based on their overall view of such industries.

Credit rating agencies continually revise their ratings for companies they follow, including the Company. To the extent a trading market for the Notes develops, any ratings downgrade could adversely affect the trading price of the Notes or the trading market for the Notes. The condition of the financial and credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future and any fluctuation may impact the trading price of the Notes.

As discussed above, historically, the market for non-investment grade debt has been subject to severe disruptions that have caused substantial volatility in the prices of securities similar to the Notes.

Because the Notes will initially be held in book-entry form, holders of the Notes must rely on DTC's procedures to exercise their rights and remedies.

The Issuer will initially issue the Notes in the form of one or more "global certificates" registered in the name of Cede & Co., as nominee of DTC. Beneficial interests in global certificates will be shown on, and transfers of global certificates will be effected only through, the records maintained by DTC. Except in limited circumstances, the Issuer will not issue certificated Notes. See "*Description of Notes—Exchange of Global Notes for Certificated Notes*." Accordingly, if you own a beneficial interest in a global certificate, then you will not be considered an owner or holder of the Notes. Instead, DTC or its nominee will be the sole holder of the Notes. Payments of principal, interest and other amounts on global certificates will be made to the paying agent, who will remit the payments to DTC. We expect that DTC will then credit those payments to the DTC participant accounts that hold book-entry interests in the global certificates and that those participants will credit the payments to indirect DTC participants. Unlike persons who have certificated Notes registered in their names, owners of beneficial interests in global certificates will not have the direct right to act on the Issuer's solicitations for consents or requests for waivers or other actions from the holders of the Notes. Instead, those beneficial owners will be permitted to act only to the extent that they have received appropriate proxies to do so from DTC or, if applicable, a DTC participant. The applicable procedures for the granting of these proxies may not be sufficient to enable owners of beneficial interests in global certificates to vote on any requested actions on a timely basis.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

On August 20, 2025, Superior Energy Services Inc. (the "Company") completed its acquisition of Quail Tools LLC ("Quail Tools"), pursuant to a member interest purchase agreement (the "Quail Tools Acquisition"). In connection with the closing of the transaction, the Company paid Quail Tools $631.8 million in total consideration, which included $381.8 million in cash and the issuance of a seller note of $250.0 million. The total consideration for the acquisition reflects the base purchase price of $600.0 million, increased by working capital adjustment of $25.0 million, and cash and debt on hand adjustment of $6.8 million.

The pro forma information presented herein consists of (i) an unaudited pro forma condensed combined balance sheet as of June 30, 2025, and (ii) unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2025, the year ended December 31, 2024, and the six months ended June 30, 2024. The presentation of the unaudited pro forma condensed combined balance sheet gives effect to the Acquisition as if it had occurred on June 30, 2025. The presentation of the unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2025, the year ended December 31, 2024, and the six months ended June 30, 2024 reflect the combined results as if the Acquisition had occurred on January 1, 2024, the beginning of the Company's 2024 fiscal year.

The unaudited pro forma condensed combined financial statements include adjustments that reflect the accounting for the Quail Tools Acquisition and the financing arrangements. The unaudited pro forma condensed combined financial information is derived from and should be read in conjunction with the historical financial statements, and related notes thereto, of the Company and Quail Tools, respectively, (included elsewhere in this offering memorandum) for the periods presented.

The transaction accounting adjustments consist of those necessary to account for the Quail Tools Acquisition. Separately, the Company entered into certain financing arrangements to fund the Quail Tools Acquisition. The adjustments related to the financing arrangements are shown in a separate column as "other adjustments."

The unaudited pro forma condensed combined financial statements are provided for informational purposes only and are not necessarily indicative of results that would have occurred had the Quail Tools Acquisition been completed as of the dates indicated. In addition, the unaudited pro forma condensed combined financial statements do not purport to be indicative of the future financial position or operating results of the combined operations. Actual financial conditions and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
PRO FORMA CONDENSED COMBINED BALANCE SHEET (Unaudited)
(amounts in thousands)
As of June 30, 2025

	Superior Energy Services (Historical)	Quail Tools LLC (Historical)	Reclassification adjustments (Note 3)		Transaction adjustments (Note 4)		Other adjustments (Note 5)		Pro Forma
ASSETS									
Current assets:									
Cash and cash equivalents	$ 310,406	$ 5,642	$ -		$ (381,838)	A	$ 191,894	F	$ 126,104
Accounts receivable, net	219,327	55,855	-		-		-		275,182
Rig materials and supplies	-	963	(963)	[1]	-		-		-
Inventory	59,634	-	963	[1]	-		-		60,597
Income taxes receivable	22,689	-	-		-		-		22,689
Prepaid expenses	26,115	-	140	[2]	-		-		26,255
Other current assets	9,248	140	(140)	[2]	-		-		9,248
Total current assets	647,419	62,600	-		(381,838)		191,894		520,075
Property, plant and equipment, net	425,268	161,236	-		157,840	B	-		744,344
Note receivable	73,422	24,237	-		-		-		97,659
Restricted cash	54,110	-	-		-		-		54,110
Right of use assets	-	9,584	(9,584)	[3]	-		-		-
Deferred tax assets	66,874	-	(26,528)	[4]	-		-		40,346
Goodwill	11,185	-	-		124,540	C	-		135,725
Intangible assets, net	20,409	-	-		149,000	C	-		169,409
Other assets, net	43,237	42	9,584	[3]	-		-		52,863
Total assets	$ 1,341,924	$ 257,699	$ (26,528)		$ 49,542		$ 191,894		$ 1,814,531
LIABILITIES AND STOCKHOLDERS' EQUITY									
Current liabilities:									
Accounts payable	$ 65,567	$ 16,807	$ -		$ -		$ -		$ 82,374
Accrued expenses	101,410	4,374	-		-		-		105,784
Income taxes payable	14,735	-	-		-		-		14,735
Decommissioning liability	26,212	-	-		-		-		26,212
Short-term notes payable	-	-	-		250,000	A	191,894	F	441,894
Total current liabilities	207,913	21,181	-		250,000		191,894		670,999
Long-term deferred tax liabilities	-	26,528	(26,528)	[4]	-		-		-
Long-term lease liabilities	-	9,532	(9,532)	[5]	-		-		-
Decommissioning liability	183,490	-	-		-		-		183,490
Other liabilities	41,619	-	9,532	[5]	-		-		51,151
Total liabilities	433,033	57,241	(26,528)		250,000		191,894		905,640
Stockholders' equity:					-		-		
Common stock	201	-	-		-		-		201
Additional paid-in capital	905,371	9,195	-		(9,195)	D	-		905,371
Retained earnings	3,319	191,263	-		(191,263)	D	-		3,319
Total stockholders' equity	908,891	200,458	-		(200,458)		-		908,891
Total liabilities and stockholders' equity	$ 1,341,924	$ 257,699	$ (26,528)		$ 49,542		$ 191,894		$ 1,814,531

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS (Unaudited)
(amounts in thousands)

For the Six Months Ended June 30, 2025

	Superior Energy Services (Historical)	Quail Tools LLC (Historical)	Reclassification adjustments (Note 3)		Transaction adjustments (Note 4)		Other adjustments (Note 5)		Pro Forma
Revenues	$ 445,603	$ 122,323	$ -		$ -		$ -		$ 567,926
Cost of revenues	235,807	-	37,122	[6]	-		-		272,929
Operating expenses	-	49,065	(49,065)	[6]	-		-		-
Depreciation, depletion, amortization and accretion	52,217	20,941	-		9,617	E	-		82,775
General and administrative expenses	71,340	2,238	7,138	[6]	-		-		80,716
Other losses	707	59	4,805	[6]	-		-		5,571
Income from operations	85,532	50,020	-		(9,617)		-		125,935
Other income (expense):									
Interest income (expense), net	8,909	229	-		-		(28,759)	G	(19,621)
Other income (expense), net	(1,488)	30	-		-		-		(1,458)
Income from continuing operations before income taxes	92,953	50,279	-		(9,617)		(28,759)		104,856
Income tax expense	(23,467)	(11,560)	-		-		8,059	H	(26,968)
Net income from continuing operations	69,486	38,719	-		(9,617)		(20,700)		77,888
Net income	$ 69,486	$ 38,719	$ -		$ (9,617)		$ (20,700)		$ 77,888

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS (Unaudited)
(amounts in thousands)

For the Year Ended December 31, 2024

	Superior Energy Services (Historical)	Quail Tools LLC (Historical)	Reclassification adjustments (Note 3)		Transaction adjustments (Note 4)		Other adjustments (Note 5)		Pro Forma
Revenues	$ 819,290	$ 256,014	$ -		$ -		$ -		$ 1,075,304
Cost of revenues	451,169	-	73,057	[6]	-		-		524,226
Operating expenses	-	97,556	(97,556)	[6]	-		-		-
Depreciation, depletion, amortization and accretion	83,064	42,554	-		18,562	E	-		144,180
General and administrative expenses	137,074	4,328	13,605	[6]	-		-		155,007
Restructuring and transaction expenses	7,205	-	-		-		-		7,205
Other (gains) and losses, net	3,151	(2)	10,894	[6]	-		-		14,043
Income from operations	137,627	111,578	-		(18,562)				230,643
Other income (expense):									
Interest income (expense), net	23,008	(91)	-		-		(53,661)	G	(30,744)
Loss on Blue Chip Swap securities	(5,113)	-	-		-		-		(5,113)
Other income (expense), net	(8,599)	82	-		-		-		(8,517)
Income from continuing operations before income taxes	146,923	111,569	-		(18,562)		(53,661)		186.269
Income tax expense	(13,889)	(25,652)	-		-		15,167	H	(24,374)
Net income from continuing operations	133,034	85,917	-		(18,562)		(38,494)		161,895
Income from discontinued operations, net of tax	1,896	-	-		-		-		1,896
Net income	$ 134,930	$ 85,917	$ -		$ (18,562)		$ (38,494)		$ 163,791

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS (Unaudited)
(amounts in thousands)

For the Six Months Ended June 30, 2024

	Superior Energy Services (Historical)	Quail Tools LLC (Historical)	Reclassification adjustments (Note 3)		Transaction adjustments (Note 4)		Other adjustments (Note 5)		Pro Forma
Revenues	$ 409,715	$ 131,425	$ -		$ -		$ -		$ 541,140
Cost of revenues	214,907	-	37,894	[6]	-		-		252,801
Operating expenses	-	49,195	(49,195)	[6]	-		-		-
Depreciation, depletion, amortization and accretion	41,315	21,432	-		9,126	E	-		71,873
General and administrative expenses	68,379	2,160	6,950	[6]	-		-		77,489
Other (gains) and losses, net	(1,696)	(9)	4,351	[6]	-		-		2,646
Income from operations	86,810	58,647	-		(9,126)		-		136,331
Other income (expense):									
Interest income (expense), net	12,600	16	-		-		(25,104)	G	(12,488)
Other income (expense), net	(3,895)	50	-		-		-		(3,845)
Income from continuing operations before income taxes	95,515	58,713	-		(9,126)		(25,104)		119,998
Income tax expense	(28,157)	(13,499)	-		-		7,188	H	(34,468)
Net income from continuing operations	67,358	45,214	-		(9,126)		(17,916)		85,530
Income from discontinued operations, net of tax	1,896	-	-		-		-		1,896
Net income	$ 69,254	$ 45,214	$ -		$ (9,126)		$ (17,916)		$ 87,426

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
NOTES TO PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS (Unaudited)
(amounts in thousands)

Note 1. Basis of Presentation

The historical financial information is derived from the historical consolidated financial statements of the Company and Quail Tools, included elsewhere in this offering memorandum. The historical financial statements have been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that reflect the accounting for the Quail Tools Acquisition and the financing arrangements.

The unaudited pro forma condensed combined financial statements have been prepared in a manner consistent with the accounting policies adopted by the Company. The accounting policies of Quail Tools have been determined to be similar in all material respects to the Company's accounting policies. As a result, no adjustments for accounting policy differences have been reflected in the unaudited pro forma condensed combined financial statements. Certain reclassification adjustments were made to the historical financial statements of Quail Tools to conform to the presentation of the Company.

Note 2. Purchase Price Allocation

The Company will account for the Quail Tools Acquisition as a business acquisition in accordance with Financial Accounting Standards Board Accounting Standards Codification, or ASC, 805, *Business Combinations*. As a business acquisition, the purchase price, is allocated to the identifiable assets acquired and liabilities assumed based on their estimated fair values at the acquisition date. Any excess of the purchase price over the fair value of the net assets acquired is recognized as goodwill.

The relative fair values of identifiable assets from the Quail Tools Acquisition are based on estimates of fair value using assumptions that the Company believes are reasonable.

Purchase price

The following table summarizes the preliminary total consideration for the assets and liabilities acquired by the Company in connection with the Quail Tools Acquisition.

		Fair Value
Cash to sellers at close	$	381,020
Seller's transaction expenses		818
Seller note		250,000
Total purchase consideration	$	631,838

The Company has allocated the total consideration (the "purchase price") to the acquired assets based on fair values. This preliminary purchase price allocation has been used to prepare the transaction accounting adjustments in the unaudited pro forma condensed combined balance sheet and statements of operations. The table below summarizes the preliminary allocation of the purchase price to the fair values of Quail Tools tangible and intangible assets acquired and liabilities assumed as of the acquisition date:

		Fair Value
Cash and cash equivalents	$	5,642
Accounts receivable		55,855
Inventory		963
Prepaid expenses		140
Property, plant and equipment		319,076
Note receivable		24,237
Other assets		9,626
Identifiable intangible assets		149,000
Goodwill		124,540
Accounts payable		(16,807)
Accrued expenses		(4,374)
Deferred tax liabilities		(26,528)
Other liabilities		(9,532)
Total purchase consideration	$	631,838

The acquisition method of accounting incorporates fair value measurements that can be highly subjective, and it is possible the application of reasonable judgment could develop different assumptions resulting in a range of alternative estimates using the same facts and circumstances.

The preliminary allocation of the total purchase price in the Acquisition is based upon management's estimates of and assumptions related to the fair value of assets acquired and liabilities assumed as of the date of the closing of the Quail Tools Acquisition using currently available information. Because the unaudited pro forma condensed combined financial information has been prepared based on these preliminary estimates, the final purchase price allocation and the resulting effect on the Company's financial position and results of operations may differ significantly from the pro forma amounts included herein.

The preliminary purchase price allocation is subject to change due to several factors, including but not limited to changes in the estimated fair value of assets acquired and liabilities assumed as of the date of the closing of the Acquisition, which could result from updates to assumptions used in the allocation process as additional information becomes available.

Note 3. Reclassification Adjustments

During the preparation of the unaudited pro forma condensed combined financial information, the Company performed an analysis of Quail Tools' carve-out financial statements to identify differences in financial statement presentation compared to the presentation of the Company. Certain reclassifications have been made to the presentation to conform with the Company's financial statement presentation:

Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet

[1] *Rig materials and supplies.* Quail Tool's rig materials and supplies, historically presented within a separate rig materials and supplies line, have been reclassified to the inventory line to conform to the Company's financial statement presentation.

[2] *Other current assets.* Quail Tool's prepaid expenses, historically presented within the other current assets line, have been reclassified to the prepaid expenses line to conform to the Company's financial statement presentation.

[3] *Right-of-use assets.* Quail Tool's right-of-use assets were separately presented within its historical carve-out financial statements. These balances have been reclassified from the right-of-use assets line to the other assets, net line to conform to the Company's financial statement presentation.

[4] *Long-term deferred tax liabilities.* Quail Tool's historical carve-out financial statements presented deferred tax liabilities as a separate line item. These balances have been reclassified from the long-term deferred tax liabilities line to be net presented within the deferred tax asset line to conform with the Company's financial statement presentation.

[5] *Long-term lease liabilities.* Quail Tool's historical carve-out financial statements separately presented its lease liabilities. These balances have been reclassified from the long-term lease liabilities line to the other liabilities line to conform with the Company's financial statement presentation.

Adjustments to Unaudited Pro Forma Condensed Combined Statements of Operation

[6] *Operating expenses.* Quail Tools' historical carve-out financial statements presented certain employee-related costs, inventory-related costs, expenses related to the sale of equipment, and other operating costs within a single operating expenses line item on its statements of operations. To conform to the Company's financial statement presentation:

- Employee-related and inventory-related costs have been reclassified to cost of revenues.
- Other operating costs have been reclassified to general and administrative expenses.
- Expenses related to the sale of equipment have been reclassified to other (gains) and losses, net.

Note 4. Transaction Adjustments

Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet

A) Reflects the cash portion of the purchase consideration transferred in connection with the Quail Tools Acquisition as described in *Note 2. Purchase Price Allocation*:

		Amount
Cash to sellers at close	$	381,020
Seller's transaction expenses		818
Pro forma adjustment	$	381,838

In addition to the cash consideration, the Company entered into a $250 million note with the seller on August 20, 2025 as part of the Membership Interest Purchase Agreement for the acquisition of Quail Tools. The seller note

bears interest at 7.50% per annum for the first 180 days and increases to 10% thereafter, with interest payable monthly in arrears starting September 15, 2025, and a maturity date of May 20, 2026, or a term of nine months. The seller note is recognized at its fair value as of the acquisition date. The fair value of the seller note is currently being determined and may differ from its stated principal amount based on factors such as market interest rates, credit risk, and other relevant considerations.

B) The pro forma adjustments to property, plant and equipment are calculated based on the fair value of the acquired assets and liabilities assumed as of the date of the Quail Tools Acquisition. The fair value of acquired property, plant and equipment was based on indirect method of cost approach. The remaining useful life represents the weighted average remaining useful life for each asset class.

			Depreciation		
Property, Plant, and Equipment	**Amount**	**Remaining Useful Life**	**Six Months Ended June 30, 2025**	**Year Ended December 31, 2024**	**Six Months Ended June 30, 2024**
Land	$ 4,660	n/a	$ -	$ -	$ -
Building and improvements	9,565	10.0 years	480	960	480
Piping	250,600	6.5 years	19,278	38,556	19,278
General machinery and equipment	43,781	4.2 years	5,214	10,428	5,214
Rolling stock	5,070	6.4 years	396	792	396
Office furniture and equipment	1,270	3.5 years	180	360	180
Leasehold improvements	762	9 years	42	84	42
Construction in progress	3,368	n/a	-	-	-
Total	319,076		25,590	51,180	25,590
Elimination of:					
Historical depreciation expense	-		20,941	42,554	21,432
Historical fixed assets	161,236		-	-	-
Pro forma adjustment	$ 157,840		$ 4,649	$ 8,626	$ 4,158

C) The pro forma adjustments to other assets, net, reflects the addition of goodwill and identifiable intangible assets as a result of the Quail Tools Acquisition, as summarized below:

			Amortization		
Intangible Assets	**Amount**	**Remaining Useful Life**	**Six Months Ended June 30, 2025**	**Year Ended December 31, 2024**	**Six Months Ended June 30, 2024**
Goodwill	$ 124,540	n/a	$ -	$ -	$ -
Customer relationships	115,000	15 years	3,834	7,668	3,834
Trade name	34,000	15 years	1,134	2,268	1,134
Total	$ 273,540		$ 4,968	$ 9,936	$ 4,968

The pro forma adjustments to goodwill and intangible assets are calculated based on the fair value of the acquired assets and liabilities as of the date of the Quail Tools Acquisition. The preliminary estimate of the fair value of the identifiable intangible assets was determined using valuation method as shown below, which requires a forecast of all of the expected future cash flows. These estimates are subject to change as additional information becomes available and the purchase price allocation is finalized.

- *Customer relationships:* The fair value of customer relationships was estimated using the multi-period excess earnings method, a form of the income approach.

- *Trade name:* The fair value of trade names was estimated using the relief-from-royalty method, another form of the income approach.

D) The pro forma adjustments to additional paid-in-capital and retained earnings reflects the elimination of Quail Tool's historical equity as a result of the Quail Tools Acquisition.

Adjustments to Unaudited Pro Forma Condensed Statements of Operations

E) The pro forma adjustments to depreciation, depletion, amortization and accretion considers the depreciation and amortization of property, plant, and equipment and intangible assets acquired from the Quail Tools Acquisition:

		Depreciation and Amortization		
Asset	**Reference**	**Six Months Ended June 30, 2025**	**Year Ended December 31, 2024**	**Six Months Ended June 30, 2024**
Property, plant, and equipment	Note 4.B	$ 4,649	$ 8,626	$ 4,158
Intangible assets	Note 4.C	4,968	9,936	4,968
Pro forma adjustment		$ 9,617	$ 18,562	$ 9,126

Note 5. Other Adjustments

Adjustment to Unaudited Pro Forma Condensed Combined Balance Sheet

F) The pro-forma adjustment to short-term notes payable is to record the financing transaction that was used to fund the Acquisition, which is a $200 million principal term loan entered into on August 20, 2025 with various lenders, with proceeds used to fund the Quail Tools Acquisition and related sellers' transaction expenses. The term loan was issued at a discount of $8 million and with $106 thousand of expenses for a net amount of $191,894. The loan bears interest at SOFR plus a margin of 7.5%, with interest payable in arrears and a maturity date of August 20, 2026, or a term of twelve months.

Adjustments to Unaudited Pro Forma Condensed Statements of Operations

G) The table below reflects the adjustments to record interest expense related to the bond offering and seller's note. The adjustment to record interest expense assumes the seller note and the term note were obtained on January 1, 2024 and was outstanding for the entire year ended December 31, 2024 and six months ended June 30, 2025. The interest expense for the seller note is calculated using an interest rate of 7.5% for the first six months and 10% for all times thereafter. The interest expense for the term loan is calculated using a SOFR rate of 4.3% with an applicable margin of 7.5%.

	Six Months Ended June 30, 2025	**Year Ended December 31, 2024**	**Six Months Ended June 30, 2024**
Interest expense – seller note	$ 12,500	$ 21,875	$ 9,375
Interest expense and amortization of debt issuance costs – term loan	16,259	31,786	15,729
Pro forma adjustment	$ 28,759	$ 53,661	$ 25,104

H) The pro forma presentation of the effect on income tax provision was calculated using a statutory tax rate of 21%. The adjustments are summarized in the following tables:

Six months ended June 30, 2025

	Net Income Before Taxes	Statutory Tax Rate	Income Tax Benefit
Transaction adjustments	$ (9,617)	21%	$ 2,020
Other adjustments	(28,759)	21%	6,039
Pro forma adjustment			$ 8,059

Year Ended December 31, 2024

	Net Income Before Taxes	Statutory Tax Rate	Income Tax Benefit
Transaction adjustments	$ (18,562)	21%	$ 3,898
Other adjustments	(53,661)	21%	11,269
Pro forma adjustment			$ 15,167

Six months ended June 30, 2024

	Net Income Before Taxes	Statutory Tax Rate	Income Tax Benefit
Transaction adjustments	$ (9,126)	21%	$ 1,916
Other adjustments	(25,104)	21%	5,272
Pro forma adjustment			$ 7,188

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

The following discussion and analysis should be read in conjunction with our consolidated financial statements and the accompanying notes included in this offering memorandum. Our discussion includes various forward-looking statements about our markets, the demand for our products and services, and our future results, which are subject to certain risks and uncertainties. For information about these risks and uncertainties, refer to the sections entitled "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" included elsewhere in this offering memorandum.

Executive Summary

Superior is a global oilfield products and services company with a portfolio of premier rental and well services brands providing customers with robust inventory, responsive delivery, engineered solutions, and expert consultative service - all aligned with enterprise-wide Shared Core Values for safe, sustainable operations and corporate citizenship; and committed to free cash flow generation and value creation.

Our portfolio of companies operates in two segments, Rentals and Well Services, to provide highly specialized solutions to the upstream oil and gas industry.

We drive true value to our business units by providing enterprise-wide support, financial discipline, capital strength, and strategic focus. Our experienced, knowledgeable leadership within those businesses has excellent latitude to execute their business strategy, determine pricing, allocate inventory, and develop new products and technology. All with a focus on safety, operational excellence, competitive positioning, and financial performance that entrenches our relationships with our customers and elevates our customers' satisfaction.

Our product offerings are weighted toward businesses critical to our customer's oil and gas operations, require deep technical expertise, notably in premium drill pipe and bottom hole assembly rentals, and have strong cash flow generating capacity as was delivered in our 2025 results.

Our ongoing strategy of focusing operations on businesses with solid market positions along with the strength of our brands, their leaders, and teams contributed in no small part to our positive performance, margin expansion, and strong competitive position in 2025 overcoming labor market and supply chain challenges and being an early mover on effective pricing strategies to address cost inflation and margin expansion.

Rentals Segment

Our rental services include premium downhole tubulars and drill pipe, design, engineering and manufacturing of bottomhole assembly accessories, and offshore accommodation units. Collaborating closely with customers and strategic suppliers, we also provide engineered solutions to meet their challenges.

*Workstrings International ("**WSI**")*

WSI is a global leader and one of the largest oilfield equipment rentals providers of high-quality, premium connection drill strings, tubing, completion tubulars, and handling accessories. With one of the industry's most extensive inventories of highly specialized landing string designed for deep water applications and an industry-recognized drilling and completion engineering team, WSI maintains long-standing, strategic relationships with leading oil and gas, drilling and oilfield tubular supply companies globally.

WSIs' long-tenured leadership assures a high level of knowledge and skill in providing quality service and engineering expertise to develop complementary innovation and new technologies for our long-term major customers. WSI engineers help operators determine what pipe specifications best meet well design requirements, especially in complex, challenging applications, whether during the drilling or completion phase of well construction activities.

WSI is strategically positioned to respond globally with a focus on U.S. land and the Gulf of America (the "**GoA**"), and international offshore opportunities with a variety of sizes and premium thread configurations.

WSIs' depth of inventory resulting from consistent investments through the cycles, seasoned field experience, in-house engineering expertise and long-standing relationships with strategic suppliers enables customer relationships that make it a leading provider in the GoA and international markets with a focus on continued innovation that is difficult to replicate.

Quail Tools

In August 2025, we expanded our rental services portfolio through the acquisition of Quail Tools, a leading provider of rental equipment in the oil and gas industry. Quail Tools provides premium tubulars and associated handling tools to exploration and production companies, drilling contractors and service companies on land and offshore in the U.S., as well as in select international markets. Quail Tools provides standard and heavy-weight drill pipe, all of which are available with, among others, standard or high-torque connections, tubing, drill collars, pressure control equipment, including blowout preventers, landing strings and completion workover risers. This acquisition enhances our ability to serve the U.S. land market, where Quail Tools holds the largest rental inventory of premium tubulars. Additionally, Quail Tools' in-house machining capabilities position it to reduce its cost to maintain equipment while optimizing the utilization of its asset base.

Stabil Drill

Stabil Drill provides comprehensive Bottom Hole Assemblies ("**BHAs**") support, ranging from custom component engineering and fabrication to rental drilling tools and repairs. With an inventory of more than 50,000 downhole tools, extensive experience, state-of-the-art facilities, and cutting-edge solutions, Stabil Drill helps operators optimize performance on the most challenging drilling operations.

With significant U.S. land capabilities deployable to offshore and international markets, Stabil Drill serves customers worldwide and is poised for growth opportunities with existing customers and through geographic expansion of product offerings.

In-house manufacturing, repair services, and efficient fleet management practices effectively mitigated supply chain challenges and maintained leading market share positions in U.S. land and select Latin American regions.

HB Rentals

HB Rentals' offerings span a wide breadth of offshore rentals, from single living quarters to complete multi-module complexes and support infrastructure.

Their comprehensive support for offshore services includes initial consulting and design, project management, engineering, custom fabrication, logistics planning, installation and commissioning. HB Rentals has opportunities for fleet expansion within the U.S. wind market and defense projects along with plug and abandonment opportunities in the GoA.

Well Services Segment

Our well services include long standing, industry leading brands with a long history of strong, collaborative relationships with customers and suppliers.

Services also include risk management, well control and training, hydraulic workover and snubbing, engineering, and manufacturing of premium completion tools including the Multizone Single-Trip ("**MST**") sand control system. The Well Services segment also provides cementing, wireline, and coil tubing services with operations in Latin America and Kuwait.

*Wild Well Control ("**WWC**")*

WWC provides advanced engineering solutions, unconventional intervention, personnel, equipment, and well control training. WWC provides International Association of Drilling Contractors ("**IADC**") well control training for operators and students worldwide. Additional WWC services include assisting operators in risk management, planning, preparedness, prevention, and response services.

As a leading global provider of onshore and offshore well control emergency response, pressure control, relief well planning, engineering, and well control training services, with the largest team of dedicated professionals and inventory of well control equipment staged for deployment around the world, WWC responds to the majority of the well control emergency responses worldwide.

WWC continues to develop opportunities by leveraging its global subsea capping response consortium, WellCONTAINED. WWC also continues to pursue additional engineering capabilities and capacity and has brought its well control expertise to consult and advise on future carbon capture projects through its industry relationships with major oil companies.

*Superior Completion Services ("**SCS**")*

SCS is primarily focused on offshore sand control applications, including deep water GoA and Brazil. SCS's MST with zonal isolation offers flexibility in sand placement techniques. Demonstrated capabilities accommodate high pump rates and exceptional proppant volumes while allowing for varied zone spacing and enhanced reservoir production.

Design engineering and in-house manufacturing capacity complement its focus on innovative technology, service quality and delivery flexibility which enable operators to have the certainty of supply with the flexibility to manage timing of drilling and completion phases of well construction.

*International Snubbing Services ("**ISS**")*

Operating across U.S. land, the GoA and Australia, ISS provides hydraulic workover and snubbing services with an emphasis on well plug & abandonment applications.

*International Production Services ("**IPS**")*

IPS provides well services such as cementing, wireline, pressure pumping, coil tubing and downhole tool services in Argentina and Kuwait.

Strategic Outlook

We believe that the Company's positive performance in 2025 validates the strategy developed in 2021 with a sequential focus on product lines, geographic footprint and support cost rationalization. Over the last four years, we have met and overcome challenges and delivered on safety, service quality and financial performance.

Additionally, the acquisition of Rival Downhole Tools in February 2025 has strengthened our Rentals segment, and we anticipate the acquisition of Quail Tools in August 2025 will further enhance our Rentals segment by expanding our presence in the U.S. land market and provide a platform for further growth. Quail Tools' extensive inventory of premium tubulars and in-house machining capabilities are expected to complement our existing operations and drive operational efficiencies.

Our Board has not set a timetable or made any decisions related to further actions or potential strategic alternatives, including a future dividend, at this time. The declaration of dividends is at the discretion of the Company's board of directors (the "**Board**") and will depend on the Company's financial results, cash requirements, future prospects, contractual restrictions and other factors deemed relevant by the Board. Additionally, any potential transaction would depend upon entry into definitive agreements with a potential counterparty on terms acceptable to us. There can be no assurance that we will enter any such transaction or consummate or pursue any transaction or other strategic alternative.

Industry Trends

The oil and gas industry is both cyclical and seasonal. The level of spending in the energy industry is heavily influenced by the current and expected future prices of oil and natural gas and is also impacted by ESG initiatives and ongoing supply chain shortages. Changes in spending result in an increased or decreased demand for our services and products. Rig count is an indicator of the level of spending by oil and gas companies.

Our financial performance is significantly affected by the rig count in the U.S. land and offshore market areas as well as oil and natural gas prices and worldwide rig count, which are summarized in the table below. Despite lower commodity prices and rig activity in the first half of 2025 relative to the first half of 2024, Superior has grown revenues as the Company's business development initiatives have yielded increased market share in several business lines.

	For the Six Months Ended June 30,			For the Year Ended December 31,		
	2025	**2024**	**% Change**	**2024**	**2023**	**% Change**
Worldwide Rig Count [(1)]						
U.S.:						
Land	564	592	(4.7%)	580	667	(13.0%)
Offshore	15	20	(25.0%)	20	21	(4.8%)
Total	579	612	(5.4%)	600	688	(12.8%)
Canada	172	172	-%	187	177	5.6%
International	900	964	(6.6%)	948	948	-%
Worldwide Total	1,651	1,748	(5.5%)	1,735	1,813	(4.3%)
Commodity Prices (average):						
Crude Oil (West Texas Intermediate)	$ 67.57	$ 78.71	(14.2%)	$ 77.60	$ 77.60	(2.5%)
Crude Oil (Brent)	$ 70.63	$ 83.23	(15.1%)	$ 79.67	$ 82.11	(3.0%)
Natural Gas (Henry Hub)	$ 3.67	$ 2.18	68.1%	$ 2.41	$ 2.70	(10.7%)

[(1)] Estimate of drilling activity as measured by average active drilling rigs based on Baker Hughes Co. rig count information.

Comparison of the Results of Operations for the Six Months Ended June 30, 2025 and 2024

We reported net income from continuing operations for the six months ended June 30, 2025 (the "**Current Period**") of $69.5 million on revenues of $445.6 million. This compares to a net income from continuing operations for the six months ended June 30, 2024 (the "**Prior Period**") of $67.4 million on revenues of $409.7 million. The increase in net income from continuing operations for the Current Period is partially attributable to increased offshore activity, particularly in the Rentals segment, which benefited from higher utilization rates and a higher share of tubular rentals for offshore completions relative to offshore drilling. Additionally, international growth in snubbing and well control services, as well as operational efficiencies, contributed to the revenue growth and margin expansion during the Current Period.

	For the Six Months Ended June 30,		Change	
	2025	2024	$	%
Revenue				
Services	$ 227,379	$ 201,773	$ 25,606	12.7%
Rentals	218,224	207,942	10,282	4.9%
Total revenue	445,603	409,715	35,888	
Cost of revenues				
Services	147,089	140,545	6,544	4.7%
Rentals	88,718	74,362	14,356	19.3%
Total cost of revenues	235,807	214,907	20,900	
Depreciation, depletion, amortization and accretion	52,217	41,315	10,902	26.4%
General and administrative expenses	71,340	68,379	2,961	4.3%
Other (gains) and losses, net	707	(1,696)	2,403	**
Income from operations	85,532	86,810	(1,278)	
Other income (expense)				
Interest income, net	8,909	12,600	(3,691)	(29.3%)
Other expense, net	(1,488)	(3,895)	2,407	(61.8%)
Income from continuing operations before taxes	92,953	95,515	(2,562)	
Income tax expense	(23,467)	(28,157)	4,690	(16.7%)
Income from continuing operations	69,486	67,358	2,128	3.2%
Income from discontinued operations, net of tax	-	1,896	(1,896)	(100.0%)
Net income	$ 69,486	$ 69,254	$ 232	

** Not a meaningful percentage

Revenues and Cost of Revenues

Revenues from our Well Services segment increased $25.6 million, or 12.7%, for the Current Period as compared to the Prior Period. Cost of revenues for the Well Services segment also increased, driven by inflationary pressures on materials and labor, as well as higher operational expenses related to well control and intervention services. The revenue growth was supported by increased completion activity in key markets as well as growing demand for snubbing services, particularly in Australia.

Revenues from our Rentals segment increased $10.3 million, or 4.9%, for the Current Period as compared to the Prior Period. Cost of revenues for the Rentals segment also increased, reflecting higher activity levels and increased demand for premium downhole tubulars and drill pipe rentals, particularly in the GoA and U.S. onshore markets. These increases are primarily attributable to increasing market share and utilization rates across our rental fleet.

Depreciation, Depletion, Amortization and Accretion

Depreciation, depletion, amortization and accretion expense for the Current Period increased $10.9 million, or 26.4%, as compared to the Prior Period. This increase was primarily driven by higher depreciation expense associated with the addition of new machinery and equipment to support increased activity levels, as well as revisions to decommissioning cost estimates that resulted in additional capitalized asset retirement costs. Accretion expense also increased due to adjustments in the decommissioning liability for oil and gas properties.

Other (Gains) and Losses, net

Net other losses for the Current Period were $0.7 million as compared to the net gain of $1.7 million for the Prior Period. This decrease was primarily due to the absence of significant asset sales or non-core asset dispositions during the current period, which had contributed to gains in the prior period.

Interest Income, net

Interest income, net for the Current Period was $8.9 million as compared to $12.6 million for the Prior Period. The decrease in interest income was primarily driven by lower average cash balances during the Current Period, as a result of increased capital expenditures and share repurchases. Additionally, a reduction in interest rates on certain cash-equivalent investments contributed to the decline.

Other Expense, net

Other expenses, net which includes foreign exchange losses, investment income or loss, during the Current Period and the Prior Period were $1.5 million and $3.9 million, respectively. The decrease in other expenses was primarily driven by lower foreign exchange losses during the Current Period, particularly in Brazil and Argentina.

Income Taxes

The effective tax rate for the Current Period was 25.2%. The effective tax rate for the Current Period is different from the U.S. federal statutory rate of 21% due to foreign income taxable in the U.S., a non-recurring non-deductible loss, and foreign tax rates that differ from the U.S. federal statutory rate. Additionally, adjustments to valuation allowances in the U.S. and foreign jurisdictions contributed to the effective tax rate. We routinely evaluate deferred tax assets, including tax credits and net operating losses, and may release all or a portion of currently recorded valuation allowances when sufficient positive evidence exists.

The effective tax rate for the Prior Period was 29.5%. The effective tax rate was unfavorably impacted by the recognition of valuation allowance established in a foreign jurisdiction. Additionally, the foreign exchange losses in Argentina, and the expiration of certain foreign tax credit carryovers also contributed to the higher effective tax rate.

Discontinued Operations

Income from discontinued operations, net of tax, was nil for the Current Period as compared to income from discontinued operations, net of tax, of $1.9 million for the Prior Period. The income in the Prior Period was primarily attributable to the recognition of gains from the disposition of non-core assets classified as discontinued operations. No similar transactions occurred during the Current Period.

Comparison of the Results of Operations for the Years Ended December 31, 2024 and 2023

We reported net income from continuing operations for the year ended December 31, 2024 (the "**Current Year**") of $133.0 million on revenues of $819.3 million. This compares to a net income from continuing operations for the year ended December 31, 2023 (the "**Prior Year**") of $174.6 million on revenues of $919.4 million. The decrease in net income from continuing operations for the Current Year is partially attributable to lower activity levels in U.S. land and offshore markets, which impacted both the Rentals and Well Services segments. Additionally, pricing pressures in the U.S. onshore market and increased restructuring and transaction expenses contributed to the decline in profitability.

	For the Year Ended December 31,		Change	
	2024	2023	$	%
Revenue				
Services	$ 416,832	$ 467,171	$ (50,339)	(10.8%)
Rentals	402,458	452,249	(49,791)	(11.0%)
Total Revenue	819,290	919,420	(100,130)	
Cost of revenues				
Services	305,587	324,292	(18,705)	(5.8%)
Rentals	145,582	149,835	(4,253)	(2.8%)
Total cost of revenues	451,169	474,127	(22,958)	
Depreciation, depletion, amortization and accretion	83,064	81,068	1,996	2.5%
General and administrative expenses	137,074	125,659	11,415	9.1%
Restructuring and transaction expenses	7,205	3,294	3,911	118.7%
Other (gains) and losses, net	3,151	(6,549)	9,700	**
Income from operations	137,627	241,821	(104,194)	
Other income (expense)				
Interest income, net	23,008	25,761	(2,753)	(10.7%)
Loss on Blue Chip Swap securities	(5,113)	(19,856)	14,743	(74.2%)
Other expenses, net	(8,599)	(13,391)	4,792	(35.8%)
Income from continuing operations before taxes	146,923	234,335	(87,412)	
Income tax expense	(13,889)	(59,741)	45,852	(76.8%)
Income from continuing operations	133,034	174,594	(41,560)	
Income from discontinued operations, net of tax	1,896	426	1,470	345.1%
Net income	$ 134,930	$ 175,020	$ (40,090)	

** Not a meaningful percentage

Revenues and Cost of Revenues

Revenues from our Services segment decreased $50.3 million, or 10.8%, for the Current Year as compared to the Prior Year. Cost of revenues also decreased during the same period. These decreases are primarily attributable to reduced international activity, particularly in Latin America, and lower project-based completion services in the U.S. offshore market.

Revenues from our Rentals segment decreased $49.8 million, or 11.0%, for the Current Year as compared to the Prior Year. Cost of revenues also decreased as compared to the Prior Year. These decreases are primarily attributable to reduced activity in U.S. land and offshore markets, as well as lower demand for premium drill pipe and tubular rentals. Additionally, pricing pressures in certain regions contributed to the decline in revenues.

Depreciation, Depletion, Amortization and Accretion

Depreciation, depletion, amortization, and accretion expense for the Current Year increased $2.0 million, or 2.5%, as compared to the Prior Year. This increase was primarily driven by higher accretion expense related to revisions in decommissioning cost estimates, which resulted in additional capitalized asset retirement costs. Depreciation expense was also impacted by the addition of new machinery and equipment to support operational needs.

Restructuring and Transaction Expenses

Restructuring and transaction expenses for the Current Year increased $3.9 million, or 118.7%, as compared to the Prior Year. This increase was related to strategic efforts to reconfigure the organization both operationally and financially, including costs associated with workforce reductions and facility consolidations.

Other (Gains) and Losses, net

Other losses, net for the Current Year was $3.2 million, as compared to a net gain of $6.5 million in the Prior Year. This change was primarily due to the absence of significant asset sales in 2024, which had contributed to gains in the Prior Year. Additionally, the Current Year included an impairment loss of $5.6 million related to operations in Colombia.

Interest Income, net

Interest income, net for the Current Year was $23.0 million as compared to $25.8 million for the Prior Year, representing a decrease of $2.8 million, or 10.7%. The decrease was primarily driven by lower average cash balances during the year, as well as a reduction in interest rates on certain cash-equivalent investments.

Loss on Blue Chip Swap Securities

During the Current Year, we utilized an indirect foreign exchange mechanism known as a Blue Chip Swap ("**BCS**") to remit U.S. dollars from Argentina. These transactions resulted in a net loss of $5.1 million during the Current Year as compared to a loss of $19.9 million during the Prior Year. The reduction in losses reflects a lower volume of BCS transactions in 2024.

Other Expense, net

Other expenses, which include foreign exchange losses and investment income or loss were $8.6 million for the Current Year as compared to $13.4 million for the Prior Year, representing a decrease of $4.8 million, or 35.8%. The decrease was primarily attributable to lower foreign exchange losses in Brazil and Argentina.

Income Taxes

The effective tax rate for the Current Year was 9.5% as compared to 25.5% for the Prior Year. The lower effective tax rate in 2024 was primarily due to the release of a valuation allowance on foreign tax credits, which decreased by $9.9 million from the Prior Year based on positive evidence that the carryovers will be utilized. Additionally, the generation of $17.4 million in foreign tax credits during the year further reduced the effective tax rate. The rate was also impacted by the release of $3.0 million in uncertain tax positions. These benefits were partially offset by recognized foreign exchange losses in Argentina and generally higher tax rates in certain foreign jurisdictions.

Discontinued Operations

Income from discontinued operations, net of tax, was $1.9 million for the Current Year as compared to $0.4 million for the Prior Year. The increase was primarily due to gains recognized on the disposition of non-core assets classified as discontinued operations.

Liquidity and Capital Resources

Cash flows depend, to a large degree, on the level of spending by oil and gas companies for exploration, development and production activities. Certain sources and uses of cash, such as our level of discretionary capital expenditures and divestitures of non-core assets, are within our control and are adjusted as necessary based on market conditions.

Historically, our primary sources of liquidity have been cash and cash equivalents, cash generated from operations and from asset sales, and availability under our Credit Facility (as defined herein). As of June 30, 2025, we had cash, cash equivalents and restricted cash of $310.4 million. During the Current Period, net cash provided by operating activities was $93.0 million, and we received $0.6 million in cash proceeds from the sale of assets. The primary uses of liquidity are to provide support for operating activities, restructuring activities and capital expenditures. During the Current Period, we spent $60.5 million of cash on capital expenditures, we paid $59 million for the acquisition of Rival Downhole Tools, we purchased intangibles for $2.2 million and repurchased shares for $7.2 million. In connection with the Quail Tools Acquisition in August 2025, we received $250 million of seller financing under the Seller Note and borrowed $200 million of term loans under the Bridge Loan Credit Agreement. We used the proceeds of the Seller Loan and the Bridge Loan, together with cash on hand, to pay the purchase price for the acquisition of Quail Tools.

Following the consummation of this offering and the effectiveness of the Amended Credit Agreement, our sources of liquidity are expected to include approximately $68 million of availability under the Amended Credit Agreement (subject to potential fluctuations in our applicable borrowing base and assuming the inclusion of Quail Tool's eligible accounts receivable). In addition, our financial obligations will include servicing interest payments on the Notes.

We may from time to time seek to repurchase or retire the Notes or term loans through cash purchases and/or exchanges for equity securities, in open market purchases, privately negotiated transactions, tender offers, or otherwise. Such repurchases or exchanges, if any, will depend on prevailing market conditions, their liquidity, contractual restrictions, and other factors. The amounts involved may be material.

The energy industry faces growing negative sentiment in the market which may affect our ability to access capital on terms favorable to us. While we have confidence in the level of support from our lenders, this negative sentiment in the energy industry has not only impacted our customers in North America, but also affected the availability and pricing for most credit lines extended to participants in the energy industry. From time to time, we may enter into transactions to dispose of businesses or capital assets that no longer fit our long-term strategy.

Distributions to Shareholders

On February 13, 2024, we announced that our Board declared a special dividend of $12.38 per share on our outstanding Class A Common Stock (as defined herein). Additionally, the Board determined that, in addition to the special dividend to holders of our Class A Common Stock, we would make dividend equivalent payments to each holder of unvested restricted stock units. The special dividend was paid on March 12, 2024 to holders of record as of February 27, 2024. During the Current Period, we did not pay any cash dividends to holders of our outstanding shares.

Equity Reclassification

On December 18, 2023, following the approval of our Board and stockholders each share of Class B Common Stock was automatically reclassified into one share of Class A Common Stock.

Debt Instruments

Amended Credit Agreement

As of September 25, 2025, there were no borrowings under the amended and restated credit agreement with JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto (the "**Existing Credit**

Agreement"), and the Issuer had approximately $54.3 million of letters of credit issued under the Existing Credit Agreement. In connection with this offering and the Quail Tools Acquisition, the Issuer, the Parent and the other guarantors under the Existing Credit Agreement entered into an amendment to the Existing Credit Agreement to effectuate the Amended Credit Agreement substantially concurrently with the consummation of this offering, the repayment of the Seller Loan and the Bridge Loan, and the satisfaction of other customary closing conditions. The Amended Credit Agreement extends the maturity date of the Existing Credit Agreement until October 2030 (subject to a springing maturity date that is 91 days prior to the maturity date of any of our other material indebtedness).

The Amended Credit Agreement provides for up to $200 million of asset based revolving credit loans, with a $75 million sublimit for the issuance of letters of credit. The Existing Credit Agreement and, when in effect, the Amended Credit Agreement are subject to various covenants. As of September 25, 2025, we were in compliance with all covenants pertaining to the Existing Credit Agreement.

Seller Note

As of September 25, 2025, Covey owes $250 million under the Seller Note. The net proceeds of this offering are expected to be used to repay and discharge all of the obligations under the Seller Note. See "*Use of Proceeds*."

Bridge Loan Credit Agreement

As of September 25, 2025, MidCo owes $200 million under the Bridge Loan Credit Agreement. The net proceeds of this offering are expected to be used to repay and discharge all of the obligations under the Bridge Loan Credit Agreement. See "*Use of Proceeds*."

Off-Balance Sheet Transactions

The Company is not party to any material arrangements that would be excluded from the balance sheets.

Adjusted EBITDA

Adjusted earnings before interest, taxes, depreciation and amortization ("**Adjusted EBITDA**") is not defined by GAAP. We define EBITDA as net income before interest; taxes; depreciation and amortization. We define Adjusted EBITDA as net income before interest; taxes; depreciation and amortization; and other charges, such as severance charges restructuring costs, acquisition-related transaction expenses, non-cash reductions in the fair value of assets, gain or loss on legal settlements, and certain gains and losses arising from asset sales. We present Adjusted EBITDA as a supplemental disclosure because we believe it provides both management and investors additional information with respect to the performance of our fundamental business activities and a comparison of the results of our operations from period to period and against our peers without regard to our financing methods or capital structure. We exclude the items listed above from net income in arriving at Adjusted EBITDA because these amounts can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. Adjusted EBITDA should not be construed as an alternative to the GAAP measure of net income. Our computations of Adjusted EBITDA may not be the same as similarly titled measures of other companies.

The below tables show Adjusted EBITDA for our Rentals and Services for each of the periods presented. Our corporate administrative activities do not involve business activities from which we earn revenues and its results are not regularly reviewed by management when making key operating and resource decisions. As a result, corporate administrative expenses and intersegment revenue have been included under "Corporate and Other."

For the six months ended June 30, 2025

	Rental	Services	Corporate and Other	Total
Net Income	$ 86,158	$ 30,583	$ (47,255)	$ 69,486
Income Taxes	-	-	23,467	23,467
Depreciation, depletion, amortization and accretion	26,564	24,252	1,401	52,217
Interest Income, Net	-	-	(8,909)	(8,909)
EBITDA	112,722	54,835	(31,296)	136,261
Other Expense, Net	-	-	1,488	1,488
Other adjustments	3,995	2,210	-	6,205
Adjusted EBITDA	$ 116,717	$ 57,045	$ (29,808)	$ 143,954

For the six months ended June 30, 2024

	Rental	Services	Corporate and Other	Total
Net Income	$ 95,272	$ 24,078	$ (50,096)	$ 69,254
Income Taxes	-	-	28,157	28,157
Depreciation, depletion, amortization and accretion	23,772	16,523	1,020	41,315
Interest Income, Net	-	-	(12,600)	(12,600)
EBITDA	119,044	40,601	(33,519)	126,126
Other Expense, Net	-	-	3,895	3,895
Income from Discontinued Operations, Net of Tax	-	-	(1,896)	(1,896)
Adjusted EBITDA	$ 119,044	$ 40,601	$ (31,520)	$ 128,125

For the year ended December 31, 2024

	Rental	Services	Corporate and Other	Total
Net Income	$ 181,169	$ 26,596	$ (72,835)	$ 134,930
Income Taxes	-	-	13,889	13,889
Depreciation, depletion, amortization and accretion	47,815	33,061	2,188	83,064
Interest Income, Net	-	-	(23,008)	(23,008)
EBITDA	228,984	59,657	(79,766)	208,875
Other Expense, Net	-	-	8,599	8,599
Loss on Blue Chip Swap securities	-	-	5,113	5,113
Income from Discontinued Operations, Net of Tax	-	-	(1,896)	(1,896)
Restructuring and transaction expenses	-	-	7,205	7,205
Other adjustments	-	13,539		13,539
Adjusted EBITDA	$ 228,984	$ 73,196	$ (60,745)	$ 241,435

For the year ended December 31, 2023

	Rental	Services	Corporate and Other	Total
Net Income	$ 225,020	$ 74,816	$ (124,816)	$ 175,020
Income Taxes	-	-	59,741	59,741
Depreciation, depletion, amortization and accretion	49,414	28,796	2,858	81,068
Interest Income, Net	-	-	(25,761)	(25,761)
EBITDA	274,434	103,612	(87,978)	290,068
Other Expense, Net	-	-	13,391	13,391
Loss on Blue Chip Swap securities	-	-	19,856	19,856
Income from Discontinued Operations, Net of Tax	-	-	(426)	(426)
Restructuring and transaction expenses	-	-	3,294	3,294
Other adjustments	-	(2,721)	(1,056)	(3,777)
Adjusted EBITDA	$ 274,434	$ 100,891	$ (52,919)	$ 322,406

Critical Accounting Policies and Estimates

The accounting policies described below are considered critical in obtaining an understanding of our consolidated financial statements because their application requires significant estimates and judgments by management in preparing our consolidated financial statements. Management's estimates and judgments are inherently uncertain and may differ significantly from actual results achieved. Management considers an accounting estimate to be critical if the following conditions apply:

- the estimate requires significant assumptions; and
- changes in the estimate could have a material effect on our consolidated results of operations or financial condition; or

- if different estimates that could have been selected had been used, there could be a material effect on our consolidated results of operations or financial condition.

It is management's view that the current assumptions and other considerations used to estimate amounts reflected in our consolidated financial statements are appropriate. However, actual results can differ significantly from those estimates under different assumptions and conditions. The sections below contain information about our most critical accounting estimates.

Long-Lived Assets Valuation

We review long-lived assets, such as property, plant and equipment and purchased intangibles subject to amortization, for impairment whenever events or changes in circumstances indicate that the carrying amount of any such asset may not be recoverable. The carrying amount of an asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. We record impairment losses on long-lived assets to be held and used when the fair value of those assets is less than their respective carrying amount. Impairment losses are recorded in the amount by which the carrying amount of such assets exceeds the fair value. Fair value is measured, in part, by the estimated cash flows to be generated by those assets. Our cash flow estimates are based upon, among other things, historical results adjusted to reflect our best estimate of future market rates, utilization levels and operating performance. Our estimates of cash flows may differ from actual cash flows due to, among other things, changes in economic conditions or changes in an asset's operating performance. Assets are generally grouped by subsidiary or division for the impairment testing, which represent the lowest level of identifiable cash flows. Assets held for sale are reported at the lower of the carrying amount or fair value less estimated costs to sell. Our estimate of fair value represents our best estimate based on industry trends and reference to market transactions and is subject to variability. The oil and gas industry is cyclical and our estimates of the period over which future cash flows will be generated, as well as the predictability of these cash flows, can have a significant impact on the carrying value of these assets and, in periods of prolonged down cycles, may result in impairment charges.

Decommissioning Liability

We account for our decommissioning liability under ASC 410 – Asset Retirement Obligations. Our decommissioning liability is associated with our oil and gas property and include costs related to the plugging of wells, removal of the related platform and equipment and site restoration. We review the adequacy of our decommissioning liability whenever indicators suggest that the estimated cash flows and/or relating timing needed to satisfy the liability have changed materially.

Income Taxes

We use the asset and liability method of accounting for income taxes. This method considers the differences between financial statement treatment and tax treatment of certain transactions. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Our deferred tax calculation requires us to make certain estimates about our future operations. Changes in state, federal and foreign tax laws, as well as changes in our financial condition or the carrying value of existing assets and liabilities, could affect these estimates. The effect of a change in tax rates is recognized as income or expense in the period that the rate is enacted.

We recognize deferred tax assets ("**DTAs**") to the extent that we believe that these assets are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, carryback potential if permitted under the tax law, and results of recent operations. If we determine that we would be able to realize our DTAs in the future in excess of their net recorded amount, we would make an adjustment to the DTA valuation allowance, which would reduce the provision for income taxes.

We record uncertain tax positions in accordance with FASB ASC Topic 740: Income Taxes ("**ASC 740**") on the basis of a two-step process in which (1) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, we recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

Recently Adopted and Issued Accounting Guidance

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires the annual financial statements to include consistent categories and greater disaggregation of information in the rate reconciliation, and income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for annual reporting periods beginning after December 15, 2025, with early adoption permitted, and should be applied on a prospective basis with a retrospective option. We are currently evaluating the effect the adoption of ASU 2023-09 will have on our disclosures.

BUSINESS

Overview

We are a leading energy services company with a robust portfolio of strategically positioned rentals and well services brands, serving our customers' operations through all phases of the well lifecycle. Superior operates in two segments – rentals and well services – to provide customized solutions to its customers. We believe that our deep engineering expertise and capabilities, combined with our global footprint across the most active oil and gas basins, serve as a key competitive advantage, enabling us to deliver greater value to our customers as compared to smaller, local competitors. Our delivery of rental products and well services typically represent a small fraction of the overall cost of a well, allowing us to differentiate us in applications we believe are underserved by our larger competitors. As a result of the limited capital required to support our business and the highly customized nature of our products and services, we believe we are able to generate attractive margins and cash flow.

Rental Segment Overview

We offer an extensive portfolio of rental equipment that supports the onshore and offshore drilling and completions markets. Our key rental products include:

- **Premium Tubulars and Associated Tools** – Through our Workstrings and Quail Tools businesses, Superior serves customers operating in the U.S. land and GoA markets, as well as select international markets throughout Latin America, Asia Pacific, Africa, Europe, Canada, the Middle East and North Africa. We believe we are the largest provider of rental tubulars globally, offering premium drill pipe, completions tubulars, landing strings, heavyweight drill pipe and handling tools required by our customers to efficiently drill wells under the most demanding conditions. Our engineering expertise enables us to provide customers with customized engineering solutions and support for the design of the optimal string of pipe and tools that address specific technical challenges presented by their wellbores.

- **Bottom Hole Assemblies** – Through our Stabil Drill business unit, Superior offers a broad portfolio of highly engineered products including drilling motors, anti-shock, friction-reduction and stick-slip mitigation tools, reamers, stabilizers and other downhole tools. Stabil Drill also offers full-service repairs, machining, fabrication and custom BHA engineering and configuration services.

- **Offshore Accommodations –** Our HB Rentals business offers modular living and work units for the energy and industrial sectors, with full custom engineering, project execution and on-site support. HB Rentals portfolio includes living quarters, heliports, water and power systems, lighting systems, communications systems and sewage treatment systems as well as portable secure communications solutions designed for defense and government use.

Services Segment

Superior provides a broad range of engineering solutions, project planning, offshore completion tools and services, well-control and emergency-response services, snubbing, hydraulic workover, cementing and production enhancement services.

- **Offshore Completions –** Superior Completion Services manufactures a range of products and provides services for our customers' lower completions activities for conventional, unconventional and deepwater wells. Our core services include packers, single-trip systems, isolation/barrier valves, subsurface safety valves, well screens and inflow control device technologies and intelligent completion systems.

- **Hydraulic Workover, Snubbing and Live Well Intervention Services –** Through our International Snubbing Services business, Superior offers hydraulic workover and snubbing, plug and abandonment services, fishing and well recovery operations, drill-out services and intervention

services. These services require both specialized equipment and highly trained personnel capable of operating in complex, high-pressure well conditions. We provide these services worldwide with a key focus on the U.S. land, GoA and Australian markets.

- **Well Control Solutions –** Our Wild Well Control business is the world's longest-serving well-control company, supporting approximately 80% of all global emergency response events. Wild Well Control has the industry's largest dedicated team of well-control specialists and rapid-deployment equipment. We operate from hubs in Houston, Dubai, Aberdeen, Kuala Lumpur, Port Harcourt and Odessa. The key services provided by Wild Well Control include emergency response services, engineering solutions and well control modeling, relief well planning and operations and unconventional intervention services. We also provide training services, issuing over 40% of all IADC well control certifications globally and offer a subscription-based program granting operators access to a global fleet of subsea capping stacks, debris-removal tooling and containment hardware backed by an engineering and logistics support team to contain deep-water blowouts anywhere in the world.

- **Production Enhancement Services –** Our International Production Services business unit provides downhole tools and a wide array of services to customers operating in Argentina and Kuwait. In Argentina, Superior's operations include coiled tubing, wireline and slickline services. In Kuwait we provide cementing services and downhole tools used for wellbore cleaning, fishing and plug setting. Our longstanding relationships with the largest operators and track record for delivering outstanding service quality differentiate us from other local and international companies operating in these regions.

Competitive Strengths

Superior's competitive strengths reflect the deliberate transformation of our business into a capital-light, high-margin platform anchored by premium brands and global scale. These advantages position us to generate resilient free cash flow, capture opportunities across diverse markets, and maintain financial discipline through commodity cycles. The combination of portfolio breadth, operational expertise, customer relationships, and leadership support provides meaningful differentiation within the oilfield services industry.

- **Comprehensive coverage across the entire well lifecycle**: Unlike many oilfield service providers that focus on only one stage, Superior delivers premium rental and service offerings that span drilling, completion, production, intervention and decommissioning. We believe this breadth allows us to capture a larger share of customer spend, deepen long-term relationships, and insulate our business from shifts in activity at any single phase of the well lifecycle.

- **Differentiated portfolio of long-standing, trusted brands with leading margins and cash flow**: We believe Superior's businesses — including Workstrings, Stabil Drill, HB Rentals, Quail Tools, International Snubbing Services, Wild Well Control and Superior Completion Services — have decades-long reputations for reliability, service quality, safety, and technical excellence. These brands are embedded with customers globally and are recognized as first-call partners for complex and high-value operations. Their strong market positions and engineering-driven solutions create high barriers to entry, support resilient pricing, and underpin LTM pro forma Adjusted EBITDA margins of approximately 37% and pro forma LTM unlevered free cash flow conversion of approximately 59%.

- **Blue-chip, diversified customer base**: Superior serves a broad set of investment-grade international oil companies, national oil companies and large independent operators engaged in long-cycle projects. This customer base values reliability, safety and technical excellence, and typically contracts on a multi-year basis, providing visibility and stability through commodity

cycles. No single customer represents a material portion of revenues, reducing dependence on any one relationship and reinforcing the durability of the Company's earnings.

- **Global and geographically diversified portfolio**: We believe Superior's balanced mix of U.S. land, U.S. offshore and international operations provides meaningful insulation from short-term rig count volatility. Approximately 39% of LTM pro forma revenue was generated internationally across more than 30 countries. This global reach underpins margin resiliency through the cycle and positions Superior to capture opportunities in long-cycle offshore and international developments.

- **Experienced leadership with proven track record of execution and value creation**: Beginning in mid-2024, Superior strengthened its senior leadership team, onboarding CEO Dave Lesar, former Chairman & CEO of Halliburton in addition to Jim Brown, our COO and Kyle O'Neill, our CFO. The Company is led by experienced business unit leaders, and collectively, our senior management team has over 160 years of combined industry experience. Our team has deep sector knowledge, operational expertise, and a demonstrated ability to lead through commodity cycles, expand margins and create shareholder value. Under their leadership, Superior has focused its portfolio, improved profitability, and positioned itself for disciplined growth.

- **Conservative balance sheet offers financial flexibility:** With what we believe to be a strong and streamlined capital structure, low leverage and ample liquidity, Superior reduces financial risk and enhances resilience through industry cycles. Our balance sheet strength provides the capacity to reinvest in our businesses, pursue growth initiatives, and act opportunistically on strategic M&A. The Company maintains low leverage and intends to sustain a long-term leverage of less than 1.0x net leverage. Further, the company intends to maintain a minimum cash balance of $150 million, providing for liquidity above and beyond the availability under the Amended Credit Agreement. We intend to prioritize reinvesting excess free cash flow into the business to support organic growth, maintaining liquidity and pursuing growth through M&A.

Business Strategies

Superior's business strategies are designed to reinforce our position as a capital-light, high-margin platform and to differentiate our portfolio of rentals and specialized services offered across the full well lifecycle. By executing on the strategies outlined below, we seek to achieve consistent free cash flow generation, maintain financial resilience through industry cycles, and strengthen our standing as the first-call partner to international oil companies, national oil companies and independents. Collectively, we believe these strategies position us towards winning in the marketplace by leveraging our premium brands, global reach and disciplined approach to growth.

- **Commitment to operational excellence and safety**: We are committed to maintaining a culture of safety, reliability, and execution across all business units. By embedding engineering expertise and systematic maintenance processes into our operations, we seek to maximize asset utilization, minimize downtime, and deliver consistent, high-quality results to our customers.

- **Leverage global footprint and customer relationships**: With operations spanning U.S. land, the GoA, and international markets, and a customer base including major integrated oil companies and national oil companies, we are well positioned to capture opportunities across multiple geographies and phases of the well lifecycle. We believe our diversified reach helps insulate our business from regional volatility and creates long-term partnership opportunities with high-quality clients.

- **Capitalize on a streamlined, capital-light portfolio to drive resilience and growth**: Our strategy is to maintain a focused portfolio of rental and specialized service businesses that require limited capital intensity and generate premium margins and strong free cash flow. We believe this streamlined mix enhances operational durability through industry cycles and enables us to reinvest in our core brands, pursue disciplined growth and act opportunistically in the market. Since 2021, we have exited commoditized and labor-intensive business lines, improving profitability and

increasing Adjusted EBITDA margins from less than 20% in 2021 to approximately 37% on a pro forma LTM basis.

- **Focus on premium brands and differentiated offerings**: Our portfolio of market-leading brands positions us as the first-call partner for critical well lifecycle needs. We intend to continue investing in these brands to maintain their premium positioning and expand their market penetration.

- **Drive revenue growth, margin expansion and free cash flow generation through execution**: Our operating philosophy is centered on disciplined execution, operational efficiency and practical innovation. By maintaining a rigorous focus on utilization, cost management, and engineered solutions, we have historically delivered attractive EBITDA margins and strong free cash flow conversion. As a result, we believe we are positioned towards generating profitable growth through commodity cycles and benefiting from operating leverage as activity expands.

- **Maintain a conservative financial profile**: We aim to operate with a target net leverage of less than 1.0x and a focus on maintaining ample liquidity, supported by an optimal cash balance and availability under our Amended Credit Agreement. We intend to continue to maintain a strong balance sheet and disciplined capital allocation. Excess free cash flow is prioritized for reinvestment in the business for capital expenditures and bolstering the Company's liquidity position in addition to pursuing opportunistic growth initiatives.

- **Pursue accretive growth through disciplined M&A**: We intend to pursue strategic acquisitions that enhance our portfolio, expand geographic reach, and provide clear synergy opportunities. We believe our 2025 acquisition of Quail Tools exemplifies this strategy by strengthening our U.S. land presence with premium rental equipment and creating recurring and non-recurring synergy potential, while maintaining a disciplined financial framework.

Recent Developments

Acquisition of Quail Tools (2025)

On August 20, 2025, we completed the Quail Tools Acquisition to acquire all issued and outstanding equity of Quail Tools. Serving the oil and gas industry since 1978, Quail Tools is a leading provider of rental equipment in the oil and gas industry, providing premium tubulars and associated handling tools to exploration and production companies, drilling contractors and service companies on land and offshore in the U.S., as well as in select international markets. Quail Tools provides standard and heavy-weight drill pipe, all of which are available with standard or high-torque connections, tubing, drill collars, pressure control equipment, including blowout preventers, landing strings, completion workover risers and more.

Quail Tools' U.S. rental tools business maintains an inventory of rental tubulars and associated tools for drilling, completion workover and production applications at facilities in Louisiana, the Eagle Ford, Permian Basin, Wyoming, the Bakken, East Texas and West Virginia. Quail Tools' largest single market is U.S. land drilling, a cyclical market driven primarily by oil and natural gas prices and its customers' access to project financing. A portion of the Quail Tools business supplies premium tubulars and other equipment to customers operating offshore in the GoA and in Guyana.

Through the Quail Tools Acquisition, Superior significantly increased its inventory of the most sought-after tubulars to support customers' drilling and completions operations in the U.S. land and GoA markets. Following the Quail Tools Acquisition, we believe we are the largest provider of premium tubulars in the rental market, and the depth of our customer relationships and operating footprint should enable us to optimize the utilization of our assets. We anticipate that our combined inventories will allow us to meet the growing demands of our customers for certain varieties of tubulars and reduce our overall need for new capital expenditures moving forward. Additionally, by leveraging Quail Tools' existing facilities network across the U.S. land market, we believe we can eliminate considerable spend that would have otherwise been dedicated to the acquisition and development of real estate across the most active U.S. unconventional oil and gas basins. Further, we expect that the combined business will be

positioned to utilize Quail Tools' machining capabilities to reduce our cost to maintain equipment by internalizing certain repair and maintenance functions that Superior currently outsources to third parties.

Pro forma for the Quail Tools Acquisition, our 2024 revenue, net income and Adjusted EBITDA would have been $1,075 million, $164 million and $396 million, respectively. Pro forma for the Quail Tools Acquisition, our LTM revenue, net income and Adjusted EBITDA would have been $1,102 million, $154 million and $402 million, respectively. See *"Non-GAAP Financial Measures."*

For the Six Months Ended June 30, 2025

		Total
Net Income	$	77,888
Income Taxes		26,968
Depreciation, depletion, amortization and accretion		82,775
Interest Expense, Net		19,621
EBITDA		207,252
Other Expense, Net		1,458
Other adjustments		6,205
Adjusted EBITDA	$	214,915

For the Six Months Ended June 30, 2024

		Total
Net Income	$	87,426
Income Taxes		34,468
Depreciation, depletion, amortization and accretion		71,873
Interest Expense, Net		12,488
EBITDA		206,255
Other Expense, Net		3,845
Income from Discontinued Operations, Net of Tax		(1,896)
Adjusted EBITDA	$	208,204

For the Year Ended December 31, 2024

		Total
Net Income	$	163,791
Income Taxes		24,374
Depreciation, depletion, amortization and accretion		144,180
Interest Expense, Net		30,744
EBITDA		363,089
Other Expense, Net		8,517
Loss on Blue Chip Swaps, Net		5,113
Income from Discontinued Operations, Net of Tax		(1,896)
Restructuring and transaction expenses		7,205
Other adjustments		13,539
Adjusted EBITDA	$	395,567

Seller Note

In connection with the Quail Tools Acquisition, in August 2025, Covey received $250 million in seller financing pursuant to the Seller Note. The obligations under the Seller Note are guaranteed by the Parent and Quail Tools and are secured by a pledge of the equity of Quail Tools and a lien on substantially all personal property of Quail Tools. The net proceeds of this offering will be used to repay in full the Seller Loan and all other outstanding obligations under the Seller Note. See "*Description of Other Indebtedness*" and "*Use of Proceeds*" for additional information.

Bridge Loan Credit Agreement

In connection with the Quail Tools Acquisition, in August 2025, MidCo received the Bridge Loan pursuant to the Bridge Loan Credit Agreement. We used the proceeds of the Bridge Loan to finance, in part, the purchase price for the Quail Tools Acquisition. The obligations under the Bridge Loan Credit Agreement are unsecured and are guaranteed by the Parent and substantially the same subsidiaries of the Parent that guarantee the Issuer's obligations under the Existing Credit Agreement. The net proceeds of this offering will be used to repay in full the Bridge Loan and all other outstanding obligations under the Bridge Loan Credit Agreement. See "*Description of Other Indebtedness*" and "*Use of Proceeds*" for additional information.

Amended Credit Agreement

In December 2023, the Issuer entered into the Existing Credit Agreement, which includes a $140 million ABL. In connection with this offering and the Quail Tools Acquisition, on September 26, 2025, the Issuer, the Parent and the other guarantors party to our Existing Credit Agreement entered into the Amended Credit Agreement. The Amended Credit Agreement is expected to become effective substantially concurrently with the consummation of this offering, the repayment of the Seller Loan and the Bridge Loan, and the satisfaction of other customary closing conditions. The Amended Credit Agreement, among other things, extends the maturity date of the ABL from December 2028 to October 2030, increases the ABL commitments from $140 million to $200 million and increases the letter of credit sublimit from $40 million to $75 million. Upon the effectiveness of the Amended Credit Agreement, the obligations under the Amended Credit Agreement will be guaranteed by the Parent and the same subsidiaries of the Parent that guarantee the Notes and secured by a first priority lien on the ABL Priority Collateral and a second priority lien on the Notes Priority Collateral, in each case subject to certain permitted liens and the ABL Intercreditor Agreement. See "*Description of Other Indebtedness*" for additional information.

Products and Services

Combining financial discipline with corporate services expertise, we maintain a strategy focused on businesses critical to our customers' success. We support our portfolio of brands with the necessary resources and leadership so they can add value to our customers' operations with an emphasis on quality, safety and sustainability.

Rentals

Our rentals services brands offer value-added products and services to meet a wide range of project needs. With a long history of delivering maximum value, these brands help customers and vendor partners achieve safety, efficiency and sustainability goals. Our rental segment operates with low labor intensity and a substantial catalog of product offerings.

The products and service offerings of our rentals segment are:

- engineering and design services;
- rentals of premium downhole tubulars, drill pipe and handling accessories;
- manufacturing and rental of BHA accessories; and

- rentals of offshore accommodation units.

Well Services

Our well services brands provide specialized solutions for drilling, production, completion and decommissioning. They have a proven track record of meeting operators' expectations and delivering the products and expertise success demands. Among our customers and vendor partners, these brands have a history of strong, collaborative relationships.

The products and service offerings of well services segment are:

- risk management, well control, and training solutions;
- hydraulic workover and snubbing services;
- engineering and manufacturing of premium completion tools; and
- coiled tubing, wireline, slickline, cementing services, and downhole tool services in Argentina, Kuwait and Colombia.

Customers

Our customers are major and independent oil and gas companies as well as national oil companies that are active in the geographic areas in which we operate. No customer accounted for over 10% of our total revenues in fiscal year 2024. A reduction in sales to any of our existing large customers could have a material adverse effect on our business and operations.

Competition

We provide products and services worldwide in highly competitive markets, with competitors comprised of both small or regionally focused companies in our rentals segment, and large or international companies in our well services segment. Competition primarily involves factors such as availability of specialized products in proximity to customers' operations, safety and reliability of products and services offerings, technical expertise, development of innovative technological solutions, maintenance of customer relationships, ability to execute on operations within acceptable time and cost boundaries and other related factors. Competitive forces in our market segments can be affected by several other factors, such as fluctuations in drilling and completion activity, perceptions of future prices of oil and natural gas, government regulation, disruptions caused by factors such as weather, pandemics, geopolitics and general economic conditions.

Potential Liabilities and Insurance

Our operations are subject to hazards inherent in the oil and gas industry, including accidents, breakdowns, blowouts, explosions, fires, oil spills and hazardous substances spills. These conditions can cause personal injury or loss of life, damage to or destruction of property, equipment, natural resources, the environment and wildlife and interruption or suspension of operations, among other adverse effects.

As is customary in our industry, our contracts generally provide that we will indemnify and hold harmless our customers from any claims arising from personal injury or death of our employees, damage to or loss of our equipment and pollution emanating from our equipment and services. Similarly, our customers generally agree to indemnify and hold us harmless from any claims arising from personal injury or death of their employees, damage to or loss of their equipment or property and pollution caused from their equipment or the well reservoir (including uncontained oil flow from a reservoir). Nonetheless, our indemnification arrangements may not protect us in every case.

Despite what we view as our strong safety record and our efforts to maintain strong safety standards, we conduct our operations in potentially dangerous settings and from time to time have suffered accidents and similar incidents in the past, and it is possible that we could experience accidents and incidents in the future. In addition to the property damage, personal injury and other losses from these accidents, the frequency and severity of these incidents may affect our operating costs and insurability and our relationships with customers, employees, regulatory agencies and other parties. Any significant increase in the frequency or severity of these incidents, or the general level of compensation awards or regulatory enforcement sanctions, could adversely affect the cost of, or our ability to obtain, certain forms of insurance, and could have other material adverse effects on our financial condition, our results of operations or our ability to operate.

We maintain a portfolio of insurance policies to protect our core businesses against loss of property, business interruption, injury to personnel and liability to third parties for such losses as per industry standards. Risks insured generally include loss or damage to physical assets, such as buildings, plants, equipment and work in progress, and business interruption resulting therefrom, bodily injury to and death of employees and third-party liabilities, and environmental liability. Certain types of losses are generally not insured by us because they are either uninsurable or not economically insurable, such as well control costs, losses caused as a result of inability to deliver on time or at the right quality, or losses occasioned by willful misconduct, criminal acts, fines and penalties and various perils associated with war and terrorism. Our insurance policies may not be sufficient to adequately insulate us from a claim that exceeds policy limits or against every circumstance or hazard to which we could be subject. An uninsured loss, a loss that exceeds the limits of our insurance policies or a succession of such losses could have a material adverse effect on our business, operations and financial condition.

Regulatory Environment

Government Regulation

Our business is significantly affected by federal, state local and international laws and regulations. These laws and regulations relate to, among other things:

- worker safety standards;
- the protection of the environment;
- the handling and transportation of hazardous materials; and
- the mobilization of our equipment to, and operations conducted at, our work sites.

Numerous permits are required for the conduct of our business and operation of our various facilities and equipment, including our underground injection wells, trucks and other heavy equipment. These permits can be revoked, modified or renewed by issuing authorities based on factors both within and outside our control.

We cannot predict the level of enforcement of existing laws and regulations or how such laws and regulations may be interpreted by enforcement agencies or court rulings in the future. We also cannot predict whether additional laws and regulations will be adopted, including changes in regulatory oversight, increase of federal, state or local taxes, increase of inspection costs, or the effect such changes may have on us, our businesses or our financial condition. Our business has been impacted by the introduction of new tariffs in 2025, particularly for imported steel. In some business lines, our input costs have risen as much as 7% directly as a result of these tariffs. Superior continues to work with its suppliers to mitigate the inflationary pressure from tariffs and also to pass on costs to our customers to the fullest extent possible.

Environmental Matters

Our operations, and those of our customers, are subject to extensive laws, regulations, and treaties relating to air and water quality, generation, storage and handling of hazardous materials, and emission and discharge of materials into the environment. We believe we are in substantial compliance with all environmental regulations affecting our

business. Historically, our expenditures in furtherance of our compliance with these laws, regulations and treaties have not been material, and we do not expect the cost of compliance to be material in the future.

Numerous federal, state, and local governmental agencies, such as the EPA and international authorities, issue laws and regulations that often require difficult and costly compliance measures that carry substantial administrative, civil and criminal penalties, and may result in injunctive obligations for non-compliance. These laws and regulations may require the acquisition of a permit before commencing operations, restrict the types, quantities and concentrations of various substances that can be released into the environment in connection with our operations, limit or prohibit construction or drilling activities on certain lands lying within wilderness, wetlands, ecologically or seismically sensitive areas and other protected areas, require action to prevent or remediate pollution from current or former operations, such as plugging abandoned wells or closing pits, result in the suspension or revocation of necessary permits, licenses and authorizations, require that additional pollution controls be installed and impose substantial liabilities for pollution resulting from our operations or related to our owned or operated facilities. Liability under such laws and regulations is often strict (*i.e.*, no showing of "fault" is required) and can be joint and several. Moreover, it is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by the release of hazardous substances, hydrocarbons or other waste products into the environment. Changes in environmental laws and regulations occur frequently, and any changes that result in more stringent and costly pollution control or waste handling, storage, transport, disposal or cleanup requirements could materially adversely affect our operations and financial position, as well as the oil and gas industry and infrastructure industry in general. We have not experienced any material adverse effect from compliance with these environmental requirements. This trend, however, may not continue in the future.

Climate Change

Laws and regulations governing environmental matters are constantly evolving. In recent years, federal, state and local governments as well as governments outside the United States have taken steps to reduce emissions of carbon dioxide, methane and other GHGs. In 2009, the EPA published its final findings that emissions of GHGs present an endangerment to public health and welfare on the basis that emissions of such gases contribute to the warming of the earth's atmosphere and other climatic changes. This endangerment finding is the basis for many of the EPA's regulations of greenhouse gases under the federal Clean Air Act. The EPA finalized a series of GHG monitoring, reporting and emissions control rules for the oil and gas industry, and almost half of the states have already taken measures to reduce emissions of GHGs primarily through the development of GHG emission inventories and/or regional GHG cap-and-trade programs. Also, states have imposed increasingly stringent requirements related to the venting or flaring of gas during oil and natural gas operations. In addition, the United States has at times been a party to certain international agreements, pacts and other commitments designed to address climate change and reduce greenhouse gas emissions, including the Paris Agreement.

We believe it is likely that scientific, public and political attention to issues concerning the extent, causes of and responsibility for climate change will continue, with the potential for further regulations and litigation that could affect our operations. Restrictions on emissions of methane or carbon dioxide that may be imposed could adversely affect the oil and gas industry by reducing demand for hydrocarbons and by making it more expensive to develop and produce hydrocarbons, either of which could have a material adverse effect on future demand for our services. While we currently are subject to certain federal GHG monitoring and reporting requirements, our operations currently are not adversely impacted by existing federal, state and local climate change initiatives. At this time, however, it is not possible to accurately estimate how potential future laws or regulations addressing GHG emissions would impact our business.

In addition, there have also been efforts in recent years to influence the investment community and certain financial institutions, including investment advisors and certain sovereign wealth, pension and endowment funds promoting divestment of fossil fuel equities and pressuring lenders to limit funding to companies engaged in the extraction of fossil fuel reserves, and insurance companies to limit available coverage for entities engaged in the production or use of fossil fuels. Such environmental activism and initiatives aimed at limiting climate change and reducing air pollution could interfere with our business activities, operations and our ability to access capital and obtain third party insurance. Furthermore, claims have been made against certain energy companies alleging that GHG emissions from oil and natural gas operations constitute a public nuisance under federal and/or state common law. As a result, private individuals or public entities may seek to enforce environmental laws and regulations against certain

energy companies and could allege personal injury, property damages or other liabilities. While our business is not a party to any such litigation, we could be named in actions making similar allegations. An unfavorable ruling in any such case could significantly impact our operations and could have an adverse impact on our financial condition.

Moreover, climate change may cause more extreme weather conditions such as more intense hurricanes, thunderstorms, tornadoes and snow or ice storms, as well as rising sea levels and increased volatility in seasonal temperatures. Extreme weather conditions can interfere with our productivity and increase our costs and damages resulting from extreme weather, which may not be fully insured. At this time, we are unable to determine the extent to which climate change may lead to increased storm or weather hazards affecting our operations.

However, despite the efforts described above, there has been a recent push to roll back federal initiatives relating to the regulation of GHG emissions. For example, in response to a January 2025 presidential executive order directing the EPA to re-evaluate the legality and continuing applicability of the 2009 GHG endangerment finding, in July 2025, the EPA proposed to rescind the 2009 "Endangerment Finding" underpinning GHG regulation by the EPA and proposed a rule that would repeal all GHG emission standards for light-duty, medium-duty, and heavy-duty vehicles and engines. Rescinding the endangerment finding would provide an independent basis for ending EPA regulation of GHGs from sources in the oil and gas industry. The ultimate outcome of this proposed rescission is uncertain. For additional information, see "*Risk Factors—Climate change, ESG and other sustainability initiatives may result in regulatory or structural industry changes that could require significant operational changes and expenditures, reduce demand for our products and services and adversely affect our business, financial condition or results of operations*."

Raw Materials

We believe that materials and components used in our operations are generally available from multiple sources and that we are not dependent on any single source of supply for those materials and components. While we believe that we will be able to make satisfactory alternative arrangements in the event of any interruption in the supply of materials and components, we may not always be able to do so. Shortages and transportation and supply disruptions can adversely impact supply of our manufacturing raw materials, as well as delivery of finished goods and transportation of our personnel for services, and as a result our products or services may be disrupted or delayed, which could have a material adverse effect on our business, operations and financial condition. Should our current suppliers be unable or unwilling to provide the necessary parts, raw materials or equipment or otherwise fail to deliver the products timely and in the quantities required, any resulting cost increase or delays in the provision of our products or services could have a material adverse effect on our business, financial condition, results of operations and cash flows. If we are unable to purchase raw materials for our products on a timely basis to meet the demands of our customers, our existing customers may terminate their contractual relationships with us, or we may not be able to compete for business from new or existing customers, which, in each case, could have a material adverse effect on our business, financial condition, results of operations and cash flows. Supply chain bottlenecks, such as those experienced as a result of the COVID-19 pandemic, may continue to persist as a consequence of evolving geopolitical trends.

The prices that we pay for raw materials may be affected by, among other things, energy, steel and other commodity prices, tariffs and duties on imported materials, economic sanctions and foreign currency exchange rates. We have experienced rising, declining and stable prices for milled steel and standard grades in line with broader economic activity, and we have generally seen specialty alloy prices continue to rise, driven primarily by escalation in the price of the alloying agents. We have generally been successful in our efforts to mitigate the financial impact of higher raw materials costs on our operations by applying surcharges to, and adjusting prices on, the products that we sell. Higher prices and lower availability of steel and other raw materials that we use in our business may adversely impact future periods.

Cyclical nature of industry

We operate in a highly cyclical industry. Our business is particularly sensitive to factors such as oil and natural gas prices, the supply and demand for oil and natural gas, the level of exploration, development, production, investment, modification and maintenance activity and competition.

Prices for oil and natural gas commodities have historically been, and are expected to remain, subject to fluctuations in response to changes in the supply and demand for oil and natural gas, market uncertainty and a variety of other political and economic factors. Prolonged reductions in oil and natural gas prices typically result in decreased levels of exploration, development, production, investment, modification and maintenance activity by oil and gas companies. Any decreased levels of exploration, development and production activity or reductions or postponement of major expenditures by oil and gas companies could lead to downward pricing pressure on oil and gas service companies such as us and, therefore, could adversely affect our activity and profit.

Seasonality

Historically, demand for our products and services have been affected by seasonal trends in levels of drilling and production activity in the oil and gas industry. Seasonal weather and severe weather conditions, such as high seas and hurricanes, also can temporarily impair our operations. Budgets of many of our customers are based upon a calendar year, and demand for our services has historically been stronger in the second and third calendar quarters when allocated budgets are expended by our customers and seasonal weather conditions are more favorable for drilling and production activities. Many other factors, such as national or customary holiday seasons, the expiration of drilling leases and the supply of and demand for oil and natural gas, may affect this general trend in any particular year. While we anticipate that the seasonal and other trends described above may continue, there can be no guarantee that spending by our customers will continue to follow patterns observed in the past.

Human Capital

As of June 30, 2025, we had approximately 2,300 employees. Approximately 18% of our total employee base are subject to union contracts and are located in Argentina and Brazil. We believe that we have good relationships with our employees. We strive to employ a dynamic workforce to complement our core values. Our hiring policy forbids discrimination in employment on the basis of age, culture, gender, national origin, sexual orientation, physical appearance, race or religion. We are an inclusive company with people of various backgrounds, experience, culture, styles and talents. We are committed to the health, safety and wellness of our employees, and we pride ourselves on workplace safety. We track and maintain several key safety metrics, which senior management reviews periodically and we evaluate management on their ability to provide safe working conditions on job sites and to create a safety culture.

Facilities

We own or lease a large number of facilities in the U.S. and in various other countries throughout the world. Our international operations are primarily focused in Latin America, Asia-Pacific and the Middle East/North Africa regions.

DESCRIPTION OF NOTES

You can find the definitions of certain terms used in this description under the subheading "— *Certain Definitions*." In this description, the term "*Company*," "*us*," "*our*" or "*we*" refers only SESI, L.L.C. and not to any of its subsidiaries and the term "*Notes*" refers to the Company's % Senior Secured Notes due 2030 (including any Additional Notes (as defined herein) issued under the Indenture (as defined herein) unless the context otherwise requires).

The Company will issue the Notes under an indenture, to be dated as of the Issue Date (the "**Indenture**"), among the Company, the Guarantors party thereto from time to time and Truist Bank, as trustee (in such capacity, the "**Trustee**") and as notes collateral agent (in such capacity, the "**Notes Collateral Agent**"). The Notes offered hereby will be issued in a transaction that is not registered under the Securities Act and, accordingly, will initially be subject to certain transfer restrictions. See "*About this Offering Memorandum*" and "*Transfer Restrictions*."

The following description is a summary of certain provisions of the Indenture, the Notes, the Guarantees and the Security Documents and is subject to, and qualified in its entirety by reference to, the actual provisions of the Indenture (which will include the provisions of the Guarantees), the Notes and the Security Documents. It does not include all of the provisions of the Indenture (including the Guarantees), the Notes or the Security Documents. Copies of the forms of the Indenture, the Notes and the Security Documents will be made available to prospective purchasers of the Notes upon request, when available. We urge you to read the Indenture, the Notes and the Security Documents because they, and not this description, will define the rights of Holders of the Notes. The Indenture will not be qualified under the Trust Indenture Act of 1939, as amended (the "**Trust Indenture Act**"), and the provisions of the Trust Indenture Act that would otherwise be made part of the Indenture under the Trust Indenture Act will not be included in the Indenture unless expressly included therein. Certain defined terms used in this description but not defined below under "— *Certain Definitions*" have the meanings assigned to them in the Indenture.

The Holder of a Note will be treated as the owner of it for all purposes. Only Holders of Notes will have rights under the Indenture.

General

On the Issue Date, the Company will issue $ aggregate principal amount of Notes. After the Issue Date, the Company may, without notice to, or the consent of, Holders, issue an unlimited principal amount of additional debt securities under the Indenture, subject only to the incurrence capacity thereunder, having identical terms as the Notes that are issued on the Issue Date (other than issue date, and, if applicable, issue price, the first interest payment date and the date from which interest will accrue); *provided* that, if any such additional debt securities are not fungible with the Notes that are issued on the Issue Date for U.S. federal income tax or other purposes, such additional debt securities will have a separate CUSIP number from the Notes that are issued on the Issue Date. This offering memorandum refers to any such additional debt securities as the "*Additional Notes*." The Company will only be permitted to issue Additional Notes subject to compliance with the covenant described below under the caption "— *Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock*." The Notes that are issued on the Issue Date and any Additional Notes will be treated as a single series of debt securities under the Indenture for all purposes, including for waivers, amendments, redemptions and offers to purchase.

The Company will issue the Notes in minimum denominations of $2,000 and integral multiples of $1,000 in excess of $2,000.

The Notes will be:

- senior secured obligations of the Company;
- secured by first-priority Liens, subject to Permitted Liens, on the Notes Priority Collateral of the Company (which Collateral secures the ABL Credit Agreement on a second-priority basis) along with any future Pari Passu Notes Lien Indebtedness;

- secured by second-priority Liens, subject to Permitted Liens, on the ABL Priority Collateral of the Company (which Collateral secures the ABL Credit Agreement on a first-priority basis);

- equal in right of payment with all of the Company's existing and future senior Indebtedness, including Indebtedness incurred pursuant to the ABL Credit Agreement;

- effectively senior to the Company's ABL Obligations and any future Pari Passu ABL Lien Indebtedness to the extent of the value of the Notes Priority Collateral that secures such obligations on a second-priority basis;

- effectively senior to the Company's obligations under any future Junior Debt to the extent of the value of the Collateral, after giving effect to any senior Lien on such Collateral;

- effectively junior to the Company's ABL Obligations and any future Pari Passu ABL Lien Indebtedness to the extent of the value of the ABL Priority Collateral that secures such obligations on a first-priority basis;

- senior in right of payment to any future subordinated Indebtedness of the Company;

- effectively senior, to the extent of the value of the Collateral, to all existing and future unsecured Indebtedness of the Company;

- structurally junior to the Indebtedness and other liabilities of existing and future Subsidiaries of the Company that do not guarantee the Notes; and

- effectively junior to all existing and future secured Indebtedness of the Company or any of its Subsidiaries that is secured by Liens on assets other than the Collateral, to the extent of the value of such assets.

Each Guarantor's Guarantee of the Notes will be:

- a senior secured obligation of that Guarantor;

- secured by first-priority Liens, subject to Permitted Liens, on the Notes Priority Collateral of the Guarantor (which Collateral secures the ABL Credit Agreement on a second-priority basis) along with any future Pari Passu Notes Lien Indebtedness;

- secured by second-priority Liens, subject to Permitted Liens, on the ABL Priority Collateral of the Guarantor (which Collateral secures the ABL Credit Agreement on a first-priority basis);

- equal in right of payment with all of the Guarantor's existing and future senior Indebtedness, including Indebtedness incurred pursuant to the ABL Credit Agreement;

- effectively senior to the Guarantor's ABL Obligations and any future Pari Passu ABL Lien Indebtedness to the extent of the value of the Notes Priority Collateral that secures such obligations on a second-priority basis;

- effectively senior to the Guarantor's obligations under any future Junior Debt to the extent of the value of the Collateral, after giving effect to any senior Lien on such Collateral;

- effectively junior to the Guarantor's ABL Obligations and any future Pari Passu ABL Lien Indebtedness to the extent of the value of the ABL Priority Collateral that secures such obligations on a first-priority basis;

- senior in right of payment to any future subordinated Indebtedness of the Guarantor;

- effectively senior, to the extent of the value of the Collateral, to all existing and future unsecured Indebtedness of the Guarantor; and

- effectively junior to all existing and future secured Indebtedness of the Guarantor that is secured by Liens on assets other than the Collateral, to the extent of the value of such assets.

As of June 30, 2025, on a pro forma basis after giving effect to the Transactions, the combined company would have had $600.0 million aggregate principal amount of total outstanding indebtedness for borrowed money (consisting of $600.0 million aggregate principal amount of Notes). We would also have had unused commitments under the ABL Credit Agreement of $200.0 million (without giving effect to $52.2 million of outstanding letters of credit), although availability under the ABL Credit Agreement is subject to a borrowing base that fluctuates. See "*Cash and Capitalization*." The Indenture will permit us, the Guarantors and our other Restricted Subsidiaries to incur additional secured and unsecured indebtedness.

Excluding intercompany payables and receivables, we estimate that, as of and for the twelve months ended June 30, 2025, after giving pro forma effect to the Transactions (based on preliminary purchase accounting estimates), the Parent and its subsidiaries that are expected to be Guarantors on the Issue Date accounted for approximately 73% of our consolidated revenues, approximately 86% of our consolidated assets and approximately 88% of our consolidated liabilities. The foregoing pro forma figures are based on estimates of the extent to which the subsidiaries of the Company will guarantee our ABL Credit Agreement. To the extent our estimates prove to be incorrect, the Notes may be guaranteed by fewer subsidiaries of the Company than currently expected.

Excluding intercompany payables and receivables, as of June 30, 2025, on a pro forma basis after giving effect to the Transactions, our subsidiaries that do not guarantee the Notes on the Issue Date would have had no indebtedness for borrowed money.

As of the Issue Date, all of the Company's Subsidiaries will be Restricted Subsidiaries.

Under the circumstances described below under the subheading "— *Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries*," the Company will be permitted to designate certain of its Subsidiaries as Unrestricted Subsidiaries. The Company's Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture or guarantee the Notes.

The Company does not have any obligation to, and does not intend to, offer to exchange the Notes for similar notes in a transaction registered under the Securities Act or to file a shelf registration statement with respect to the Notes.

Principal, Maturity and Interest

The Notes will mature on , 2030 unless redeemed or repurchased prior to such date pursuant to the provisions described under "— *Optional Redemption*" or "— *Repurchase at the Option of Holders*" below.

Interest on the Notes will accrue at the rate of % per annum, and will be payable semi-annually in arrears on and , commencing on , 2026. The Company will make each interest payment to the Persons who are Holders of the Notes on or , as the case may be (in each case, whether or not a Business Day), immediately preceding each interest payment date. Interest on the Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Interest on the Notes will accrue from the Issue Date or, if interest has already been paid or duly provided for, from the most recent date to which interest has been paid or duly provided for on the Notes.

If a payment date falls on a day that is not a Business Day, the payment will be made on the next succeeding Business Day, and no additional interest will accrue, or default will occur, as a result of such delayed payment.

Payments on the Notes; Paying Agent and Registrar

The Company and Guarantors will pay the principal, premium, if any, and interest on Notes issued in certificated form at the Trustee's corporate trust office in the United States. At the Company's option, interest on Notes issued in certificated form may be paid at the Trustee's corporate trust office or by wire transfer of immediately available funds to the accounts specified by the Holders or check mailed to the registered address of Holders. The Trustee will initially act as the paying agent (the "**Paying Agent**") and registrar (the "**Registrar**") for the Notes. The Company may change any Paying Agent and Registrar without notice to Holders of the Notes. The Company, the Parent or any of its Restricted Subsidiaries may act as the Paying Agent or the Registrar.

The Company will pay the principal, premium, if any, and interest on Notes in global form registered in the name of, or held by, The Depository Trust Company ("*DTC*") or its nominee in immediately available funds to DTC or its nominee, as the case may be, as registered Holder of such global note.

Transfer and Exchange

A Holder may transfer or exchange Notes in accordance with the Indenture. The Registrar and the Trustee may require a Holder to furnish appropriate endorsements and transfer documents in connection with a transfer of Notes. No service charge will be imposed by the Company, the Trustee or the Registrar for any registration of transfer or exchange of Notes, but Holders will be required to pay all taxes due on transfer. The Company is not required to transfer or exchange any Note selected for redemption. Also, the Company is not required to transfer or exchange any Note for a period of 15 days before the mailing (or, if not mailed, other transmittal) of a notice of redemption of Notes.

Note Guarantees

On the Issue Date, the Company will be required to cause the Notes to be fully and unconditionally guaranteed by the Parent and each of its existing and future Restricted Subsidiaries that is a borrower or guarantor under the ABL Credit Agreement, other than the Company. As of the Issue Date, all of our Subsidiaries will be Restricted Subsidiaries. However, under the circumstances described below under the caption "*—Certain covenants—Designation of restricted and unrestricted subsidiaries*," we will be permitted to designate certain of our Subsidiaries as "Unrestricted Subsidiaries." Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture and will not Guarantee the Notes. In the event of a bankruptcy, liquidation or reorganization of any Unrestricted Subsidiary, such Unrestricted Subsidiary will pay the holders of its debt and its trade creditors before it will be able to distribute any of its assets to the Company.

The obligations of each Guarantor under its Guarantee will be limited as necessary to prevent that Guarantee from constituting a fraudulent conveyance under applicable law, although this limitation may not be effective to prevent that Guarantee from being voided in bankruptcy. See "*Risk Factors — Risks Related to the Notes and Our Indebtedness— Fraudulent conveyance laws and other limitations on the enforceability of the Notes, the guarantees of the Notes and the security interests securing the Notes may adversely affect the validity and enforceability of the Notes, the guarantees of the Notes and the security interests securing the Notes*."

In addition, subject to certain limitations described in the Indenture governing release of a Guarantee upon the sale, disposition or transfer of a Guarantor or the sale, assignment, transfer or other conveyance of all or substantially all of the assets of a Guarantor, the Company will not permit any Guarantor to, directly or indirectly, (i) amalgamate, consolidate or merge with or into another Person (whether or not such Guarantor is the surviving or continuing Person); or (ii) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of such Guarantor, in one or more related transactions, to another Person (other than to the Company or another Guarantor); unless:

(1) immediately after giving effect to such transaction or series of transactions, no Default or Event of Default exists;

(2) in the case of any such amalgamation, consolidation or merger, either:

(a) (i) such Guarantor is the surviving entity; or (ii) the Person formed by or surviving any such amalgamation, consolidation or merger (if other than the Guarantor) (the "**Successor Guarantor**") unconditionally assumes all the obligations of that Guarantor under its Guarantee and the Indenture pursuant to a supplemental indenture substantially in the form specified in the Indenture; or

(b) such sale or other disposition does not violate the "Asset Sale" provisions of the Indenture;

(3) the Successor Guarantor (if other than such Guarantor), unconditionally assumes all the obligations of such Guarantor under the Indenture, its Guarantee and the Notes, in each case, pursuant to a supplemental indenture substantially in the form specified in the Indenture; and

(4) immediately after giving effect to such transaction or series of transactions, such Successor Guarantor would not be an Excluded Subsidiary.

Subject to certain limitations described in the Indenture, the Successor Guarantor will succeed to, and be substituted for, such Guarantor under the Indenture and the Guarantee of such Guarantor.

The Guarantee of a Guarantor, together with all of its other obligations under the Indenture and the Security Documents, will be unconditionally released and discharged:

(1) concurrently with any sale or other disposition of all or substantially all of the properties or assets of that Guarantor (including by way of merger or consolidation) to a Person that is not (either before or after giving effect to such transaction) the Parent or a Restricted Subsidiary of the Parent; *provided* that such sale or disposition (including by way of merger or consolidation) is not prohibited by the Indenture;

(2) concurrently with any sale or other disposition of not less than a majority of the Capital Stock of that Guarantor to a Person that is not (either before or after giving effect to such transaction) the Parent or a Restricted Subsidiary of the Parent; *provided* that such sale or disposition is not prohibited by the Indenture;

(3) if the Company designates such Guarantor as an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture;

(4) upon Legal Defeasance or Covenant Defeasance as described below under the caption "— *Legal Defeasance and Covenant Defeasance*" or upon satisfaction and discharge of the Indenture as described below under the caption "— *Satisfaction and Discharge*";

(5) upon the liquidation or dissolution of such Guarantor, *provided* no Default or Event of Default has occurred that is continuing;

(6) in connection with the merger, amalgamation or consolidation of such Guarantor with or into the Company or any other Guarantor, where the Company or such other Guarantor is the surviving Person in such merger, amalgamation or consolidation, or upon the liquidation of a Guarantor following the transfer of all or substantially all of its assets, in each case, in a transaction that complies with the applicable provisions of the Indenture; *provided* no Default or Event of Default occurs as a result thereof or has occurred and is continuing;

(7) upon the release or discharge of the guarantee of, or direct obligation of, such Guarantor under the ABL Credit Agreement, except, in each case, a release or discharge by or as a result of payment under such Guarantee or direct obligations or by or as a result of a termination or repayment in full of the ABL Credit Agreement; or

(8) as described under "—*Amendment, Supplement and Waiver*";

in each case, upon delivery to the Trustee by the Company of an Officer's Certificate in accordance with the Indenture that the applicable release trigger described above has been satisfied.

Upon delivery by the Company to the Trustee of an Officer's Certificate and an opinion of counsel to the effect that any of the release triggers described above has been satisfied, the Trustee shall execute any supplemental indenture or other documents reasonably requested by the Company in order to evidence the release of any Guarantor from its obligations under its Guarantee, the Indenture and the other Security Documents.

Security

The Notes and the Guarantees will be secured by (collectively, the "**Collateral**"):

- first-priority Liens, subject to Permitted Liens, on substantially all of the property and assets of the Company and the Guarantors (other than Excluded Assets and ABL Priority Collateral), including, but not limited to, Equity Interests of each Subsidiary owned directly by the Company or any Guarantor, all Intellectual Property Collateral and Material Real Property, to the extent such Material Real Property does not constitute an Excluded Asset, held by the Company and each Guarantor ("**Notes Priority Collateral**"); and

- second-priority Liens on the ABL Priority Collateral subject to (x) the first-priority Liens securing the ABL Obligations and any future Pari Passu ABL Lien Indebtedness and (y) other Permitted Liens.

The first-priority Liens on the Notes Priority Collateral and the second-priority Liens on the ABL Priority Collateral securing the Notes and the Guarantees will be shared equally and ratably with obligations under any future Pari Passu Notes Lien Indebtedness.

The Notes Priority Collateral will also be pledged as Collateral on a second-lien priority basis to secure the ABL Obligations and any future Pari Passu ABL Lien Indebtedness of the Company and the Guarantors.

The "*ABL Priority Collateral*" consists of the following (other than Excluded Assets (as defined below)):

(1) all accounts;

(2) all pledged deposit accounts and all assets credited thereto and all cash and Cash Equivalents (in each case, other than the Notes Collateral Account and all assets credited thereto and identifiable proceeds of Notes Priority Collateral to the extent the ABL Representative has knowledge, or has reason to have such knowledge, that such cash or cash equivalents are identifiable proceeds of Notes Priority Collateral);

(3) all chattel paper, documents, instruments and general intangibles, in each case, relating to the items in preceding clauses (1), (2) and (3); *provided*, that (A) to the extent any of the foregoing also relates to the Notes Priority Collateral, only that portion related to the items referred to in the preceding clauses (1), (2) and (3) shall be included in the ABL Priority Collateral and (B) any Equity Interests of Subsidiaries and Intellectual Property Collateral shall be excluded;

(4) all commercial tort claims relating to the items in preceding clauses (1), (2) and(3); *provided*, that to the extent any of the foregoing also relates to the Notes Priority Collateral, only that portion related to the items referred to in the preceding clauses (1), (2) and (3) shall be included in the ABL Priority Collateral;

(5) all books and records relating to any of the foregoing (including, without limitation, all books, databases, customer lists and records, whether tangible or electronic which contain any information relating to any of the foregoing); and

(7) all proceeds of, and all supporting obligations (including, without limitation, guarantees, collateral security and letter-of-credit rights) with respect to, any of the foregoing.

Terms used in the definition of ABL Priority Collateral above are defined more particularly in the New York UCC.

The Notes Priority Collateral and the ABL Priority Collateral will exclude the following assets and property ("**Excluded Assets**"):

(1) letter-of-credit rights (other than to the extent constituting supporting obligations);

(2) any governmental approvals, permits, licenses, authorizations, consents, rulings, tariffs, rates, certifications, waivers, exemptions, filings, claims, orders, judgments and decrees and other legal requirements to the extent (but only to the extent) that a Grantor is prohibited from granting a security interest in, pledge of, or charge, mortgage or lien upon any such property by reason of applicable laws to which such Grantor or such property is subject (other than to the extent that (i) such prohibition is ineffective or subsequently rendered ineffective under Sections 9-406, 9-407, 9-408 or 9-409 of the New York UCC or under any other applicable laws or is otherwise no longer in effect or enforceable, or (ii) the applicable Grantor has obtained the consent of the applicable governmental authority to the creation of a lien and security interest in such approvals, permits, licenses, authorizations, consents, rulings, tariffs, rates, certifications, waivers, exemptions, filings, claims, orders, judgments and decrees and other legal requirements);

(3) any contract to which any of the Grantors is a party on the Issue Date or which is entered into by any Grantor after the Issue Date (and the provisions of which are not agreed to by a Grantor for the purposes of excluding such contract from the Lien granted hereunder) to the extent (but only to the extent) that the granting of a security interest therein would be prohibited by (a) such contract under a provision (unless a Grantor may unilaterally waive such prohibition) in such contract in existence on the Issue Date or, as to contracts entered into after the Issue Date, in existence in compliance with the terms of the Indenture (and the provisions of which are not agreed to by a Grantor for the purposes of excluding such contract from the Collateral), or (b) any applicable laws to which such Grantor or such contract is subject (except to the extent that (i) such prohibitions are ineffective or subsequently rendered ineffective under Sections 9-406, 9-407, 9-408 or 9-409 of the New York UCC or under any other applicable laws or are otherwise no longer in effect or enforceable, or (ii) the applicable Grantor has obtained the consent of the other parties to such contract to the creation of a lien and security interest in such contract); *provided*, that any proceeds received by any Grantor from the sale, transfer or other disposition of such contracts shall constitute Collateral unless any property constituting such proceeds are themselves subject to the exclusions set forth above or otherwise constitute Excluded Assets;

(4) Equity Interests owned by any Grantor in a joint venture to the extent (but only to the extent) (a) the organizational documents of such joint venture prohibit the granting of a Lien on such Equity Interests or (b) such Equity Interests of such joint venture are expressly required to be pledged as collateral to secure (i) obligations to the other holders of the Equity Interests in such joint venture (other than a holder that is a Subsidiary of the Company) or (ii) debt of such joint venture that is non-recourse to any of the Grantors or to any of the Grantor's properties, in each case the provisions of which are not agreed to by a Grantor for the purposes of excluding such Equity Interests from the Collateral);

(5) any property and proceeds thereof (including insurance proceeds) of a Grantor that is now or hereafter subject to a Lien securing (and, for the avoidance of doubt, acquired with the proceeds of) purchase money debt or a capital lease obligation to the extent (and only to the extent) that (a) the debt associated with such Lien is permitted under the Indenture, and (b) the documents evidencing such purchase money debt or capital lease obligation prohibit or restrict the granting of a Lien in such property (except to the extent that (i) the foregoing prohibitions are ineffective or subsequently rendered ineffective under Sections 9-406, 9-407, 9-408 or 9-409 of the New York UCC or under any other applicable laws or are otherwise no longer in effect or (ii) the holder of such Lien consents to the granting of a Lien in favor of the ABL Collateral Agent and the Notes Collateral Agent);

(6) (i) Equity Interests of any Excluded Subsidiary, (ii) any Equity Interest that is entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) of any CFC or any CFC Holdco (each as defined in the ABL Credit Agreement) that is a first-tier Subsidiary in excess of 65% (but only to the extent of such excess) of the total combined voting power of all Equity Interests in such CFC or CFC Holdco that are entitled to vote, it being understood that no Equity Interests in any entity that is directly or indirectly owned by a CFC or CFC Holdco that is a first-tier Subsidiary shall be pledged, or (iii) Equity Interests of any joint venture to the extent that, and for so long as, a grant of a security interest therein is not permitted by the terms of such Person's certificate of incorporation,

bylaws or other organizational documents and would require the consent of an unaffiliated third party (other than the Company, a Guarantor any of their Subsidiaries) (unless such consent has been received);

(7) any United States intent-to-use trademark application with respect to which the grant of a security interest therein would impair the validity or enforceability of said intent-to-use trademark application under federal law; provided, however, to the extent such law is no longer in effect, then such trademark application shall cease to be an "Excluded Asset" and shall automatically be subject to the grant of a lien and security interest; *provided* further, that any proceeds received by any Grantor from the sale, transfer or other disposition of excluded intent-to-use trademark applications shall constitute Collateral unless any property constituting such proceeds are themselves subject to the exclusions set forth above or otherwise constitute Excluded Assets;

(8) margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System of the United States of America);

(9) assets held by any Unrestricted Subsidiary;

(10) (i) any deposit account the funds in which are used exclusively for payroll, payroll taxes and other employee wage and benefit payments, (ii) any deposit account the funds in which are exclusively in trust for any third parties or any other trust accounts, escrow accounts and other fiduciary accounts, and (iii) any deposit account exclusively holding cash collateral or other deposits as collateral in respect of Permitted Liens;

(11) aircraft, trucks, trailers, cars and all other vehicles used in any Grantor's business whether or not covered by a certificate of title;

(12) each "Building" and "Manufactured (Mobile) Home" (each, as defined in the applicable Flood Insurance Laws); and

(13) all property with respect to which the Company in good faith reasonably concludes, as evidenced in writing in an Officer's Certificate delivered to the Notes Collateral Agent that the costs of obtaining security interests therein are excessive in relation to the value of the security to be afforded thereby;

provided that, "Excluded Assets" shall not include any proceeds, products, accessions, substitutions or replacements of Excluded Assets (unless such proceeds, products, accessions, substitutions or replacements would independently constitute Excluded Assets).

The Liens on the Collateral securing the Notes and the Guarantees will be senior in priority to the Liens on the Collateral securing the ABL Obligations in respect of Notes Priority Collateral (as described below) and junior in priority to the Liens on the Collateral securing the ABL Obligations in respect of the ABL Priority Collateral (as described below).

The Liens on the Collateral that secure the ABL Obligations have been granted to the ABL Administrative Agent pursuant to separate security documentation. The relative rights with respect to the Collateral among the ABL Secured Parties, on one hand, and the holders of the Notes and the Guarantees, on the other hand, will be governed by the ABL Intercreditor Agreement as further described below.

The security interests securing the Notes and the Guarantees will be subject to all existing and future Permitted Liens and other Liens permitted by the Indenture, certain of which, such as Liens arising as a matter of law, will have priority over the security interests securing the Notes and the Guarantees.

The Company and the Guarantors will be able to incur additional Indebtedness in the future that could share in the Collateral, including Additional Notes, additional ABL Obligations (or Obligations secured on a *pari passu* basis with the ABL Obligations) and/or obligations secured by junior liens. The amount of such Indebtedness will be limited by the covenants described under "*—Certain Covenants—Limitation on Indebtedness*" and "*—Certain Covenants—Limitation on Liens*." However, the amount of such Indebtedness could be significant.

ABL Intercreditor Agreement

On the Issue Date, the Notes will be subject to the ABL Intercreditor Agreement. Holders of the Notes will be deemed to have agreed and accepted the terms of the ABL Intercreditor Agreement by their acceptance of the Notes.

In addition, the Indenture will provide that in the event that the Company or any Guarantor incurs, in compliance with the Indenture, Indebtedness that is secured by any or all of the Collateral, the Notes Collateral Agent will, at the written request of the Company, enter into (i) in the case of such Indebtedness so secured on a junior-priority basis, one or more intercreditor agreements that are usual and customary as determined in good faith by the Company, and reasonably acceptable to the Notes Collateral Agent or (ii) in the case of such Indebtedness so secured on a senior or *pari passu* basis, an amendment or supplement to each applicable intercreditor agreement with terms that are usual and customary as determined in good faith by the Company and reasonably acceptable to the Notes Collateral Agent, in each case, with the representative of such Indebtedness and any other applicable representatives of Obligations. The Notes Collateral Agent shall execute any such intercreditor agreement upon the receipt of an Officer's Certificate and opinion of counsel each stating that such execution and delivery does not contravene the Indenture and all conditions precedent relating to such execution and delivery have been satisfied.

BY ACCEPTING A NOTE EACH HOLDER SHALL BE BOUND BY THE ABL INTERCREDITOR AGREEMENT TO THE FULLEST EXTENT PERMITTED BY LAW. The Holders of the Notes also specifically authorize the Notes Collateral Agent to enter into the ABL Intercreditor Agreement on their behalf and to take all actions provided for under the terms of the ABL Intercreditor Agreement and the Holders of Notes agree to be bound by such actions. Pursuant to the terms of the ABL Intercreditor Agreement, the Notes Collateral Agent (acting pursuant to, and in accordance with, the Indenture and the Security Documents) will determine the time and method by which the security interests in the Notes Priority Collateral will be enforced and the ABL Collateral Agent will determine the time and method by which the security interests in the ABL Priority Collateral will be enforced.

All or a portion of the obligations secured on a first-priority basis by the ABL Priority Collateral consists, or may consist, of indebtedness that is revolving in nature, and the amount thereof that may be outstanding at any time or from time to time may be increased, reduced or repaid and subsequently re-borrowed. The lien priorities provided for in the ABL Intercreditor Agreement shall not be altered or otherwise affected by any amendment, modification, supplement, extension, increase, replacement, renewal, restatement or refinancing of either the obligations secured on a first-priority basis by the ABL Priority Collateral or the obligations secured on a first-priority basis by the Notes Priority Collateral.

In addition, the ABL Intercreditor Agreement will provide that, so long as there are ABL Obligations outstanding (whether incurred prior to, on or after the Issue Date), (1) the holders of ABL Obligations may direct the ABL Collateral Agent to take certain actions with respect to the ABL Priority Collateral (including the release of ABL Priority Collateral and the manner of realization) without the consent of the Holders of the Notes or any holder of Pari Passu Notes Lien Indebtedness; (2) all Collateral that is subject to a Lien in favor of the Notes Collateral Agent shall also be subject to a Lien in favor of the ABL Collateral Agent, in the relative priority based on whether such Collateral is Notes Priority Collateral or ABL Priority Collateral; and (3) the Company, the Guarantors and the Notes Collateral Agent, on behalf of itself and the Holders of the Notes, will agree that they will not at any time execute or deliver any amendment or other modification to any of the Notes Documents in violation of the ABL Intercreditor Agreement. In the event that the ABL Collateral Agent enters into any amendment, waiver or consent in respect of the ABL Credit Agreement for the purpose of adding to, or deleting from, or waiving or consenting to any departures from any provisions of, any such document or changing in any manner the rights of any parties thereunder, in each case solely with respect to any ABL Priority Collateral, then such amendment, waiver or consent shall apply automatically to any comparable provision of the comparable Security Documents without the consent of or action by the Notes Collateral Agent (with all such amendments, waivers and modifications subject to the terms hereof), subject to notice requirements and certain restrictions against amendments reducing or releasing Collateral or adversely affecting rights, duties or obligations of the Notes Collateral Agent or the Holders of the Notes or holders of any other Pari Passu Notes Lien Indebtedness.

In addition, the ABL Intercreditor Agreement will provide that, so long as the Notes and the Guarantees are outstanding (whether incurred prior to, on or after the Issue Date), (1) the Holders of Notes may direct the Notes Collateral Agent to take certain actions with respect to the Notes Priority Collateral (including the release of Notes Priority Collateral and the manner of realization) without the consent of the holders of the ABL Obligations or any

holder of Pari Passu ABL Lien Indebtedness; (2) all Collateral that is subject to a Lien in favor of the ABL Collateral Agent shall also be subject to a Lien in favor of the Notes Collateral Agent, in the relative priority based on whether such Collateral is Notes Priority Collateral or ABL Priority Collateral; and (3) the Company, Guarantors and the ABL Collateral Agent, on behalf of itself and the holders of the ABL Obligations, will agree that they will not at any time execute or deliver any amendment or other modification to any of the documents relating to the ABL Credit Agreement in violation of the ABL Intercreditor Agreement. In the event that the Notes Collateral Agent enters into any amendment, waiver or consent in respect of the Indenture, the Notes, the Guarantees or the Security Documents or any other Notes Documents for the purpose of adding to, or deleting from, or waiving or consenting to any departures from any provisions of, any such document or changing in any manner the rights of any parties thereunder, in each case solely with respect to any Notes Priority Collateral, then such amendment, waiver or consent shall apply automatically to any comparable provision of the comparable document for the ABL Credit Agreement without the consent of or action by the ABL Collateral Agent (with all such amendments, waivers and modifications subject to the terms hereof), subject to notice requirements and certain restrictions against amendments reducing or releasing Collateral or adversely affecting rights of the ABL Collateral Agent or the lenders under the ABL Credit Agreement or holders of any other Pari Passu ABL Lien Indebtedness.

The ABL Intercreditor Agreement will provide that the Notes Collateral Agent and the holders of the Secured Obligations it represents may not exercise any rights and remedies with respect to the ABL Priority Collateral, including the exercise of any rights of set-off or recoupment, and the exercise of any rights or remedies of a secured creditor under the Uniform Commercial Code or under the Bankruptcy Code, at any time when any ABL Obligation or any obligation under any Pari Passu ABL Lien Indebtedness remains outstanding, and only the ABL Collateral Agent shall be entitled to take any such actions or exercise any such rights and remedies, subject to the following paragraph.

Notwithstanding the preceding paragraph, the Notes Collateral Agent may exercise its rights and remedies in respect of the ABL Priority Collateral after the passage of a period of 180 days from the date of delivery of a written notice to the ABL Collateral Agent of the Notes Collateral Agent's intention to exercise such rights and remedies, which notice may only be delivered following the occurrence of or during the continuation of an "event of default" under and as defined under any Notes Documents; *provided, however*, that the Notes Collateral Agent may not exercise any such rights and remedies if, notwithstanding the expiration of such 180-day period, (1) the ABL Collateral Agent shall have commenced and be diligently pursuing the exercise of any of its rights and remedies with respect to the ABL Priority Collateral or is diligently attempting to vacate any stay or prohibition against such exercise or (2) an Insolvency or Liquidation Proceeding in respect of any Grantor shall have been commenced.

The ABL Intercreditor Agreement will provide that the ABL Collateral Agent and the holders of ABL Obligations it represents may not exercise any rights and remedies with respect to the Notes Priority Collateral, including the exercise of any rights of set-off or recoupment, and the exercise of any rights or remedies of a secured creditor under the Uniform Commercial Code or under the Bankruptcy Code, at any time when any obligations under the Notes or any Pari Passu Notes Lien Indebtedness remains outstanding, and only the Notes Collateral Agent shall be entitled to take any such actions or exercise any such rights and remedies, subject to the following paragraph.

Notwithstanding the preceding paragraph, the ABL Collateral Agent may exercise its rights and remedies in respect of the Notes Priority Collateral after the passage of a period of 180 days from the date of delivery of a notice to the Notes Collateral Agent of the ABL Collateral Agent's intention to exercise such rights and remedies, which notice may only be delivered following the occurrence of or during the continuation of an "event of default" under and as defined under any ABL Documents; *provided*, however, that the ABL Collateral Agent may not exercise any such rights and remedies if, notwithstanding the expiration of such 180 day period, (1) the Notes Collateral Agent shall have commenced and be diligently pursuing the exercise of any of its rights and remedies with respect to the Notes Priority Collateral or is diligently attempting to vacate any stay or prohibition against such exercise or (2) an Insolvency or Liquidation Proceeding in respect of any Grantor shall have been commenced.

The Notes Collateral Agent will agree in the ABL Intercreditor Agreement for itself and on behalf of the holders of Secured Obligations, in respect of the Notes and the Guarantees (and each Holder of Notes will agree by its acceptance of the Notes), that it will not contest, or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding) the priority, validity or enforceability of any Lien held by the holders of any ABL Obligations secured by any ABL Priority Collateral, or demand, request, plead or otherwise assert

or claim the benefit of any marshalling, appraisal, valuation or similar right which it may have in respect of such ABL Priority Collateral or the Liens of the ABL Collateral Agent thereon, except to the extent that such rights are expressly granted in the ABL Intercreditor Agreement; it will not take or cause to be taken any action, the purpose or effect of which is to make any Lien on the ABL Priority Collateral pari passu with or senior to, or to give itself any preference or priority relative to, the Liens of the ABL Collateral Agent on the ABL Priority Collateral; it will not contest, oppose, object to, interfere with, hinder or delay, in any manner, whether by judicial proceedings (including the filing of an Insolvency or Liquidation Proceeding) or otherwise, any foreclosure, sale, lease, exchange, transfer of other disposition of the ABL Priority Collateral by the ABL Collateral Agent or any holder of ABL Obligations; it will have no right to (x) direct the ABL Collateral Agent or any holder of ABL Obligations to exercise any right, remedy or power with respect to the ABL Priority Collateral or (y) consent or object to the exercise by the ABL Collateral Agent or any holder of ABL Obligations of any rights, remedy or power with respect to such ABL Priority Collateral or to the timing or manner in which any such right is exercised or not exercised; and it will not institute any suit or other proceeding or assert in any suit, Insolvency or Liquidation Proceeding or other proceeding any claim against the ABL Collateral Agent seeking damages from other relief by way of specific performance, instructions or otherwise, with respect to, and neither the ABL Collateral Agent nor any holder of ABL Obligations will be liable for, any action taken or omitted to be taken by the ABL Collateral Agent or any such holder of ABL Obligations with respect to the ABL Collateral. The ABL Collateral Agent, for itself and on behalf of the holders of ABL Obligations, will agree to similar limitations with respect to their rights in the Notes Priority Collateral.

The ABL Intercreditor Agreement will provide that the Notes Collateral Agent, on behalf of itself and the Holders of the Notes, agrees that each of them shall take such actions as the ABL Collateral Agent shall request in connection with the exercise by the holders of the ABL Obligations of their rights set forth herein in respect of the ABL Priority Collateral. The ABL Intercreditor Agreement will provide that the ABL Collateral Agent, on behalf of itself and the other holders of the ABL Obligations, agrees that each of them shall take such actions as the Notes Collateral Agent shall request in connection with the exercise by the Holders of the Notes of their rights set forth herein in respect of the Notes Priority Collateral.

Also, the ABL Intercreditor Agreement shall include a provision that in the event that the ABL Collateral Agent shall, in the exercise of its rights under the documents for the ABL Credit Agreement or otherwise, receive possession or control of any books and records of the Company or any Guarantor which contain information identifying or pertaining to the Notes Priority Collateral, the ABL Collateral Agent shall promptly notify the Notes Collateral Agent of such fact and, upon request from the Notes Collateral Agent and as promptly as practicable thereafter, either make available to the Notes Collateral Agent such books and records for inspection and duplication or provide to the Notes Collateral Agent copies thereof. In the event that the Notes Collateral Agent shall, in the exercise of its rights under the Indenture and the Security Documents or otherwise, receive possession or control of any books and records of the Company or any Guarantor which contain information identifying or pertaining to any of the ABL Priority Collateral, the Notes Collateral Agent shall promptly notify the ABL Collateral Agent of such fact and, upon request from the ABL Collateral Agent and as promptly as practicable thereafter, either make available to the ABL Collateral Agent such books and records for inspection and duplication or provide the ABL Collateral Agent copies thereof.

The ABL Intercreditor Agreement will also provide that the Notes Collateral Agent irrevocably grants the ABL Collateral Agent a non-exclusive worldwide license or right to use, consistent with applicable law, to the extent of the Notes Collateral Agent's interest therein and reasonably requested by the ABL Collateral Agent, exercisable without payment of royalty or other compensation, any of the Intellectual Property Collateral now or hereafter owned by, licensed to, or otherwise used by any of the Grantors in order for the ABL Collateral Agent to purchase, use, market, repossess, possess, store, assemble, manufacture, process, sell, transfer, distribute or otherwise dispose of any asset included in the ABL Priority Collateral in connection with the liquidation, disposition or realization upon the ABL Priority Collateral in accordance with the terms of the ABL Documents. The Notes Collateral Agent will agree that any sale, transfer or other disposition of any of the Intellectual Property Collateral constituting Notes Priority Collateral (whether by foreclosure or otherwise) will be subject to rights of the ABL Collateral Agent as described above.

The ABL Intercreditor Agreement will provide that if the Notes Collateral Agent obtains possession or physical control of any Notes Priority Collateral pursuant to the exercise of its rights under the applicable Security Documents or under applicable law, it shall promptly notify the ABL Collateral Agent in writing of that fact, and the

ABL Collateral Agent shall, within ten Business Days thereafter, notify the Notes Collateral Agent in writing as to whether the ABL Collateral Agent wishes to exercise its access rights under the ABL Intercreditor Agreement. In addition, if the ABL Collateral Agent obtains possession or physical control of any Notes Priority Collateral pursuant to the exercise of its rights under the applicable Security Documents or under applicable law, it shall promptly notify the Notes Collateral Agent in writing that the ABL Collateral Agent is exercising its access rights under the ABL Intercreditor Agreement.

Upon delivery of such notice, the Notes Collateral Agent shall confer with the ABL Collateral Agent in good faith to coordinate with respect to the ABL Collateral Agent's exercise of such access rights, to enable the ABL Collateral Agent during normal business hours to convert any ABL Priority Collateral consisting of raw materials or work-in-process into saleable finished goods and/or to transport such ABL Priority Collateral to a point where such conversion can occur, to otherwise prepare ABL Priority Collateral for sale and/or to arrange or effect the sale of ABL Priority Collateral (including conducting of auctions), all in accordance with the manner in which such matters are completed in the ordinary course of business. During any such access period, the ABL Collateral Agent and its agents, representatives and designees shall have an irrevocable, non-exclusive right to have access to, and a rent-free right to use, the Notes Priority Collateral for the purposes described above. The ABL Collateral Agent shall be obligated to reimburse the Notes Collateral Agent for all operating costs of such Notes Priority Collateral (not including insurance) incurred after the commencement of the relevant access period to the extent incurred as a result of the exercise by the ABL Collateral Agent of its access rights, and actually paid by the Notes Collateral Agent (or any holder of Secured Obligations). The ABL Collateral Agent shall take proper and reasonable care under the circumstances of any Notes Priority Collateral that is used by the ABL Collateral Agent during the access period and repair and replace any damage (ordinary wear-and-tear excepted) caused by the ABL Collateral Agent or its agents, representatives or designees, and leave the Notes Priority Collateral in substantially the same condition as it was at the commencement of the occupancy, use or control by the ABL Collateral Agent or its agents, representatives or designees (ordinary wear-and-tear excepted) and the ABL Collateral Agent shall comply with all applicable laws in all material respects in connection with its use or occupancy or possession of the ABL Priority Collateral. The ABL Collateral Agent shall indemnify and hold harmless the Notes Collateral Agent for any injury or damage to Persons or property (ordinary wear-and-tear excepted) and for any losses, claims, liabilities or expenses directly resulting from the occupancy, use or control by the ABL Collateral Agent or its agents, representatives or designees or by the acts or omissions of Persons under its control; provided, however, that the ABL Collateral Agent will not be liable for any diminution in the value of Notes Priority Collateral caused by the absence of the ABL Priority Collateral therefrom. The ABL Collateral Agent and the Notes Collateral Agent shall cooperate and use reasonable efforts to ensure that their activities during the access period as described above do not interfere materially with the activities of the other as described above, including the right of Notes Collateral Agent to show the Notes Priority Collateral to prospective purchasers and to ready the Notes Priority Collateral for sale. The Notes Collateral Agent shall not foreclose or otherwise sell, remove or dispose of any of the Notes Priority Collateral during the access period with respect to such Collateral if the ABL Collateral Agent (acting in good faith) informs the Notes Collateral Agent in writing that such Collateral is reasonably necessary to enable the ABL Collateral Agent to convert, transport or arrange to sell the ABL Priority Collateral as described above; *provided, however*, that nothing contained in the ABL Intercreditor Agreement will restrict the rights of the Notes Collateral Agent from selling, assigning or otherwise transferring any Notes Priority Collateral prior to the expiration of such access period if the purchaser, assignee or transferee thereof agrees to be bound by the applicable provisions of the ABL Intercreditor Agreement. Each such access period shall last for a maximum of 180 days; *provided* if any stay or other order prohibiting the exercise of remedies with respect to the ABL Priority Collateral has been entered by a court of competent jurisdiction or is in effect due to an Insolvency or Liquidation Proceeding, such 180-day period shall be tolled during the pendency of any such stay or other order.

If any Grantor becomes subject to a case under the Bankruptcy Code at any time when any ABL Obligation remains outstanding, and if the ABL Collateral Agent or the other holders of ABL Obligations desire to consent (or not object) to the use of cash collateral, or to provide financing to any Grantor under the Bankruptcy Code or to consent (or not object) to the provision of such financing to any Grantor by any third party (any such financing, an "*ABL DIP Financing*"), the Notes Collateral Agent will agree in the ABL lntercreditor Agreement for itself and on behalf of the holders of Secured Obligations, in respect of the Notes and the Guarantees (and each Holder of Notes will agree by its acceptance of the Notes), that it will be deemed to have consented to, and will raise no objection to, nor support any other Person objecting to, the use of such cash collateral or to such ABL DIP Financing on any grounds, including failure to provide 'adequate protection' of the Notes Collateral Agent's Lien on the ABL Priority Collateral, and will not request any adequate protection solely as a result of such ABL DIP Financing except as set forth below, and will

subordinate (and will be deemed hereunder to have subordinated) its Liens on any ABL Priority Collateral to (A) the Liens securing such ABL DIP Financing on the same terms as the Liens of the ABL Collateral Agent are subordinated thereto (and such subordination will not alter in any manner the terms of the ABL Intercreditor Agreement), (B) any adequate protection to the ABL Collateral Agent and (C) any "carve-out" agreed to by the ABL Collateral Agent or the other holders of ABL Obligations, so long as (x) the Notes Collateral Agent retains its Lien on the Collateral (in each case, including Proceeds (as defined in the New York UCC) thereof arising after the commencement of the case under the Bankruptcy Code) and, as to the Notes Priority Collateral only, such Lien has the same priority as existed prior to the commencement of the case under the Bankruptcy Code and any Lien securing such ABL DIP Financing is junior and subordinate to the Lien of the Notes Collateral Agent on the Notes Priority Collateral, (y) all Liens on ABL Priority Collateral securing any such ABL DIP Financing shall be senior to or on a parity with the Liens of the ABL Collateral Agent securing the ABL Obligations on ABL Priority Collateral and (z) the aggregate principal amount of such ABL DIP Financing (including any undrawn portion of the revolving commitments thereunder, and including the face amount of any letters of credit issued and not reimbursed thereunder), together with the aggregate outstanding principal amount of indebtedness and unfunded commitments under the ABL Credit Agreement, does not exceed 115% of the aggregate outstanding principal amount of indebtedness and unfunded commitments under the ABL Credit Agreement immediately prior to the incurrence of such ABL DIP Financing. In no event will the ABL Collateral Agent or any of the holders of ABL Obligations seek to obtain a priming Lien on any of the Notes Priority Collateral and nothing contained in the ABL Intercreditor Agreement shall be deemed to be a consent by the Notes Collateral Agent or any of the holders it represents to any adequate protection payments using Notes Priority Collateral. The ABL Collateral Agent and the holders of ABL Obligations will agree to similar provisions with respect to any DIP Financing on the Notes Priority Collateral.

The Notes Collateral Agent will agree in the ABL Intercreditor Agreement (and each Holder of Notes will agree by its acceptance of the Notes) that it will not oppose any sale or disposition of any ABL Priority Collateral that is supported by the ABL Collateral Agent and the holders of ABL Obligations, and the Notes Collateral Agent and the holders of Secured Obligations in respect of the Notes and the Guarantees will be deemed to have consented under Section 363 of the Bankruptcy Code (and otherwise) to such sale or disposition. The ABL Collateral Agent and the holders of ABL Obligations will agree to similar limitations with respect to their right to oppose such a sale of Notes Priority Collateral.

The ABL Intercreditor Agreement will provide that the Notes Collateral Agent, for itself and on behalf of the holders of Secured Obligations, in respect of the Notes and the Guarantees, will not object, contest or support any other Person objecting or contesting, any request by the ABL Collateral Agent or the other holders of ABL Obligations for adequate protection of its interest in the ABL Priority Collateral or any adequate protection provided to the ABL Collateral Agent or the other holders of ABL Obligations, or any objection by the ABL Collateral Agent or any other holder of ABL Obligations to any motion, relief, action or proceeding based on a claim of a lack of adequate protection in the ABL Priority Collateral. If the ABL Collateral Agent or any of the holders of ABL Obligations are granted adequate protection consisting of additional collateral that constitutes ABL Priority Collateral (with replacement liens on such additional collateral) and superpriority claims in connection with any ABL DIP Financing or use of cash collateral, and do not object to the adequate protection being provided to them, then in connection with any such ABL DIP Financing or use of cash collateral, the Notes Collateral Agent, on behalf of itself and the holders of Secured Obligations, in respect of the Notes and the Guarantees, may, as adequate protection of its junior Liens in ABL Priority Collateral, seek or accept (and the ABL Collateral Agent and the other holders of ABL Obligations shall not object to) adequate protection consisting solely of (x) a replacement Lien on the same additional collateral, subordinated to the Liens securing the ABL Obligations and such ABL DIP Financing on the same basis as the other Liens of the Notes Collateral Agent on the ABL Priority Collateral are so subordinated to the ABL Obligations under the ABL Intercreditor Agreement and (y) superpriority claims junior in all respects to the superpriority claims granted to the ABL Collateral Agent and the other holders of ABL Obligations, *provided, however*, that the Notes Collateral Agent shall have irrevocably agreed, pursuant to Section 1129(a)(9) of the Bankruptcy Code, on behalf of itself and the holders of Secured Obligations, in respect of the Notes and the Guarantees, in any stipulation and/or order granting such adequate protection, that such junior superpriority claims may be paid under any plan of reorganization in any combination of cash, debt, equity or other property having a value on the effective date of such plan equal to the allowed amount of such claims subject to the provisions of the ABL Intercreditor Agreement. The ABL Collateral Agent and the Notes Collateral Agent, on behalf of themselves and the holders they represent, will agree to similar reciprocal provisions with respect to any adequate protection in respect of the Notes Priority Collateral.

The Notes Collateral Agent, on behalf of itself and the holders of Secured Obligations, in respect of the Notes and the Guarantees, will agree that it shall not (i) seek relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of any ABL Priority Collateral without the prior written consent of the ABL Collateral Agent, or (ii) seek relief from the automatic stay in any Insolvency or Liquidation Proceeding in respect of any Common Collateral without providing 30 days' prior written notice to the ABL Collateral Agent. The ABL Collateral Agent will agree to similar provisions in respect of the Notes Priority Collateral and any Common Collateral.

Upon the occurrence and during the continuance of an "Event of Default" under the ABL Documents, if such Event of Default remains uncured or unwaived for at least thirty-five (35) consecutive days, the required lenders under the ABL Documents have not agreed to forbear from the exercise of remedies and revolving loans have been requested under the ABL Documents and not been made for five Business Days as a result of such Event of Default (or, if earlier, within five Business Days after the ABL Administrative Agent notifies the Notes Collateral Agent that it shall exercise remedies), all or a portion of the Holders of the Notes and the other Pari Passu Notes Priority Indebtedness, acting as a single group, shall have the option at any time upon five (5) Business Days' prior written notice (which shall be irrevocable) to the ABL Administrative Agent and the representative of any Pari Passu ABL Lien Indebtedness to purchase all of the ABL Obligations and the Obligations in respect of such Pari Passu ABL Lien Indebtedness. The holders of the ABL Obligations and the Obligations in respect of the Pari Passu ABL Lien Indebtedness will have similar rights to purchase the Obligations in respect of the Notes and the other Pari Passu Notes Lien Indebtedness.

Upon the date of such purchase and sale, the relevant purchasers shall (a) pay to the ABL Administrative Agent, for the benefit of the holders of the ABL Obligations, and the representative of any Pari Passu ABL Lien Indebtedness, for the benefit of the holders of the Obligations in respect of such Pari Passu ABL Lien Indebtedness, as the purchase price therefor the full amount of all the ABL Obligations and the Obligations in respect of such Pari Passu ABL Lien Indebtedness then outstanding and unpaid (including principal, interest, fees and expenses, including reasonable attorneys' fees and legal expenses but specifically excluding any prepayment premium, termination or similar fees), (b) furnish cash collateral to the ABL Administrative Agent and the representative for any Pari Passu ABL Lien Indebtedness in a manner and in such amounts as the ABL Administrative Agent or such representative, as applicable, determines is reasonably necessary to secure the holders of the ABL Obligations and the Obligations in respect of such Pari Passu ABL Lien Indebtedness, letter of credit issuing banks and applicable affiliates in connection with any issued and outstanding letters of credit, hedging obligations and cash management obligations secured by the ABL Documents, (c) agree to reimburse the holders of the ABL Obligations and the Obligations in respect of such Pari Passu ABL Lien Indebtedness and letter of credit issuing banks for any loss, cost, damage or expense (including reasonable attorneys' fees and legal expenses) in connection with any commissions, fees, costs or expenses related to any issued and outstanding letters of credit as described above and any checks or other payments provisionally credited to the ABL Obligations and the Obligations in respect of such Pari Passu ABL Lien Indebtedness, and/or as to which the ABL Administrative Agent or such representative for the holders of the Obligations in respect of such Pari Passu ABL Lien Indebtedness has not yet received final payment, (d) agree to reimburse the holders of the ABL Obligations and the Obligations in respect of such Pari Passu ABL Lien Indebtedness, letter of credit issuing banks, in respect of indemnification obligations of the Company and the Guarantors under the ABL Documents as to matters or circumstances known to the ABL Administrative Agent, the representative for the Obligations in respect of such Pari Passu ABL Lien Indebtedness at the time of the purchase and sale which would reasonably be expected to result in any loss, cost, damage or expense (including reasonable attorneys' fees and legal expenses) to the holders of the ABL Obligations and the Obligations in respect of such Pari Passu ABL Lien Indebtedness, and (e) agree to indemnify and hold harmless the holders of the ABL Obligations and the Obligations in respect of such Pari Passu ABL Lien Indebtedness, and letter of credit issuing banks, from and against any loss, liability, claim, damage or expense (including reasonable fees and expenses of legal counsel) arising out of any claim asserted by a third party in respect of the ABL Obligations and the Obligations in respect of such Pari Passu ABL Lien Indebtedness as a direct result of any acts by any Holder of the Notes or any other Pari Passu Notes Lien Indebtedness occurring after the date of such purchase. Such purchase price and cash collateral shall be remitted by wire transfer in federal funds to such bank account as the ABL Administrative Agent and the representative of the Obligations in respect of such Pari Passu ABL Lien Indebtedness may designate in writing for such purpose. In respect to the right of the holders of the ABL Obligations and the Obligations in respect of the Pari Passu ABL Lien Indebtedness to purchase the Obligations in respect of the Notes and the other Pari Passu Notes Lien Indebtedness, the ABL Intercreditor Agreement will include a similar provision for the payment of such Obligations.

Any Obligations covered by the ABL Intercreditor Agreement may be refinanced or replaced, in whole or in part; *provided*, *however*, that the holders of any such refinancing or replacement indebtedness that will be secured by Liens on the Collateral with the same priority (or an authorized agent or trustee on their behalf) bind themselves in writing to the terms of the ABL Intercreditor Agreement.

The ABL Intercreditor Agreement will provide that, if in connection with any release, sale or disposition of any ABL Priority Collateral permitted under the terms of the ABL Documents or in connection with the exercise of the ABL Collateral Agent's remedies in respect of the ABL Priority Collateral, the ABL Collateral Agent, for itself or on behalf of any holder of ABL Obligations, releases any of its Liens on any part of the ABL Priority Collateral, or releases any Guarantor from its obligations under its guaranty (in each case other than in connection with the discharge of all ABL Obligations) then the Liens of the Notes Collateral Agent, for itself and for the benefit of the holders of Secured Obligations, in respect of the Notes and the Guarantees, on such ABL Priority Collateral, shall be automatically, unconditionally and simultaneously released. The ABL Collateral Agent will agree to similar provisions in respect of the Notes Priority Collateral.

The ABL Intercreditor Agreement will prohibit the inclusion of any "Building" and "Manufactured (Mobile) Home" (each, as defined in the applicable Flood Insurance Laws) in the ABL Priority Collateral or the Notes Priority Collateral. All proceeds received by the Notes Collateral Agent or the ABL Collateral Agent in connection with the collection, sale or disposition of ABL Priority Collateral pursuant to any enforcement action or during any Insolvency or Liquidation Proceeding shall be applied:

FIRST, to the ratable payment of fees, costs and expenses (including reasonable attorneys' fees and expenses and court costs) of the ABL Collateral Agent and the agent or representative of any Pari Passu ABL Lien Indebtedness;

SECOND, to the ratable payment of the ABL Obligations and any Pari Passu ABL Lien Indebtedness, in accordance with the ABL Documents and the documents governing such Pari Passu ABL Lien Indebtedness until payment in full of such Obligations;

THIRD, subject to the terms of any Pari Passu Notes Lien Intercreditor Agreement, to the ratable payment of fees, costs and expenses (including reasonable attorneys' fees and expenses and court costs) of the Notes Collateral Agent, the Trustee, any other Pari Passu Notes Lien Representative and the trustee, agent or representative of any other Secured Obligations;

FOURTH, subject to the terms of any Pari Passu Notes Lien Intercreditor Agreement, to the ratable payment of the Secured Obligations, in accordance with the documents governing such Secured Obligations; and

FIFTH, the balance, if any, to the Grantors or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

All proceeds received by the Notes Collateral Agent or the ABL Collateral Agent in connection with the collection, sale or disposition of Notes Priority Collateral pursuant to any enforcement action or during any Insolvency or Liquidation Proceeding shall be applied:

FIRST, subject to the terms of any Pari Passu Notes Lien Intercreditor Agreement, to the ratable payment of fees, costs and expenses (including reasonable attorneys' fees and expenses and court costs) of the Notes Collateral Agent, the Trustee, any other Pari Passu Notes Lien Representative and the trustee, agent or representative of any other Secured Obligations,

SECOND, subject to the terms of any Pari Passu Notes Lien Intercreditor Agreement, to the ratable payment of the Secured Obligations in accordance with the documents governing such Secured Obligations, until payment in full of the Secured Obligations,

THIRD, to the ratable payment of fees, costs and expenses (including reasonable attorneys' fees and expenses and court costs) of the ABL Collateral Agent and the agent or representative of any other Pari Passu ABL Lien Indebtedness,

FOURTH, to the ratable payment of the ABL Obligations and any Pari Passu ABL Lien Indebtedness, in accordance with the ABL Documents and the documents governing such Pari Passu ABL Lien Indebtedness, and

FIFTH, the balance, if any, to the Grantors or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

All proceeds of any sale of a Grantor as a whole, or substantially all of the assets of any Grantor where the consideration received is not allocated by type of asset, in connection with or resulting from any enforcement action, and whether or not pursuant to an Insolvency or Liquidation Proceeding, shall be distributed as follows (after payment of costs and expenses of the ABL Collateral Agent and the Notes Collateral Agent): *first* to the ABL Collateral Agent for the ratable application to the ABL Obligations and any Pari Passu ABL Lien Indebtedness in accordance with the terms of the ABL Documents and the documents governing such Pari Passu ABL Lien Indebtedness, up to the amount of the book value at the time of the sale of the ABL Priority Collateral disposed of in such sale or owned by such Grantor (in the case of a sale of such Grantor as a whole), and second to the Notes Collateral Agent for the ratable application to the Secured Obligations in accordance with the terms of the documents governing such Secured Obligations to the extent such proceeds exceed the book value at the time of the sale of such ABL Priority Collateral.

Certain Covenants in respect of Security

The Collateral will be pledged pursuant to the Security Documents, which contain provisions relating to identification of the Collateral and the maintenance of perfected Liens therein and which will be substantially similar to the security documents securing the ABL Obligations. The following is a summary of some of the covenants and provisions set forth in the Security Documents and the Indenture as they relate to the Collateral.

The Security Documents and/or the Indenture, subject to certain exceptions, will provide that the Company and the Guarantors shall maintain the Collateral that is material to the conduct of their respective business in good, safe and insurable operating order, condition and repair (ordinary wear and tear excepted). The Security Documents and/or the Indenture also will provide, subject to certain exceptions, that the Company and the Guarantors shall pay all real estate and other taxes (except such as are contested in good faith and by appropriate negotiations or proceedings), and maintain in full force and effect all material permits and certain insurance coverages, except where failure to maintain such permits or insurance coverages is not adverse in any material respect to the Holders.

Upon the acquisition by any of the Company or the Guarantors of any assets (other than Excluded Assets), including, but not limited to, any equipment or fixtures which constitute accretions, additions or technological upgrades to the equipment or fixtures or any working capital assets that, in any such case, form part of the Collateral, the Company or such Guarantor shall prepare, execute, deliver and file (to the extent required by the Indenture and/or the Security Documents) any information, documentation and financing statements or other certificates as may be necessary to vest in the Notes Collateral Agent a perfected security interest, with the priority required by the Indenture, the Security Documents and the ABL Intercreditor Agreement, subject only to Permitted Liens, in such after-acquired property and to have such after-acquired property added to the Collateral, and thereupon all provisions of the Indenture, the Security Documents and the ABL Intercreditor Agreement relating to the Collateral shall be deemed to relate to such after-acquired property to the same extent and with the same force and effect.

To the extent required under the Indenture or any of the Security Documents, the Company and the Guarantors shall prepare and execute any and all further documents, financing statements, agreements and instruments, and take all further actions that are necessary or may be required under applicable law, or that the Notes Collateral Agent or the Pari Passu Notes Lien Representative may reasonably request, in order to grant, preserve, protect and perfect the validity and priority of the security interests and Liens created or intended to be created by the Security Documents in the Collateral. In addition, within 30 days (or 90 days with respect to Material Real Property) of the Issue Date, the Company and the Guarantors will secure the obligations under the Indenture and the Security Documents by pledging or creating, or causing to be pledged or created, perfected security interests and Liens with

respect to the Collateral to the extent required by the Indenture and/or the Security Documents; *provided, however*, that with respect to the perfection of the security interests in property with respect to which a Lien may be perfected by the filing of a UCC financing statement, the UCC financing statement will be required to be filed on the Issue Date.

Neither the Company nor any of its Restricted Subsidiaries will (i) take or omit to take any action which would materially adversely affect or impair the Liens in favor of the Notes Collateral Agent and the Holders of Notes with respect to the Collateral or (ii) grant any Person, or permit any Person to retain (other than the ABL Collateral Agent and the Notes Collateral Agent), any Liens on the Collateral (other than Liens not prohibited by the Indenture, the Notes, the Guarantees, the Security Documents and the ABL Intercreditor Agreement). The Company and each Guarantor will, at its sole cost and expense, prepare, execute, deliver and file all such agreements and instruments as necessary, or as the Pari Passu Notes Lien Representative or the Notes Collateral Agent reasonably requests, to more fully or accurately describe the assets and property intended to be Collateral or the obligations intended to be secured by the Security Documents.

The Indenture will provide that the Company and each Guarantor will not, and the Company will not permit any of its Restricted Subsidiaries to, further pledge the Collateral as security or otherwise, subject to Permitted Liens. The Company, however, will have the ability under the Indenture to issue additional Pari Passu Notes Lien Indebtedness, Pari Passu ABL Lien Indebtedness and Junior Debt, all of which may be secured by the Collateral (subject to compliance by the Company with the covenants described under "*—Certain covenants— Limitation on additional indebtedness" and "—Limitation on liens*").

Upon the occurrence and during the continuance of an Event of Default, but subject in all cases to the terms of the ABL Intercreditor Agreement, the Security Documents will provide for (among other available remedies) the sale of, or other realization upon, the applicable Collateral by the Notes Collateral Agent and the distribution of the net proceeds of any such sale in accordance with the Indenture, subject to any prior Liens on the Collateral and the provisions of the ABL Intercreditor Agreement. The ABL Intercreditor Agreement will provide, among other things, that (1) the second-priority Liens on the ABL Priority Collateral securing the Notes will be junior to the Liens securing the ABL Obligations and, consequently, the secured parties thereunder (or any holders of other Pari Passu ABL Lien Indebtedness), including the lenders or their affiliates under the ABL Credit Agreement with whom the Company and the Guarantors have incurred certain Hedging Obligations and obligations under Cash Management Agreements, will be entitled to receive the proceeds from the disposition of any such ABL Priority Collateral prior to the Holders and (2) certain procedures for enforcing the Liens on the Collateral be followed. In the event of realization on the Collateral, the proceeds from the sale of the Collateral may not be sufficient to satisfy in full the Company's obligations under the Notes.

The right of the Notes Collateral Agent to repossess and dispose of the Collateral upon the occurrence of an Event of Default would be significantly impaired by applicable bankruptcy or other insolvency laws in the event that a bankruptcy case were to be commenced by or against the Company or any Guarantor prior to the Notes Collateral Agent having repossessed and disposed of the Collateral. Upon the commencement of a case for relief under the Bankruptcy Code, a secured creditor such as the Notes Collateral Agent is prohibited from repossessing its security from a debtor in a bankruptcy case, or from disposing of security repossessed from the debtor or any other Collateral, without bankruptcy court approval.

In view of the broad equitable powers of a U.S. bankruptcy court, it is impossible to predict how long payments under the Notes could be delayed following commencement of a bankruptcy case, whether or when the Notes Collateral Agent could repossess or dispose of the Collateral, the value of the Collateral at the time of the bankruptcy petition or whether or to what extent Holders would be compensated for any delay in payment or loss of value of the Collateral. The Bankruptcy Code permits only the payment and/or accrual of post-petition interest, costs and attorneys' fees to a secured creditor during a debtor's bankruptcy case to the extent the value of the Collateral is determined by the bankruptcy court to exceed the aggregate outstanding principal amount of the obligations secured by the Collateral.

Furthermore, in the event a bankruptcy court determines that the value of the Collateral is not sufficient to repay all amounts due on the Notes, the Holders would hold secured claims to the extent of the value of the Collateral to which the Holders are entitled, and unsecured claims with respect to such shortfall.

In addition, creditors of the Company or any Guarantor may seek to challenge the grant of the Collateral to the Notes Collateral Agent as a fraudulent conveyance under the Bankruptcy Code and applicable state law. If such a challenge were successful, the Liens may be avoided, leaving Holders with unsecured claims against the applicable entities. See "*Risk factors— Risks Related to the Notes, Guarantees and Collateral— Applicable statutes allow courts, under specific circumstances, to void the Guarantees of certain of the Guarantors*."

The Company will furnish to the Notes Collateral Agent, with respect to the Company or any Guarantor, promptly (and in any event within no more than thirty days following such change) written notice of any change in such Person's (1) legal name or (2) jurisdiction of organization or formation. The Company and the Guarantors will take all necessary action so that the Lien in favor of the Notes Collateral Agent pursuant to the Indenture and/or the Security Documents is perfected with the same priority as immediately prior to such change to the extent required by the Indenture and/or the Security Documents. The Company also agrees promptly to notify the Notes Collateral Agent if any material portion of the Collateral is damaged, destroyed or condemned.

The ABL Obligation, the obligations under any future Pari Passu ABL Lien Indebtedness or Pari Passu Notes Lien Indebtedness and the obligations under the Indenture and the Notes may be refinanced or replaced, in whole or in part, in each case, without notice to, or the consent (except to the extent a consent is otherwise required to permit the refinancing transaction under the ABL Credit Agreement or any security document related thereto, agreements governing any Pari Passu ABL Lien Indebtedness, agreements governing any Pari Passu Lien Indebtedness or under the Indenture and the Security Documents) of the ABL Collateral Agent, the Notes Collateral Agent or the Holder of any Notes, all without affecting the Lien priorities provided for in the Security Documents and the ABL Intercreditor Agreement; *provided, however*, that the lenders providing or holders of any such refinancing or replacement indebtedness (or an authorized agent or trustee on their behalf) bind themselves in writing to the terms of the ABL Intercreditor Agreement pursuant to a written agreement (including amendments or supplements to the ABL Intercreditor Agreement).

In addition, if at any time in connection with or after the discharge of the ABL Obligations, the Company enters into any replacement of the ABL Credit Agreement secured by all or a portion of the ABL Priority Collateral on a first-priority basis and the Notes Priority Collateral on a second-priority basis, then such prior discharge of ABL Obligations shall automatically be deemed not to have occurred for all purposes of the ABL Intercreditor Agreement, the Indenture and the Security Documents. During the period the ABL Credit Agreement is not in existence, except as provided under "*—Security—Release of Liens on Collateral*," the Notes and the Guarantees will be secured by a first-priority lien, subject to Permitted Liens, in all of the Collateral.

In connection with any refinancing or replacement contemplated by the foregoing paragraph, the ABL Intercreditor Agreement may be amended at the request and sole expense of the Company, and without the consent of the ABL Collateral Agent, the Notes Collateral Agent, the Holder of any Notes or any other secured party, (a) to add parties (or any authorized agent or trustee therefor) providing any such refinancing or replacement indebtedness in compliance with the ABL Credit Agreement, Pari Passu ABL Lien Indebtedness, Pari Passu Notes Lien Indebtedness and the Indenture and (b) to establish that Liens on any Collateral securing such refinancing or replacement Indebtedness shall have the same priority (or junior priority) or, if the ABL Credit Agreement, agreements governing any Pari Passu ABL Lien Indebtedness, agreements governing any Pari Passu Lien Indebtedness and the Indenture so permit, senior priority, as the Liens on any Collateral securing the Indebtedness being refinanced or replaced, all on the terms provided for in the Indenture, the Security Documents and the ABL Intercreditor Agreement immediately prior to such refinancing or replacement. See "—Amendment, Supplement and Waiver."

Certain security interests or liens in the Collateral may not be in place on the Issue Date or may not be perfected on the Issue Date. The Indenture will provide that the Company shall, or shall cause the applicable Guarantor to execute and deliver to the Notes Collateral Agent, as beneficiary, such Security Documents, and any supplements or amendments related thereto, together with evidence of the completion (or arrangements for the completion) of all recordings and filings of such Security Documents in the proper recorders' offices or appropriate public records (and payment of any taxes or fees in connection therewith) as may be necessary to create a valid, perfected Lien, on or against the Collateral within a certain number days after the Issue Date (to the extent required by the Indenture and/or the Security Documents); *provided, however* that the Indenture will not require that security interests be perfected if such security interests cannot be perfected by the filing of UCC financing statements, the recording of security agreements with the U.S. Patent and Trademark Office and the U.S. Copyright Office, the recording of mortgages or

deeds of trust, the taking possession of any pledged Collateral with necessary endorsements or the execution of control agreements with respect to certain deposit accounts, securities accounts and commodities accounts; *provided, further*, that the Company and the Guarantors shall be relieved of any further obligation to deliver control agreements so long as the ABL Collateral Agent or agents or bailees of the ABL Collateral Agent maintain a perfected Lien for the benefit of the Holders of Notes through control of such deposit accounts, securities accounts and commodities accounts pursuant to a control agreement. To the extent that either the ABL Collateral Agent or Notes Collateral Agent holds, or a third party holds on its respective behalf, physical possession of or "control" (as defined in the Uniform Commercial Code) over Common Collateral pursuant to the ABL Documents or the Security Documents, as applicable, such possession or control is also for the benefit of the Notes Collateral Agent and the Holders of the Notes or the ABL Collateral Agent and the holders of the ABL Obligations, as applicable, and the ABL Collateral Agent and the Notes Collateral Agent, as applicable, shall act as gratuitous bailee and non-fiduciary agent solely to the extent required to perfect their security interest in such Common Collateral.

Release of Liens on Collateral

The Notes Documents will provide that the Liens on the Collateral will be released in each of the following circumstances:

(1) in whole, upon the payment in full of all Notes Obligations;

(2) as to any Collateral that (x) becomes an Excluded Asset, or (y) is disposed of by the Company or any Guarantor to a person that is not (either before or after such disposition) the Company or a Guarantor in a transaction or other circumstance that is not prohibited by any of the ABL Documents and the Notes Documents, at the time of such disposition or, to the extent of the interest disposed of;

(3) as to any Collateral in which none of the Company or any Guarantor owned an interest at the time the Lien was granted or at any time thereafter;

(4) to the extent that any Guarantor is released from each of its guarantees of any Secured Debt in accordance with the provisions of the Indenture and all other Secured Debt Documents, the Liens on Collateral of such Guarantor securing such guarantee in respect of such Secured Debt and the obligations of such Guarantor under each of its guarantees of the Secured Debt shall be automatically, unconditionally and simultaneously released;

(5) as to any other release of any of the Collateral, if (a) consent to the release of that Collateral has been given by the requisite percentage or number of holders of each Series of Secured Debt at the time outstanding as provided for in the applicable Secured Debt Documents, and (b) the Company has delivered an Officer's Certificate to the Notes Collateral Agent certifying that all such necessary consents have been obtained; and

(6) automatically, unconditionally and simultaneously and without further action by any party as to any Collateral foreclosed upon by the Notes Collateral Agent or against which the Notes Collateral Agent otherwise exercises its rights or remedies (whether or not any Insolvency or Liquidation Proceeding is pending at the time).

Mandatory Redemption; Open-Market Purchases

The Company is not required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Company may be required to offer to purchase the Notes as described under the captions "*— Repurchase at the Option of Holders— Asset Sales*" and "*—Repurchase at the Option of Holders — Change of Control*."

The Company may acquire Notes by means other than a redemption, whether by tender offer, open-market purchases, negotiated transactions or otherwise.

Optional Redemption

On and after , 2027, the Company may, at its option on one or more occasions, redeem all or a part of the Notes, upon notice as described under "*— Selection and Notice*," at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest, if any, on the Notes to be redeemed

to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the redemption date), if redeemed during the twelve-month period beginning on of the years indicated below:

Year	Percentage
2027	%
2028	%
2029 and thereafter	100.00%

During each of the two successive 12-month periods commencing on the Issue Date and ending on , 2027, the Company may, at its option, on one or more occasions redeem up to 10% of the aggregate principal amount of the Notes (including Additional Notes) originally issued under the Indenture, upon notice as described under "— *Selection and Notice*," at a redemption price of 103.00% of the principal amount, plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the redemption date).

At any time prior to , 2027, the Company may, at its option on one or more occasions redeem up to 40% of the aggregate principal amount of the Notes (including Additional Notes) originally issued under the Indenture, upon notice as described under "— *Selection and Notice*," at a redemption price of % of the principal amount, plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the redemption date), with an amount of cash not greater than the net cash proceeds of one or more Equity Offerings by the Company (or any parent company of the Company that are contributed to the Company as a capital contribution), provided, that:

(1) at least 60% of the aggregate principal amount of the Notes (including Additional Notes) originally issued under the Indenture remains outstanding immediately after the occurrence of such redemption (excluding Notes held by the Company and its Subsidiaries); and

(2) the redemption occurs within 180 days of the date of the closing of the related Equity Offering.

At any time on or after , 2026 and prior to , 2027, the Company may redeem all, but not less than all, of the Notes outstanding under the Indenture (including any Additional Notes) with an amount not to exceed the net cash proceeds received by the Company from any Qualified IPO or a capital contribution to the Company made with the net cash proceeds of any Qualified IPO, at a redemption price equal to % of the principal amount of the Notes being redeemed, plus accrued and unpaid interest, if any, on the Notes redeemed, to, but not including, the date of redemption (subject to the right of Holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the redemption date).

In addition, at any time prior to , 2027, the Company may, at its option on one or more occasions, redeem all or a part of the Notes, upon notice as described under "— *Selection and Notice*," at a redemption price equal to the sum of:

(1) 100.00% of the principal amount thereof, and

(2) the Make Whole Premium (as defined herein) as of the applicable redemption date,

plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the redemption date).

In connection with any Change of Control Offer, Alternate Offer or other tender offer to purchase all of the Notes, if Holders of not less than 90.0% of the aggregate principal amount of the then outstanding Notes validly tender and do not validly withdraw such Notes in connection with such Change of Control Offer, Alternate Offer or other tender offer and the Company purchases, or any third party making such Change of Control Offer, Alternate Offer or other tender offer in lieu of the Company purchases, all of the Notes validly tendered and not validly withdrawn by such Holders, all of the Holders of the Notes will be deemed to have consented to such Change of Control Offer,

Alternate Offer or other tender offer and accordingly, the Company or such third party will have the right upon not less than 10 days' nor more than 60 days' prior notice, given not more than 60 days following such purchase date, to redeem (with respect to the Company) or purchase (with respect to a third party) all Notes that remain outstanding following such purchase at a price equal to the highest price offered to each other Holder in such Change of Control Offer, Alternate Offer or other tender offer, plus, to the extent not included in the Change of Control Offer, Alternate Offer or other tender offer payment, accrued and unpaid interest, if any, to, but not including, the applicable redemption date (subject to the right of the Holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the applicable redemption date).

Selection and Notice

If less than all of the Notes are to be redeemed at any time, Notes will be selected for redemption by the Trustee on a pro rata basis (or, in the case of Notes in global form, Notes will be selected for redemption by DTC based on DTC's applicable procedures).

No Notes of $2,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail (or sent electronically if DTC is the recipient) at least 10 but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at its registered address, except that optional redemption notices may be sent more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture or if the redemption date is delayed as described in the following paragraph.

Notice of any redemption of the Notes may, at the Company's discretion, be subject to one or more conditions precedent, including, but not limited to, the completion of one or more Equity Offerings or other securities offerings or other financings or the completion of any transaction (or series of related transactions) that constitute a Change of Control. If a redemption of the Notes is subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition and may state that, at the Company's discretion, the redemption date may be delayed on one or more occasions either to a date specified in a subsequent notice to Holders of the Notes or until such time (which date or time may be more than 60 days after the date the notice of redemption was mailed or otherwise sent) as any or all such conditions shall be satisfied or waived, and that such redemption will not occur and such notice will be rescinded if any or all such conditions shall not have been satisfied as and when required (as determined by the Company in its sole discretion taking into account any election by the Company to delay such redemption date), unless the Company has waived any such conditions that are not satisfied, or at any time if in the good faith judgment of the Company any or all of such conditions will not be satisfied. The Company shall provide written notice to the Trustee no later than the redemption date (in accordance with the procedures of DTC) if any such redemption has been rescinded or delayed, and upon receipt the Trustee shall provide such notice to each holder in the same manner in which the redemption notice was given.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder of Notes upon cancellation of the original Note.

Notes called for redemption will become due on the date fixed for redemption, subject to the Company's right to delay or rescind a redemption date as provided above. On and after the redemption date, interest will cease to accrue on Notes or portions of them called for redemption unless the Company shall default in the payment of the redemption price for such Notes.

Repurchase at the Option of Holders

Change of Control

The Indenture will provide that if a Change of Control Triggering Event occurs, unless the Company has previously or concurrently electronically delivered or mailed a redemption notice with respect to all the outstanding Notes as described under "— *Optional Redemption*," or "— *Satisfaction and Discharge*," the Company will make an offer to purchase all of the Notes pursuant to the offer described below (the "*Change of Control Offer*") at a price

equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest, if any, to, but not including, the date of repurchase, subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date on or prior to such repurchase (any payment thereof a "*Change of Control Payment*"). Within 60 days following any Change of Control Triggering Event, unless the Company has previously or concurrently exercised its right to redeem all of the Notes as described under "— *Optional Redemption*" or another exception described below applies, the Company will send notice of such Change of Control Offer electronically or by first-class mail, postage prepaid, with a copy to the Trustee, to each Holder at such Holder's registered address or otherwise in accordance with the procedures of DTC, with the following information:

(1) a Change of Control Offer is being made pursuant to the provisions of the Indenture describing the Company's obligations under "*Repurchase at the Option of Holders — Change of Control*" and all Notes properly tendered pursuant to such Change of Control Offer will be accepted for payment by the Company;

(2) the purchase price and the purchase date, which will be no earlier than 20 Business Days nor later than 60 days from the date such notice is mailed or otherwise delivered (the "*Change of Control Payment Date*"), subject to extension (in the case where such notice is mailed or otherwise delivered prior to the occurrence of the Change of Control) in the event that the occurrence of the Change of Control is delayed;

(3) any Note not properly tendered will remain outstanding and continue to accrue interest;

(4) unless the Company defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date;

(5) Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender such Notes, with the form entitled "*Option of Holder to Elect Purchase*" on the reverse of such Notes completed to the Paying Agent at the address specified in the notice or otherwise in accordance with DTC procedures, prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(6) Holders whose Notes are being purchased only in part will be issued new Notes and such new Notes will be equal in principal amount to the unpurchased portion of the Notes surrendered; *provided* that the unpurchased portion of the Notes must be equal to at least $2,000 or any integral multiple of $1,000 in excess of $2,000;

(7) if such notice is delivered prior to the occurrence of a Change of Control Triggering Event, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control Triggering Event and describing each such condition; and

(8) the other instructions, as determined by the Company, consistent with the covenant described hereunder, that a Holder must follow in order to have its Notes repurchased.

On the Change of Control Payment Date, the Company will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes (in denominations of $1,000 and integral multiples of $1,000 in excess thereof) properly tendered and not withdrawn pursuant to the Change of Control Offer (provided that if, following the repurchase of a portion of a Note, the remaining principal amount thereof would be less than $2,000, then the portion of such Note so repurchased shall be reduced so that the remaining principal amount of such Note outstanding immediately after such repurchase is $2,000);

(2) deposit with the depositary, if any, appointed by the Company for such Change of Control Offer or a paying agent, as the case may be, an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered and not withdrawn; and

(3) deliver or cause to be delivered to the Trustee for cancellation the Notes properly accepted for payment together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes accepted for payment and being purchased by the Company.

The ABL Credit Agreement provides that certain change of control events with respect to the Company would constitute an event of default thereunder, entitling the lenders, among other things, to accelerate the maturity of all Indebtedness outstanding thereunder. Any future Credit Facilities or other agreements relating to Indebtedness to which the Company or any Guarantor becomes a party may contain similar restrictions and provisions. Prior to complying with any of the provisions of this "Change of Control" covenant, but in any event no later than the Change of Control Payment Date, the Company or any Guarantor must either repay all of its other outstanding Pari Passu Indebtedness or obtain the requisite consents, if any, under all agreements governing such Pari Passu Indebtedness to permit the repurchase of Notes required by this covenant. The Company cannot assure you that sufficient funds will be available when necessary to make any required repurchases of the Notes as a result of a Change of Control Triggering Event.

The provisions described above that require the Company to make a Change of Control Offer following a Change of Control Triggering Event will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control Triggering Event, the Indenture will not contain provisions that permit the Holders of the Notes to require that the Company or any Guarantor repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The Company will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if (1) a third party makes the Change of Control Offer in the manner, at the time and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, (2) in connection with or in contemplation of any Change of Control Triggering Event, the Company made an offer to purchase (an "**Alternate Offer**") any and all Notes properly tendered and not withdrawn at a cash price equal to or higher than the Change of Control Payment and has purchased all Notes properly tendered in accordance with the terms of such Alternate Offer or (3) the Company has previously or concurrently exercised its right to redeem all of the Notes as described under "— *Optional Redemption*."

Notwithstanding anything in the Indenture to the contrary, a Change of Control Offer or Alternate Offer may be made in advance of a Change of Control, and conditioned upon the occurrence of the Change of Control, if a definitive agreement is in place for the Change of Control at the time of making the Change of Control Offer or Alternate Offer.

Interest on Notes (or portions thereof) properly tendered and not withdrawn pursuant to a Change of Control Offer or Alternate Offer will cease to accrue on and after the applicable Change of Control Payment Date (or payment date for the Alternate Offer) unless the Company shall default in the payment of the Change of Control Payment (or, in the case of an Alternate Offer, the purchase price) of the Notes.

Asset Sales

The Company will not, and will not permit any of its Restricted Subsidiaries to, consummate any Asset Sale unless:

(1) the Company (or a Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the fair market value (measured as of the date of the definitive agreement with respect to the Asset Sale), of the assets or Equity Interests issued or sold or otherwise disposed of; and

(2) at least 75.0% of the aggregate consideration received by the Company and its Restricted Subsidiaries in the Asset Sale and all other Asset Sales on a cumulative basis since the Issue Date is in the form of cash, Cash Equivalents, Additional Assets or any combination thereof (collectively, "*Cash Consideration*"). For purposes of this provision, each of the following will be deemed to be Cash Consideration:

(a) any liabilities (as shown on the Company's or any Restricted Subsidiary's most recent balance sheet or in the notes thereto or, if incurred or accrued subsequent to the date of such balance sheet, such liabilities that would have been reflected on the Company's or a Restricted Subsidiary's consolidated balance sheet or in the notes thereto if such incurrence or accrual had taken place on or prior to the date of such balance sheet, as determined in good faith by the Company) of the Company or any Restricted

Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated in right of payment to the Notes or any Guarantor's Guarantee of the Notes) that are (i) assumed by the transferee of any such assets (or a third party in connection with such transfer) or (ii) otherwise cancelled or terminated in connection with the transaction with such transferee (other than intercompany debt owed to the Company or a Restricted Subsidiary);

(b) any securities, notes or other obligations received by the Company or any Restricted Subsidiary from such transferee that are, within 180 days after the consummation of such Asset Sale, converted by the Company or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion; and

(c) any Designated Non-Cash Consideration received by the Company or any Restricted Subsidiary in such Asset Sale having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (c), not to exceed an amount equal to the greater of (i) $70.0 million or (ii) 5.0% of the Company's Consolidated Net Tangible Assets (determined at the time of receipt of such Designated Non-Cash Consideration), with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value.

Subject to the terms of the ABL Intercreditor Agreement, within 365 days after the receipt of any Net Proceeds from an Asset Sale (such period the "*Asset Sale Proceeds Application Period*"), the Company or any of its Restricted Subsidiaries may apply an amount equal to those Net Proceeds at its option to any combination of the following:

(1) to repay, redeem, purchase, defease or otherwise acquire, retire or terminate:

(a) with respect to Net Proceeds received from Asset Sales of ABL Priority Collateral, any ABL Obligations; or

(b) any Indebtedness secured by a Permitted Prior Lien; or

(c) with respect to Net Proceeds received from Asset Sales of Notes Priority Collateral, Pari Passu Notes Lien Indebtedness; or

(d) with respect to Net Proceeds received from Asset Sales of properties or assets of non-Guarantor Restricted Subsidiaries (including Foreign Subsidiaries), any Indebtedness that is not Junior Debt, provided that if the Company or any such Restricted Subsidiary shall so repay, redeem, purchase, defease or otherwise acquire, retire or terminate, the Company shall equally and ratably offer to repay the Notes as provided either, at the Company's option, under "—*Optional Redemption*," through open-market purchases at par or higher, or by making an offer in accordance with the procedures set forth below for an Asset Sale Offer to all Holders to purchase their Notes;

(2) to acquire all or substantially all of the assets of, or any Capital Stock of, one or more other Persons primarily engaged in a Permitted Business, if, after giving effect to any such acquisition of Capital Stock, such Person becomes (or the relevant assets are acquired by) a Restricted Subsidiary of the Company;

(3) to acquire Additional Assets; or

(4) to make Capital Expenditures in respect of any Permitted Business of the Company or any of its Restricted Subsidiaries.

The requirement of clauses (2) through (4) of the preceding paragraph shall be deemed to be satisfied if a bona fide binding contract committing to make the investment, acquisition or expenditure referred to therein is entered into by the Company or any Restricted Subsidiary, as the case may be, with a Person other than an Affiliate of the Company within the time period specified in the preceding paragraph and such Net Proceeds are subsequently applied in accordance with such contract within six months following the date such agreement is entered into.

Pending the final application of any Net Proceeds, the Company or any of its Restricted Subsidiaries may invest the Net Proceeds in any manner that is not prohibited by the Indenture. To the extent the amount applied as provided in the second paragraph of this covenant is less than the amount of the Net Proceeds, the amount that is not so applied will constitute "*Excess Proceeds*."

When the aggregate amount of Excess Proceeds exceeds $50.0 million, within 30 days thereafter the Company will make an offer (an "**Asset Sale Offer**") to all Holders of Notes and, at its option, all other holders of Pari Passu Notes Lien Indebtedness, any Indebtedness secured by a Permitted Prior Lien and any Pari Passu ABL Lien Indebtedness (subject to proration in the event of over subscription) the maximum principal amount of Notes and such other Pari Passu Notes Lien Indebtedness or any Indebtedness secured by a Permitted Prior Lien and/or any Pari Passu ABL Lien Indebtedness (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith) that may be purchased or redeemed out of the Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100.0% of the principal amount thereof plus accrued and unpaid interest, if any, to, but not including, the date of settlement, subject to the right of Holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the date of settlement, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company or any of its Restricted Subsidiaries may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and such other Pari Passu Notes Lien Indebtedness, any Indebtedness secured by a Permitted Prior Lien and/or any Pari Passu ABL Lien Indebtedness tendered into (or to be prepaid or redeemed in connection with) such Asset Sale Offer exceeds the amount of Excess Proceeds, the Excess Proceeds will be allocated among the Notes and any such other Pari Passu Notes Lien Indebtedness, any Indebtedness secured by a Permitted Prior Lien and/or any Pari Passu ABL Lien Indebtedness to be purchased, prepaid or redeemed on a pro rata basis. The Company may satisfy the foregoing obligation with respect to any Net Proceeds from an Asset Sale by making an Asset Sale Offer with respect to the amount of all or part of the available Net Proceeds prior to the expiration of the Asset Sale Proceeds Application Period with respect to the amount of all or a part of the available Net Proceeds in advance of being required to do so by the Indenture. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

Notwithstanding the foregoing clauses (1) – (4) of the second paragraph of this covenant, to the extent that repatriating any or all of the Cash Consideration from any Asset Sale by a Foreign Subsidiary (*x*) would result in material adverse tax consequences to the Company or any of its Subsidiaries or (*y*) is prohibited or delayed by applicable local law from being repatriated to the United States (in the case of the foregoing clauses (x) and (y), as reasonably determined by the Company in good faith which determination shall be conclusive), the portion of such Cash Consideration so affected will not be required to be applied in compliance with clauses (1) – (4) of the second paragraph of this covenant, and such amounts may be retained by the applicable Foreign Subsidiary; *provided* that, in the case of this clause (y), the Company shall take commercially reasonable efforts to cause the applicable Foreign Subsidiary to take all actions reasonably required by the applicable local law, applicable organizational impediments or other impediment to permit such repatriation, and, if such repatriation of any of such affected Cash Consideration can be achieved such repatriation will be promptly effected and such repatriated Cash Consideration will be applied (whether or not repatriation actually occurs) in compliance with clauses (1) – (4) of the second paragraph of this covenant. The time periods set forth in this covenant with respect to an Asset Sale by a Foreign Subsidiary shall not start until such time as the Cash Consideration may be repatriated whether or not such repatriation actually occurs.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to a Change of Control Offer or an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the Indenture relating to a Change of Control Offer or an Asset Sale Offer, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under such provisions of the Indenture by virtue of such compliance.

The provisions under the Indenture relating to the Company's obligation to make an offer to repurchase the Notes as a result of a Change of Control Triggering Event or an Asset Sale may be waived, modified or terminated with the written consent of the Holders of a majority in principal amount of the then outstanding Notes (including consents obtained in connection with a tender offer or exchange offer for the Notes).

Certain Covenants

Restricted Payments

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of the Company's or any of its Restricted Subsidiaries' Equity Interests (including any payment in connection with any merger, amalgamation or consolidation involving the Company or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Company's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends, payments or distributions payable in Equity Interests (other than Disqualified Stock) of the Company or payable to the Company or a Restricted Subsidiary of the Company);

(2) purchase, redeem or otherwise acquire or retire for value (including in connection with any merger or consolidation involving the Company) any Equity Interests of the Company or any direct or indirect parent of the Company held by any Person other than the Company or any of its Restricted Subsidiaries (other than any acquisition of Equity Interests deemed to occur upon the exercise of stock options, warrants and similar instruments if such Equity Interests represent a portion of the exercise, conversion or exchange price thereof);

(3) make any principal payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value, in each case prior to the scheduled maturity, scheduled repayment or scheduled sinking fund payment any Junior Debt (excluding any intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries, including between or among its Restricted Subsidiaries), except any payment, purchase, redemption, defeasance or other acquisition or retirement of any such Indebtedness in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of purchase, redemption, defeasance or other acquisition or retirement; or

(4) make any Restricted Investment;

(all such payments and other actions set forth in these clauses (1) through (4) above being collectively referred to as "*Restricted Payments*"), unless, at the time of and after giving effect to such Restricted Payment:

(1) no Event of Default will have occurred and be continuing or would occur as a consequence thereof;

(2) at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable Reference Period, the Company would have been permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described below under the caption "— *Incurrence of Indebtedness and Issuance of Preferred Stock*"; and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries after the Issue Date (excluding Restricted Payments permitted by clauses (2) through (17), inclusive, of the next succeeding paragraph, but including Restricted Payments made pursuant to clause (18) of the next succeeding paragraph; *provided* that Restricted Payments made pursuant to such clause (18) will be included only to the extent not reducing the amount available under this clause (3) below zero), is less than the sum, without duplication, of the following (the "**Restricted Payments Builder Basket**"):

(a) 50.0% of the Consolidated Net Income of the Company for the period (treated as one accounting period) from the beginning of the first fiscal quarter during which the Issue Date falls to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, in case such Consolidated Net Income is a deficit, minus 100.0% of such deficit); plus

(b) 100.0% of the aggregate net cash proceeds and the fair market value of assets that are used or useful in, or Capital Stock of any Person engaged in, a Permitted Business, in each case, since the Issue Date (i) as a contribution to its common equity capital, (ii) from the issue or sale of Equity Interests

(other than Disqualified Stock) of the Company or (iii) from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Company that have been converted into or exchanged for such Equity Interests of the Company (other than, in each case, Equity Interests (or Disqualified Stock or debt securities) issued or sold to a Restricted Subsidiary of the Company); *provided* this clause (3)(b) shall not include Excluded Contributions; plus

(c) the amount equal to the aggregate net reduction in Restricted Investments made by the Company or any of its Restricted Subsidiaries in any Person after the Issue Date resulting from:

(i) repurchases, repayments or redemptions of such Restricted Investments by such Person, proceeds realized upon the sale or other disposition of any such Restricted Investment to any Person, or repayments of loans or advances or other transfers of assets (including by way of dividend, distribution, interest payment or other return of capital or Investment) by such Person to the Company or any Restricted Subsidiary;

(ii) the (A) redesignation of one or more Unrestricted Subsidiaries of the Company as Restricted Subsidiaries, (B) merger or consolidation of one or more Unrestricted Subsidiaries into the Company or any of its Restricted Subsidiaries; or

(iii) transfer (other than by lease) of all or substantially all of the Unrestricted Subsidiaries' properties or assets to the Company or any of its Restricted Subsidiaries, in each case not to exceed the amount of Investments previously made by the Company or any Restricted Subsidiary of the Company in such Unrestricted Subsidiary,

which amount, in each case under this clause (c), was included in the calculation of the amount of the Restricted Payments Builder Basket; *provided*, that no amount will be included under this clause (c) to the extent it is already included in Consolidated Net Income of the Company; plus

(d) the amount of cash and Cash Equivalents and the fair market value of property or assets received by the Company or any Restricted Subsidiary in connection with (i) the sale or other disposition by the Company or any of its Restricted Subsidiaries (other than to the Company or any of its Restricted Subsidiaries) of all or a portion of the Capital Stock of an Unrestricted Subsidiary or (ii) a dividend or distribution from an Unrestricted Subsidiary to the Company or any of its Restricted Subsidiaries; *provided*, that no amount will be included (A) under this clause (d) to the extent it is already included in Consolidated Net Income of the Company and (B) under subclause (i) of this clause (d) except to the extent that it offsets a prior reduction in the Restricted Payments Builder Basket resulting from the designation of the Unrestricted Subsidiary as such or a subsequent Restricted Investment in the Unrestricted Subsidiary; plus

(e) the amount by which Indebtedness of the Company or its Restricted Subsidiaries is reduced on the Company's consolidated balance sheet upon the conversion or exchange subsequent to the Issue Date of any Indebtedness of the Company or its Restricted Subsidiaries convertible or exchangeable for Capital Stock (other than Disqualified Stock) of the Company (less the amount of any cash or the fair market value of any other property (other than such Capital Stock) distributed by the Company upon such conversion or exchange) plus the amount of any cash and the fair market value of any property or assets received by the Company or any of its Restricted Subsidiaries upon such conversion or exchange; plus

(f) $50.0 million.

The preceding provisions will not prohibit:

(1) the payment of any dividend or other distribution or the consummation of any redemption within 60 days after the date of the declaration of such dividend or other distribution or the giving of the redemption notice, as the case may be, if at the date of declaration or notice the payment would have complied with the foregoing provisions of this covenant;

(2) the making of any payment on or with respect to, or the purchase, redemption, defeasance or other acquisition or retirement for value of, any Junior Debt or of any Equity Interests of the Company with substantially

concurrent Excluded Contributions (with a sale being deemed substantially concurrent if such purchase, redemption, defeasance or other acquisition or retirement occurs not more than 120 days after such Excluded Contribution); *provided*, that the amount of any such Excluded Contributions that are utilized for any such purchase, redemption, defeasance or other acquisition or retirement will be excluded (or deducted, if included) from the calculation of the Restricted Payments Builder Basket pursuant to clause (3)(b) thereof;

(3) the making of any payment on or with respect to, or the purchase, redemption, defeasance or other acquisition or retirement of, any Junior Debt with the net cash proceeds from an incurrence of, or in exchange for, Permitted Refinancing Indebtedness;

(4) the making of any payment or distribution on or with respect to, or the purchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Company or a Restricted Subsidiary in exchange for, or out of the net cash proceeds of, a substantially concurrent sale (other than to the Company or any Subsidiary) of Preferred Stock of the Company or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be incurred pursuant to the covenant described under "— *Incurrence of Indebtedness and Issuance of Preferred Stock*";

(5) the declaration and payment of any dividend or other distribution by a Restricted Subsidiary of the Company to the holders of its Equity Interests on a pro rata basis or on a basis that results in the receipt by the Company or a Restricted Subsidiary that is the parent of that Restricted Subsidiary of dividends or distributions of greater value than it would receive on a pro rata basis;

(6) so long as no Event of Default has occurred and is continuing, the purchase, redemption or other acquisition or retirement for value of any Equity Interests of the Company or any Restricted Subsidiary of the Company owned or held by any current or former director, officer, employee or consultant (or their transferees, estates or beneficiaries) of the Company or any of its Subsidiaries pursuant to any equity subscription agreement, employment agreement, stock option agreement or plan or other equity incentive or employee benefit plan or to satisfy obligations under any Equity Interests appreciation rights or option plan or similar arrangement or upon the death, disability, retirement, resignation, severance or termination of any employee, director or consultant of the Company or any of its Restricted Subsidiaries; *provided*, that:

(a) the aggregate price paid for all such purchased, redeemed, acquired or retired Equity Interests may not exceed: (i) $10.0 million in any calendar year, with any portion of such amount that is unused in any calendar year to be carried forward to successive calendar years and added to such amount, plus (ii) the amount of any net cash proceeds received by or contributed to the Company from the issuance and sale after the Issue Date of Equity Interests (other than Disqualified Stock) of the Company, or any direct or indirect parent of the Company, to officers, directors, employees or consultants of the Company or any of its Subsidiaries that have not been applied to the payment of Restricted Payments pursuant to this clause (6), plus (iii) the net cash proceeds of any "key-man" life insurance policies received by the Company (or by any direct or indirect parent of the Company and contributed to the Company) that have not been applied to the payment of Restricted Payments pursuant to this clause (6); and

(b) the cancellation of Indebtedness owing to the Company from directors, officers, employees or consultants of the Company or any of its Subsidiaries in connection with any repurchase of Equity Interests of the Company will not be deemed to constitute a Restricted Payment for purposes of this covenant and any other provisions of the Indenture;

(7) the purchase, redemption or other acquisition or retirement for value of Equity Interests (i) deemed to occur upon the exercise of stock options, warrants, incentives, convertible securities or other rights to acquire Equity Interests if such Equity Interests represent a portion of the exercise or exchange price thereof or (ii) in order to satisfy any tax withholding obligations in connection with any exercise, vesting, conversion or exchange of options, warrants, incentives or other rights to acquire Equity Interests or deemed to occur upon the withholding of a portion of the Equity Interests granted or awarded to a Person to pay for the taxes payable by such Person upon such grant or award;

(8) payments or distributions to satisfy dissenter's or appraisal rights pursuant to applicable law, a court order or the terms of a court approved plan or scheme of arrangement or in connection with the settlement or

other satisfaction of legal claims or actions made pursuant to or in connection with a consolidation, amalgamation, merger, arrangement or transfer of assets;

(9) cash payments in lieu of the issuance of fractional shares;

(10) the declaration and payment of scheduled or accrued dividends to holders of any class of or series of Disqualified Stock of the Company or any of its Restricted Subsidiaries or of Preferred Stock of the Company or any of its Restricted Subsidiaries issued on or after the Issue Date in accordance with the covenant captioned "— *Incurrence of Indebtedness and Issuance of Preferred Stock*";

(11) in connection with an acquisition by the Company or any of its Restricted Subsidiaries, the return of Equity Interests constituting a portion of the purchase consideration in settlement of indemnification claims;

(12) cash distributions by the Company to the holders of Equity Interests of the Company in accordance with a distribution reinvestment plan or dividend reinvestment plan to the extent such payments are applied to the purchase of Equity Interests directly from the Company;

(13) the purchase, redemption, defeasance or other acquisition or retirement for value of any Junior Debt, Disqualified Stock or Preferred Stock of the Company or any Guarantor (i) at a purchase price not greater than 101% of the principal amount, face amount or liquidation preference, as applicable, of such Junior Debt, Disqualified Stock or Preferred Stock in the event of a change of control in accordance with provisions similar to the covenant described under "— *Repurchase at the Option of Holders — Change of Control*" or (ii) at a purchase price not greater than 100.0% of the principal amount, face amount or liquidation preferences, as applicable, thereof in accordance with provisions similar to the covenant described under "— *Repurchase at the Option of Holders — Asset Sales*"; *provided* that, prior to or simultaneously with such purchase, redemption, defeasance or other acquisition or retirement, the Company has made the Change of Control Offer or Asset Sale Offer, as applicable, as provided in such covenant with respect to the Notes and has completed or completes at or about the same time the repurchase or redemption of all Notes validly tendered for payment in connection with such Change of Control Offer or Asset Sale Offer;

(14) other Restricted Payments made since the Issue Date in an aggregate amount not to exceed the greater of (a) $100.0 million and (b) 6.5% of the Company's Consolidated Net Tangible Assets;

(15) the declaration and payment of dividends or other distributions of Equity Interests of, or Indebtedness owed to the Company or a Restricted Subsidiary by, Unrestricted Subsidiaries;

(16) the purchase, redemption, cancellation or other acquisition or retirement for nominal value per right of any rights granted to all holders of Capital Stock of the Company pursuant to any shareholders' right plan;

(17) Permitted Tax Distributions; and

(18) so long as no Payment Default or Event of Default has occurred and is continuing or would be caused thereby, other Restricted Payments, so long as, after giving pro forma effect to the payment of any such Restricted Payment, the Consolidated Total Net Debt Ratio for the Company's most recently ended four full fiscal quarters for which internal financial statements are available shall be no greater than 1.25 to 1.00.

Subject to the provisions described under the heading "— *Limited Condition Transactions; Measuring Compliance*," the amount of all Restricted Payments (other than cash) will be the fair market value, on the date of the Restricted Payment (or, in the case of a dividend or other distribution or the consummation of any irrevocable redemption, on the date of declaration or the giving of the notice of redemption, as the case may be), of the Restricted Investment proposed to be made or the asset(s) or securities proposed to be transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.

In the event that a Restricted Payment (or portion thereof) meets the criteria of more than one of the exceptions described in (1) through (17) above or is entitled to be made pursuant to the first paragraph above or is permitted pursuant to one or more clauses of the definition of Permitted Investment, the Company shall be entitled to classify or divide (or later classify, reclassify (based on circumstances existing at the time of such reclassification),

divide or re-divide) in whole or in part in its sole discretion, such Restricted Payment or Investment (or portion thereof) in any manner that complies with this covenant, including as an Investment pursuant to one or more clauses of the definition of Permitted Investment.

For purposes of determining compliance with any U.S. dollar-denominated restriction on Restricted Payments denominated in another currency, the U.S. dollar-equivalent of such Restricted Payment shall be calculated based on the relevant currency exchange rate in effect on the date that such Restricted Payment was made.

For purposes of this covenant, (i) unsecured Indebtedness of any Person will not be deemed to be subordinated in right of payment to secured Indebtedness of that Person merely because it is unsecured and (ii) Indebtedness of any Person will not be deemed to be subordinated in right of payment to Indebtedness of a Restricted Subsidiary of such Person merely because it is structurally subordinated thereto.

Incurrence of Indebtedness and Issuance of Preferred Stock

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, *"incur")* any Indebtedness (including Acquired Debt); the Company will not issue any Disqualified Stock; and the Company will not permit any of its Restricted Subsidiaries to issue any other Preferred Stock; *provided*, that the Company may incur Indebtedness (including Acquired Debt) or issue Disqualified Stock, and any Restricted Subsidiary may incur Indebtedness (including Acquired Debt) or issue Preferred Stock, if the Fixed Charge Coverage Ratio for the Company's applicable Reference Period immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or such Preferred Stock is issued, as the case may be, would have been at least 2.00 to 1.00, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the Disqualified Stock or the Preferred Stock had been issued, as the case may be, at the beginning of such Reference Period; *provided*, *further*, that Restricted Subsidiaries that are not Guarantors may not incur any Indebtedness pursuant to this paragraph if the aggregate principal amount of all then outstanding Indebtedness incurred by Restricted Subsidiaries that are not Guarantors pursuant to this paragraph exceeds the greater of (i) $100.0 million and (ii) 6.5% of the Company's Consolidated Net Tangible Assets determined at the time of incurrence.

The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness or issuances of Disqualified Stock or Preferred Stock, as applicable (collectively, "**Permitted Debt**"):

(1) the incurrence by the Company or any Guarantor of Indebtedness under one or more Credit Facilities (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company and the Guarantors thereunder) in an aggregate principal amount not in excess of the greatest of (i) $250.0 million, (ii) 17.0% of the Company's Consolidated Net Tangible Assets determined as of the date of such incurrence and (iii) the Borrowing Base as in effect at the time of incurrence;

(2) the incurrence by the Company or its Restricted Subsidiaries of the Existing Indebtedness;

(3) the incurrence by the Company and any Guarantor of Indebtedness (a) consisting of the Notes issued on the Issue Date and the related Guarantees and (b) additional Pari Passu Notes Lien Indebtedness, so long as, after giving pro forma effect to such incurrence of such additional Pari Passu Notes Lien Indebtedness, the Company's Consolidated Net Secured Debt Ratio is no greater than 1.50 to 1.00;

(4) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness represented by Finance Lease Obligations, mortgage financings or purchase money obligations, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of design, construction, installation, development, repair or improvement of property, plant or equipment used in the business of the Company or any of its Restricted Subsidiaries (together with improvements, additions, accessions and contractual rights relating primarily thereto), in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to Refinance any Indebtedness (or accreted value, as applicable) incurred pursuant to this clause (4), not to exceed at any time outstanding the greater of (a) $75.0 million and (b) 5.0% of the Company's Consolidated Net Tangible Assets, in each case, determined as of the date of such incurrence and after giving effect to the use of proceeds thereof;

(5) the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to, Refinance Indebtedness (or accreted value, as applicable) of the Company or any of its Restricted Subsidiaries (other than intercompany Indebtedness), in each case, that was permitted by the Indenture to be incurred under the first paragraph of this covenant or clause (2) (other than Indebtedness Refinanced in connection with the Refinancing Transactions), (3), (5) (7), (15) (other than Indebtedness Refinanced in connection with the Refinancing Transactions), (17) or (18) of this paragraph;

(6) the incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries; *provided*, that:

(a) if a Guarantor or the Company is the obligor on such Indebtedness and neither the Company nor another Guarantor is the obligee, such Indebtedness must be subordinated to the prior payment in full in cash of all Obligations with respect to the Guarantee of such Guarantor or the Notes, as the case may be, except, in any case, in respect of intercompany Indebtedness incurred in the ordinary course of business in connection with the cash management operations of the Company and its Restricted Subsidiaries; and

(b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary of the Company and (ii) any sale or other transfer of any such Indebtedness to a Person that is neither the Company nor a Restricted Subsidiary of the Company, in each case, will be deemed to constitute an incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);

(7) (a) the incurrence by the Company or any of its Restricted Subsidiaries of obligations under Hedging Contracts and (b) to the extent constituting Indebtedness, obligations under one or more Permitted Supply Chain Financings;

(8) the guarantee by the Company or any of its Restricted Subsidiaries of Indebtedness of the Company or any of its Restricted Subsidiaries that was permitted to be incurred by another provision of this covenant; *provided*, that if the Indebtedness being guaranteed is Subordinated Debt, then the Guarantee must be subordinated in right of payment to the same extent as the Indebtedness guaranteed (or, at the Company's election, to a greater extent);

(9) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness in respect of (a) workers' compensation claims, bank guarantees, warehouse receipt or similar facilities, property, casualty or liability insurance, take-or-pay obligations in supply arrangements, self-insurance obligations or completion, bid, performance, surety, customs, appeals and advance payment bonds, standby letters of credit or surety and similar obligations issued for the account of the Company and any of its Restricted Subsidiaries in the ordinary course of business or in connection with the enforcement of rights or claims of the Company or any of its Restricted Subsidiaries or in connection with judgments that do not result in a Default or an Event of Default, including guarantees or obligations of the Company or any of its Restricted Subsidiaries with respect to letters of credit supporting such obligations (in each case other than an obligation for money borrowed) and (b) netting, overdraft protection and other arrangements arising under standard business terms of any bank at which the Company or any Restricted Subsidiary maintains an overdraft, cash pooling or other similar facility or arrangement;

(10) the issuance by any of the Company's Restricted Subsidiaries to the Company or to any of its Restricted Subsidiaries of any Preferred Stock; *provided*, that:

(a) any subsequent issuance or transfer of Equity Interests that results in any such Preferred Stock being held by a Person other than the Company or a Restricted Subsidiary of the Company; and

(b) any sale or other transfer of any such Preferred Stock to a Person that is not either the Company or a Restricted Subsidiary of the Company,

in each case, shall be deemed to constitute an issuance, sale or other transfer (as of the date of such issuance, sale or other transfer) of such Preferred Stock by such Restricted Subsidiary that was not permitted by this clause (10);

(11) the incurrence by the Company or any of its Restricted Subsidiaries of (i) Indebtedness representing deferred compensation to directors, officers, members of management or employees of the Company or any of its Restricted Subsidiaries and incurred in the ordinary course of business and (ii) Indebtedness consisting of promissory notes issued by the Company or any of its Restricted Subsidiaries to any current or former employee, director or consultant of the Company (or any direct or indirect parent of the Company) or any of its Restricted Subsidiaries (or permitted transferees, assigns, spouses or former spouses, estates or heirs of such employee, director or consultant), to finance the purchase or redemption of Equity Interests of the Company (or any direct or indirect parent of the Company) that is permitted by the covenant described under the caption "— *Restricted Payments*";

(12) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness arising in connection with endorsement of instruments for deposit in the ordinary course of business;

(13) the incurrence by the Company or any of its Restricted Subsidiaries of any obligation, or guarantee of any obligation, to reimburse or indemnify a Person extending credit to customers of the Company or any of its Restricted Subsidiaries incurred in the ordinary course of business or consistent with past practice for all or any portion of the amounts payable by such customers to the Persons extending such credit;

(14) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness to a customer to finance the acquisition of any equipment necessary for the Company or such Restricted Subsidiary to perform services for such customer in the ordinary course of business;

(15) the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Acquisition Indebtedness;

(16) the incurrence of Indebtedness consisting of obligations for indemnification, adjustment of purchase price, earnouts or similar obligations, in each case, incurred or assumed in connection with any Investment or any acquisition or disposition of any business, assets or a Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition;

(17) the incurrence by any Foreign Subsidiary of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time then outstanding, including any Permitted Refinancing Indebtedness incurred to Refinance any Indebtedness (or accreted value, as applicable) incurred pursuant to this clause (17), not in excess of the greater of (a) $100.0 million and (b) 6.5% of the Company's Consolidated Net Tangible Assets determined as of the date of such incurrence after giving effect to the use of proceeds thereof;

(18) the incurrence by the Company or any Guarantor of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time then outstanding, including any Permitted Refinancing Indebtedness incurred to Refinance any Indebtedness (or accreted value, as applicable) incurred pursuant to this clause (18), not in excess of the greater of (i) $100.0 million and (ii) 6.5% of the Company's Consolidated Net Tangible Assets determined as of the date of such incurrence after giving effect to the use of proceeds thereof;

(19) Indebtedness to the extent that the net proceeds thereof are promptly deposited to defease or to satisfy and discharge the Notes, in each case in accordance with the requirements of the Indenture; and

(20) Indebtedness constituting the financing of insurance premiums.

For purposes of determining compliance with this "Incurrence of Indebtedness and Issuance of Preferred Stock" covenant, in the event that an item of Indebtedness (including Acquired Debt), Disqualified Stock or other Preferred Stock meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (20) above, or is entitled to be incurred or issued pursuant to the first paragraph of this covenant, the Company will be permitted to classify (or later classify or reclassify (based on circumstances existing at the time of such reclassification) in whole or in part in its sole discretion) such item in any manner that complies with this covenant. Notwithstanding the foregoing, any loans and letters of credit under the ABL Credit Agreement shall be considered incurred under clause (1) and any Notes Obligations or any other Pari Passu Notes Lien Indebtedness shall be

considered incurred under clause (3), in each case, of the second paragraph of this covenant and may not later be classified or reclassified as incurred pursuant to the first paragraph of this covenant.

The accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness other than Pari Passu ABL Lien Indebtedness or Pari Passu Notes Lien Indebtedness in the form of additional Indebtedness with the same terms, and the accrual, accumulation or payment of dividends on Disqualified Stock or other Preferred Stock in the form of additional shares or units of the same class of Disqualified Stock or other Preferred Stock, as the case may be, will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock or other Preferred Stock for purposes of this covenant. For purposes of this covenant, (i) unsecured Indebtedness of any Person will not be deemed to be subordinated in right of payment to secured Indebtedness of that Person merely because it is unsecured and (ii) Indebtedness of any Person will not be deemed to be subordinated in right of payment to Indebtedness of a Restricted Subsidiary of such Person merely because it is structurally subordinated thereto. Further, the accounting reclassification of any obligation of the Company or any of its Restricted Subsidiaries as Indebtedness will not be deemed an incurrence of Indebtedness for purposes of this covenant.

For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term Indebtedness, or first committed, in the case of revolving credit Indebtedness; *provided* that if such Indebtedness is incurred to Refinance other Indebtedness denominated in a foreign currency, and such Refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being Refinanced. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company and its Restricted Subsidiaries may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Permitted Refinancing Indebtedness, if incurred in a different currency from the Indebtedness being Refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Permitted Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Anti-Layering

The Company will not, and will not permit any Guarantor to, incur any additional Indebtedness (including Permitted Debt) that is (a) subordinate in right of payment to any other Indebtedness of the Company or any Guarantor unless such additional Indebtedness is also subordinate in right of payment to the Notes and Guarantees or (b) junior in right to any Pari Passu ABL Lien Indebtedness but senior in right to any Pari Passu Notes Lien Indebtedness, in each case, with respect to the application of proceeds of Collateral upon the exercise of any rights or remedies.

Liens

The Company will not, and will not permit any of its Restricted Subsidiaries to, create, incur, assume or otherwise cause to exist or become effective any Lien of any kind (other than Permitted Liens) securing Obligations under any Indebtedness or related guarantee of Indebtedness upon any of their property or assets, or any income or profits therefrom, or assign or convey any right to receive income therefrom now owned or hereafter acquired. For purposes of determining compliance with this covenant, (a) a Lien need not be incurred solely by reference to one category of Permitted Liens described in the definition thereof but is permitted to be incurred in part under any combination thereof and of any other available exemption and (b) in the event that a Lien (or any portion thereof) meets the criteria of one or more of the categories of Permitted Liens, the Company will, in its sole discretion, be entitled to divide, classify or reclassify (based on circumstances existing at the time of such reclassification), in whole or in part, any such Lien (or any portion thereof) among one or more of such categories or clauses in any manner.

With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The "Increased Amount" of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, accretion of original issue discount or liquidation preference and increases in the amount of

Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness.

Dividend and Other Payment Restrictions Affecting Subsidiaries

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary of the Company to:

(1) pay dividends or make any other distributions on its Capital Stock to the Company or any of its Restricted Subsidiaries, or pay any Indebtedness or other obligations owed to the Company or any of its Restricted Subsidiaries;

(2) make loans or advances to the Company or any of its Restricted Subsidiaries; or

(3) transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries,

provided that (i) the priority that any series of Preferred Stock of a Restricted Subsidiary has in receiving dividends, distributions or liquidating distributions before dividends, distributions or liquidating distributions are paid in respect of common stock of such Restricted Subsidiary shall not constitute a restriction on the ability to make dividends or distributions on Capital Stock for purposes of this covenant and (ii) the subordination of loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness incurred by the Company or any Restricted Subsidiary shall be deemed not to be a restriction on the ability to make payments with respect to such loans or advances.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(1) agreements as in effect on the Issue Date and any amendments, modifications, restatements, renewals, extensions, increases, supplements, refundings, replacements or refinancings of those agreements or the Indebtedness to which they relate, provided that the amendments, modifications, restatements, renewals, extensions, increases, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such encumbrances or restrictions than those contained in those agreements on the Issue Date;

(2) the Indenture, the Notes, the Guarantees and the ABL Documents;

(3) any directly or indirectly applicable law, statute, rule, regulation, order, approval, governmental license, permit, requirement or similar restriction or any guideline, interpretation, directive, request (whether or not having the force of law) from or of, or any plan, memorandum or agreement with, any regulatory authority;

(4) any instrument or agreement of a Person acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition except to the extent such instrument or agreement governs Indebtedness or Capital Stock incurred in connection with or in contemplation of such acquisition, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person (including Subsidiaries of such Person), so acquired, provided that, in the case of Indebtedness, such Indebtedness was otherwise permitted by the terms of the Indenture to be incurred; *provided* that for purposes of this clause, if a Person other than the Company is the Successor Company, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed, as the case may be, by the Company or a Restricted Subsidiary, as the case may be, when such Person becomes such Successor Company;

(5) customary non-assignment provisions or provisions restricting subletting or sublicensing in equipment or other licenses, easements, leases or similar instruments, in each case entered into in the ordinary course of business;

(6) Finance Lease Obligations, mortgage financings or purchase money obligations, in each case for property or assets acquired in the ordinary course of business that impose restrictions on that property or those assets of the nature described in clause (3) of the preceding paragraph;

(7) any agreement for the sale or other disposition of a Restricted Subsidiary of the Company that restricts distributions by that Restricted Subsidiary pending its sale or other disposition;

(8) Permitted Refinancing Indebtedness, provided that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are no more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being Refinanced;

(9) Liens securing Indebtedness otherwise permitted to be incurred under the provisions of the covenant described above under the caption "— *Liens*" that limit the right of the debtor to dispose of the assets subject to such Liens;

(10) provisions limiting the disposition or distribution of assets or property in Joint Venture agreements, asset sale agreements, stock sale agreements and other similar agreements, which limitations are applicable only to the assets or property that is the subject of such agreements;

(11) any agreement or instrument relating to any property or assets acquired after the Issue Date, so long as such encumbrance or restriction relates only to the property or assets so acquired and is not and was not created in anticipation of such acquisitions;

(12) restrictions on cash, Cash Equivalents or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(13) with respect to any Foreign Subsidiary, any encumbrance or restriction contained in the terms of any Indebtedness or any agreement pursuant to which such Indebtedness was incurred if either (a) the encumbrance or restriction applies only in the event of a payment default or a default with respect to a financial covenant in such Indebtedness or agreement or (b) the Company determines that any such encumbrance or restriction will not materially affect the Companies' ability to make principal or interest payments on the Notes, as determined in good faith by the Company, whose determination shall be conclusive;

(14) (a) Hedging Contracts and (b) customary encumbrances or restrictions with respect to a Permitted Supply Chain Financing;

(15) in the case of the provision described in clause (3) of the first paragraph of this covenant, encumbrances or restrictions arising or agreed in the ordinary course of business, not relating to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or asset of the Company or any Restricted Subsidiary thereof in any manner material to the Company or any Restricted Subsidiary thereof; and

(16) any other agreement governing Indebtedness of the Company or any Guarantor that is permitted to be incurred by the covenant described under "— *Incurrence of Indebtedness and Issuance of Preferred Stock*"; *provided* that the encumbrances and restrictions therein are not materially more restrictive, taken as a whole, than those contained in the Indenture, the Notes and the Guarantees or the ABL Credit Agreement as in effect on the Issue Date, whichever is more restrictive, as determined in good faith by the Company.

Merger, Consolidation or Sale of Assets

The Company may not: (i) consolidate, amalgamate or merge with or into another Person (whether or not the Company is the survivor); or (ii) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions, to another Person, unless:

(1) either: (i) the Company is the surviving or continuing Person; or (ii) the Person formed by or surviving any such consolidation, amalgamation or merger (if other than the Company) or to which such sale, assignment, transfer, lease, conveyance or other disposition has been made is a Person (such Person, the "*Successor Company*") organized or existing under the laws of the United States, any state thereof or the District of Columbia;

(2) the Successor Company expressly assumes all the obligations of the Company, as applicable, under the Notes, the Indenture and the Security Documents, as applicable, pursuant to a supplemental indenture or agreements reasonably satisfactory to the Trustee;

(3) immediately after such transaction no Default or Event of Default exists;

(4) immediately after giving effect to such transaction and any related financing transaction on a pro forma basis as if the same had occurred at the beginning of the applicable Reference Period, either:

(a) the Company or the Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, transfer, lease, conveyance or other disposition has been made, would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described above under the caption "— *Incurrence of Indebtedness and Issuance of Preferred Stock*"; or

(b) the Fixed Charge Coverage Ratio of the Company or the Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, transfer, lease, conveyance or other disposition has been made, would be equal to or greater than the Fixed Charge Coverage Ratio of the Company immediately before such transactions;

(5) if the Company is not the surviving or continuing Person, each Guarantor, unless it is the other party to the transactions described above, shall have by supplemental indenture confirmed that its Guarantee shall apply to the Successor Company's Obligations under the Indenture and the Security Documents shall continue to be in effect and such Guarantor shall cause such amendments, supplements or other instruments to be executed, filed and recorded in such jurisdictions as may be required by applicable law to preserve and protect the Lien on the Collateral owned by such Guarantor;

(6) to the extent any assets or property of the Successor Company, or the Person that is merged, amalgamated or consolidated with or into the Successor Company, are property or assets of the type that would constitute Collateral under the Security Documents, the Successor Company will take such action as may be reasonably necessary or required to cause such property and assets to be made subject to a Lien securing the Notes pursuant to the Indenture and the Security Documents in the manner and to the extent required by the Indenture or any of the Security Documents and shall take all reasonably necessary action so that such Lien is perfected, preserved and protected to the extent required by the Indenture and the Security Documents;

(7) the Collateral owned by or sold, assigned, conveyed, leased, transferred or otherwise disposed of to the Successor Company shall (a) continue to constitute Collateral under the Indenture and the Security Documents, (b) be subject to the Lien in favor of the Notes Collateral Agent for the benefit of the Trustee and the holders of the Notes and (c) not be subject to any Lien other than Permitted Liens and other Liens permitted under the covenant described above under "—*Liens*";

(8) the Successor Company shall become a party to the Security Documents by joinder or supplement; and

(9) the Company or the Successor Company has delivered to the Trustee an Officer's Certificate and an opinion of counsel (insofar as the conditions for compliance relate to legal matters), each stating that such consolidation, amalgamation merger or disposition, as applicable and such supplemental indenture (if any) comply with conditions precedent therefor in the Indenture.

The restrictions described in the foregoing clauses (3) and (4) will not apply (i) to any consolidation, amalgamation or merger of the Company with or into one of its Guarantors for any purpose or (ii) to any sale, assignment, transfer, lease, conveyance or other disposition of properties or assets of a Restricted Subsidiary of the Company to the Company or any Guarantor.

Notwithstanding the first paragraph of this covenant, the Company is permitted to reorganize as any other form of entity provided that:

(1) the entity so formed by or resulting from such reorganization is an entity organized or existing under the laws of the United States, any state thereof or the District of Columbia;

(2) the entity so formed by or resulting from such reorganization expressly assumes all the obligations of the Company under the Notes and the Indenture pursuant to a supplemental indenture or agreements reasonably satisfactory to the Trustee; and

(3) immediately after such reorganization no Default or Event of Default exists.

Upon compliance with the foregoing requirements with respect to any consolidation, amalgamation or merger or any sale, assignment, transfer, conveyance, lease or other disposition of all or substantially all of the properties or assets of the Company in accordance with the foregoing in which the Company is not the surviving or continuing entity, the Successor Company shall succeed to, and be substituted for, and may exercise every right and power of the Company as the case may be, under the Indenture with the same effect as if such surviving Person had been named as the Company in the Indenture, and thereafter (except in the case of a lease of all or substantially all of the Company's properties or assets, as the case may be, or in the event the Company survives any such consolidation, amalgamation or merger as a Subsidiary of the Successor Company), the Company will be released from all of its obligations and covenants under the Indenture and the Notes.

Transactions with Affiliates

The Company will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Company (each, an "*Affiliate Transaction*") involving aggregate payments or consideration in excess of $15.0 million, unless:

(1) the Affiliate Transaction is on terms (taken as a whole) that are not materially less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with a Person other than an Affiliate of the Company on an arm's-length basis or, if in the good faith judgment of the Board of Directors no comparable transaction is available with which to compare such Affiliate Transaction, such Affiliate Transaction is otherwise fair to the Company or such Restricted Subsidiary from a financial point of view; and

(2) the Company delivers to the Trustee, with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate payments or consideration in excess of $50.0 million, an Officer's Certificate certifying that such Affiliate Transaction or series of Affiliate Transactions complies with this covenant and that such Affiliate Transaction or series of related Affiliate Transactions has been approved by a majority of the disinterested members of the Board of Directors of the Company.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) any employment agreement, customary benefit program or arrangement, equity award, equity option or equity appreciation agreement or plan with or for the benefit of officers, directors or employees of the Company or any of its Restricted Subsidiaries, entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business;

(2) transactions between or among any of the Company and/or its Restricted Subsidiaries, including between or among its Restricted Subsidiaries, or Parent and its Subsidiaries (other than Unrestricted Subsidiaries);

(3) transactions with a Person (other than an Unrestricted Subsidiary of the Company) that is an Affiliate of the Company solely because the Company owns (directly or indirectly) an Equity Interest in such Person;

(4) transactions between the Company or any Restricted Subsidiary of the Company and any Person, a director of which is also a director of the Company and such director is the sole cause for such Person to be deemed

an Affiliate of the Company or such Restricted Subsidiary; *provided* that such director shall abstain from voting as a director of the Company on any matter involving such other Person;

(5) customary compensation, indemnification and other benefits made available to officers, directors, employees or consultants of the Company or a Subsidiary or Affiliate of the Company, including reimbursement or advancement of out-of-pocket expenses and provisions of officers' and directors' liability insurance;

(6) issuances or sales of Equity Interests (other than Disqualified Stock) to, or receipt of capital contributions from, Affiliates of the Company and the granting of registration and other customary rights in connection therewith;

(7) Restricted Payments that are permitted by the provisions of the Indenture described above under the caption "— *Restricted Payments*" or Permitted Investments;

(8) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services, in each case in the ordinary course of business that, in the good faith judgment of the executive officers of the Company, are fair to the Company and its Restricted Subsidiaries, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated Person;

(9) any transaction in which the Company or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an accounting, appraisal or investment banking firm of national standing in the United States stating that such transaction is fair to the Company or such Restricted Subsidiary from a financial point of view or that such transaction meets the requirements of clause (1) of the preceding paragraph;

(10) loans, advances or guarantees provided to or reimbursement of expenses incurred by employees, officers, directors, consultants or independent contracts for bona fide business purposes or in the ordinary course of business and permitted under clause (11) of the definition of Permitted Investments;

(11) (i) guarantees by the Company or any of its Restricted Subsidiaries of performance of obligations of the Company's Unrestricted Subsidiaries in the ordinary course of business, except for guarantees of Indebtedness and (ii) pledges by the Company or any of its Restricted Subsidiaries of (or any guarantee by the Company or any of its Restricted Subsidiaries limited in recourse solely to) Equity Interests in the Company's Unrestricted Subsidiaries for the benefit of lenders or other creditors of such Unrestricted Subsidiaries;

(12) pledges and granting of Liens by the Company or any Restricted Subsidiary of, and Guarantees by the Company or any Restricted Subsidiary limited in recourse solely to, Capital Stock in Unrestricted Subsidiaries and Joint Ventures solely for the purposes of securing Non-Recourse Debt, and incurrences of liabilities with respect to Customary Recourse Exceptions;

(13) any Affiliate Transaction with a Person in its capacity as a holder of Indebtedness or Equity Interests of the Company or any Restricted Subsidiary if such Person is treated no more favorably than the other similarly situated holders of Indebtedness or Equity Interests of the Company or such Restricted Subsidiary;

(14) entry into, and transactions effected in accordance with the terms of, the agreements described in this offering memorandum as such agreements are in effect on the Issue Date, and any amendment, renewal, extension or replacement of any of such agreements if any such amendment, renewal, extension or replacement agreement is not materially less advantageous to the Company, taken as a whole, than the agreement so amended, renewed, extended or replaced; and

(15) transactions undertaken in good faith (as certified by a responsible financial or accounting officer of the Company in an Officer's Certificate) for the purpose of improving the consolidated tax efficiency of the Company and its Subsidiaries and not for the purpose of circumventing any covenant set forth in the Indenture.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors of the Company may designate any Restricted Subsidiary of the Company to be an Unrestricted Subsidiary if (a) no Default or Event of Default shall have occurred and be continuing immediately prior

to such designation or would occur as a result thereof and (b) such Subsidiary (i) does not own any Equity Interests or Indebtedness of the Company or any Restricted Subsidiary (other than Indebtedness to be repaid or Guarantees to be released concurrently with such designation), (ii) is not liable (as a guarantor or otherwise) with respect to any Indebtedness in connection with which the holder of such Indebtedness has recourse to any of the assets of the Company or any Restricted Subsidiary, other than (A) Indebtedness to be repaid or Guarantees to be released concurrently with such designation, (B) liability arising out of pledges of Equity Interests in such Unrestricted Subsidiary and (C) Customary Recourse Exceptions and Non-Recourse Debt and (iii) does not hold any Liens on any property of the Company or ay Restricted Subsidiary thereof. If a Restricted Subsidiary of the Company is designated as an Unrestricted Subsidiary, the aggregate fair market value of all outstanding Investments owned by the Company and its Restricted Subsidiaries in the Subsidiary properly designated as an Unrestricted Subsidiary will be deemed to be either (x) an Investment made as of the time of the designation that will reduce the Restricted Payments Builder Basket or (y) Permitted Investments, as determined by the Company. That designation will only be permitted if (i) the Subsidiary so designated has total consolidated assets of $1,000 or less or the Investment would be permitted at that time and (ii) if the Subsidiary so designated otherwise meets the definition of an Unrestricted Subsidiary.

The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary of the Company to be a Restricted Subsidiary, provided that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation will only be permitted if:

(1) the incurrence of such Indebtedness is permitted under the covenant described above under the caption "— *Incurrence of Indebtedness and Issuance of Preferred Stock*," calculated on a pro forma basis as if such designation had occurred at the beginning of the applicable Reference Period,

(2) all Liens upon property or assets of such Unrestricted Subsidiary existing at the time of such designation would be permitted under "—Liens"; and

(3) no Event of Default would be in existence following such designation.

Additional Guarantees

If, from and after the Issue Date, (i) the Company or any of its Restricted Subsidiaries acquires or creates another Domestic Subsidiary and in either case such Domestic Subsidiary guarantees or otherwise becomes a borrower with respect to any Credit Facility (including the ABL Credit Agreement) or (ii) any Foreign Subsidiary guarantees or otherwise becomes an obligor with respect to the ABL Credit Agreement, then that Domestic Subsidiary or Foreign Subsidiary, as applicable, will become a Guarantor by executing a supplemental indenture in substantially the form set forth in the Indenture and delivering it to the Trustee as soon as reasonably practicable, but in any event, within 30 days of the date on which it guaranteed or otherwise became a borrower with respect to such Credit Facility or the ABL Credit Agreement, as applicable. Notwithstanding the preceding, any Guarantee of a Restricted Subsidiary of the Company shall be released in the circumstances described under the "— *Guarantees*."Each Person that becomes a Guarantor on or after the Issue Date shall, within the applicable time period set forth under "—*Security*," also become a party to the applicable Security Documents pursuant to the terms of the Indenture and shall execute and deliver such security instruments, financing statements, mortgages, deeds of trust, control agreements and other required agreements in scope and form as may be necessary to vest in the Notes Collateral Agent a perfected security interest (subject in priority only to Permitted Prior Liens) in properties and assets that constitute Collateral, as security for such Guarantor's Guarantee and as may be necessary to have such property or asset added to the Collateral as required under the Security Documents and the Indenture, and thereupon all provisions of the Indenture relating to the Collateral shall be deemed to relate to such properties and assets to the same extent and with the same force and effect.

Notwithstanding anything to the contrary in this "Description of Notes," each additional Guarantee issued by a Foreign Guarantor may be limited as necessary or appropriate to (1) comply with applicable law, (2) avoid any general legal limitations and to recognize certain defenses generally available to guarantors such as general statutory limitations, fraudulent conveyance or transfer, voidable preference, financial assistance, corporate benefit, "thin capitalization" rules, retention of title claims or similar matters or (3) avoid a conflict with the fiduciary duties of such company's directors, contravention of any legal prohibition or regulatory condition, or the material risk of personal or criminal liability for any officers or directors, in each case as determined by the Company in its good faith discretion.

Reports

The Indenture will provide that so long as any notes are outstanding, the Company will furnish to the Holders:

(1) within 120 days after the end of each fiscal year of the Company, commencing with the year ending December 31, 2025, all annual financial statements of the Company substantially in the form that would be required to be contained in a filing with the SEC on Form 10-K (but only to the extent similar information is included in this Offering Memorandum), in accordance with the requirements of Form 10-K as of the Issue Date, if the Company was required to file such a form, together with a report thereon by the Company's independent accountants, and a "Management's discussion and analysis of financial condition and results of operations" consistent with the presentation thereof in this Offering Memorandum;

(2) within 60 days after the end of each of the first three calendar quarters of each fiscal year (or in the case of the first such fiscal quarter ending after the Issue Date, 75 days), all quarterly financial statements of the Company substantially in the form that would be required to be contained in a filing with the SEC on Form 10-Q (but only to the extent similar information is included in this Offering Memorandum), in accordance with the requirements of such Form 10-Q as of the Issue Date, if the Company was required to file such form, for removal of doubt, such financial statements need not be reviewed or opined on by the Company's auditor, and a "Management's discussion and analysis of financial condition and results of operations" consistent with the presentation thereof in this Offering Memorandum; and

(3) reasonably promptly after the occurrence of any of the following events, a current report that contains a brief summary of the material terms, facts and/or circumstances involved to the extent not otherwise publicly disclosed: (i) entry by the Company or a Restricted Subsidiary into an agreement outside the ordinary course of business that is material to the Company and its Subsidiaries, taken as a whole, any material amendment thereto or termination of any such agreement other than in accordance with its terms (excluding, for the avoidance of doubt, employee compensatory or benefit agreements or plans), (ii) completion of a merger of the Company with or into another Person or a material acquisition or disposition of assets by the Company or a Restricted Subsidiary outside the ordinary course of business, (iii) the institution of, or material development under, bankruptcy proceedings under the U.S. Bankruptcy Code or similar proceedings under state or federal law with respect to the Company or a Significant Subsidiary, (iv) the Company's incurring Indebtedness outside the ordinary course of business that is material to the Company (other than under a Credit Facility or other arrangement which has been described in this offering memorandum or borrowings under a Credit Facility that has otherwise been disclosed previously), or a triggering event that causes the increase or acceleration of any such obligation and, in any such case, the consequences thereof that are material to the Company or any Restricted Subsidiary;

provided, however,

(a) in no event will such reports be required to comply with Section 302, Section 404 or Section 906 of the Sarbanes-Oxley Act of2002, or related Items 307 and 308 of Regulation S-K promulgated by the SEC;

(b) in no event will such reports be required to comply with Item 302 of Regulation S-K promulgated by the SEC;

(c) in no event will such reports be required to include any schedules required by Regulation S-X;

(d) in no event will such reports be required to comply with Rule 3-10 of Regulation S-X promulgated by the SEC or contain separate financial statements for the Company, the Guarantors or other Subsidiaries the shares of which may be pledged to secure the Notes or any Guarantee that would be required under (A) Rule 3-09 of Regulation S-X or (B) Rule 3-16 of Regulation S-X, respectively, promulgated by the SEC;

(e) in no event will such reports be required to include separate financial statements or other information contemplated by Rule 3-05 of Regulation S-X or Article 11 thereof (except that, to the extent that pro forma financial information is required to be provided by the Company, the Company may provide

only pro forma revenues, net income, consolidated EBITDA, senior secured debt, total debt and capital expenditures (or equivalent financial information) in lieu thereof);

(f) in no event will such reports be required to comply with Regulation G under the Exchange Act or Item 10(e) of Regulation S-K promulgated by the SEC with respect to any non-GAAP financial measures contained therein;

(g) no such reports referenced under clause (3) above will be required to be furnished if the Company determines in its good faith judgment that such event is not material to the Holders or the business, assets, operations or financial position of the Company and its Restricted Subsidiaries, taken as a whole;

(h) in no event will such reports be required to comply with Item 601 of Regulation S-K promulgated by the SEC (with respect to exhibits) or, with respect to reports referenced in clause (3) above, to include as an exhibit copies of any agreements, financial statements or other items that would be required to be filed as exhibits to a current report on Form 8-K;

(i) trade secrets and other confidential information that is competitively sensitive in the good faith and reasonable determination of the Company may be excluded from any disclosures;

(j) such information will not be required to contain any "segment reporting;" and

(k) in no event will such reports contain compensation or beneficial ownership information.

Any and all Defaults or Events of Default arising from a failure to furnish or file in a timely manner any financial information, document, information or report required by this covenant will be deemed cured (and the Company will be deemed to be in compliance with this covenant) upon furnishing or filing such financial statement, document, information or report as contemplated by this covenant (but without regard to the date on which such financial statement, document, information or report is so furnished or filed), and, if the Notes have been accelerated in accordance with the terms of the Indenture as a result of a failure to furnish or file such financial statement, document, information or report in a timely manner, upon such cure, such acceleration shall be deemed rescinded or canceled.

In addition, the Company will make available to the Holders of the Notes and to prospective investors, upon request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act so long as the Notes are not freely transferable under Rule 144 under the Securities Act.

The Company will be deemed to have provided to the Trustee and the Holders of the Notes the financial statements, information, documents and reports, as applicable, referred to in clauses (1), (2) and (3) of the first paragraph of this covenant (each a "*Financial Report*") if the Company or the Parent has filed such Financial Report (including as part of a larger report) with the SEC via the EDGAR filing system (or any successor filing system).

The Company shall use its commercially reasonable efforts, consistent with its judgment as to what is prudent at the time, to participate in quarterly conference calls after the delivery of the information referred to in clause (1) or (2) above (which may be a single conference call together with investors and lenders holding other securities or Indebtedness of the Company and/or its Restricted Subsidiaries and/or any direct or indirect parent of the Company) to discuss financial and operating results and related matters unless the Company reasonably determines that to do so would conflict with applicable securities laws. The Company shall issue a press release or otherwise provide notice of such conference call in the same manner in which information was delivered pursuant to clause (1) and (2) above which will provide the date and time of any such call and will direct Holders, prospective investors and securities analysts to contact the investor relations office of the Company to obtain access to the conference call.

At any time that any of the Company's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, taken as a whole, constitutes a Significant Subsidiary of the Company, then the quarterly and annual financial information required by clause (1) or (2) of the first paragraph of this covenant will include a reasonably detailed presentation (which need not be audited or reviewed by the Company's independent accounting firm or auditors), either on the face of the financial statements or in the footnotes thereto, or

in the MD&A of the financial condition and results of operations of the Company and the Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company.

The Financial Reports to be provided as described above may be those of (i) the Company or (ii) any direct or indirect parent of the Company, so long as, in the case of (ii), such direct or indirect parent of the Company does not conduct, transact or otherwise engage, or commit to conduct, transact or otherwise engage, in any business or operations other than its direct or indirect ownership of all of the Equity Interests in, its management of the Company and activities ancillary thereto, including corporate maintenance and regulatory compliance activities of such direct or indirect parent; provided that, if the financial information so furnished relates to such direct or indirect parent of the Company, the same is accompanied by a reasonably detailed description of the quantitative differences between the information relating to such parent, on the one hand, and the information relating to the Company and its Restricted Subsidiaries on a standalone basis, on the other hand. Alternatively, the obligations of the Company to deliver any Financial Report as described above will be deemed satisfied if any direct or indirect parent entity of the Company has delivered to the Trustee (including by making them publicly available on EDGAR) that Financial Report, that would otherwise be required to be provided in respect of the Company, with respect to such parent entity.

It is understood that the Trustee shall have no duty or obligation whatsoever to monitor or confirm, on a continuing basis or otherwise, the Company's compliance with this "— *Reports*" covenant, to determine whether or not such financial statements, information, documents or reports have been posted on any website or online data system or filed with the SEC via the EDGAR filing system (or any successor filing system) or to participate in any conference calls. The posting or delivery of any such financial statements, information documents or reports to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute actual or constructive knowledge or notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of the covenants under the Indenture (as to which the Trustee is entitled to rely exclusively on an Officer's Certificate).

Covenant Termination

If on any date following the Issue Date:

(1) the rating assigned to the Notes by at least two of the Rating Agencies is an Investment Grade Rating and

(2) no Default or Event of Default has occurred and is continuing under the Indenture,

the Company and its Restricted Subsidiaries will no longer be subject to, and will be permanently released from their obligations under, the provisions of the Indenture described above under the caption "— *Repurchase at the Option of Holders — Asset Sales*," and the following provisions of the Indenture described above under the caption "— *Certain Covenants*":

- "— *Restricted Payments*,"
- "— *Incurrence of Indebtedness and Issuance of Preferred Stock*,"
- "— *Dividend and Other Payment Restrictions Affecting Subsidiaries*,"
- clause (4) of the first paragraph of the covenant described above under the caption "— *Merger, Consolidation or Sale of Assets*," and
- "— *Transactions with Affiliates*,"

and no failure by the Company or any Restricted Subsidiary to comply with any of the foregoing provisions shall constitute a Default or Event of Default under the Indenture.

After the foregoing covenants have been terminated, the Company's Board of Directors may not designate any of the Company's Subsidiaries as Unrestricted Subsidiaries pursuant to the covenant described below the caption "*—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries*."

The Company will promptly deliver an Officer's Certificate to the Trustee certifying as to the termination of the preceding covenants. The Trustee shall not have any obligation to monitor the ratings of the Notes, or ascertain or verify the occurrence or dates of any such termination and may rely conclusively on such Officer's Certificate. The Trustee shall not have any obligation to notify the Holders of the occurrence or dates of any such termination, but may provide a copy of such Officer's Certificate to any Holder upon request. However, the Company and its Restricted Subsidiaries will remain subject to the provisions of the Indenture described above under the caption "*— Repurchase at the Option of Holders — Change of Control*" and the following provisions of the Indenture described above under the caption "*— Certain Covenants*":

- "*— Liens* (including, for the avoidance of doubt, the ability to incur Liens in the amounts contemplated by the definition of Permitted Liens),"
- "*— Merger, Consolidation or Sale of Assets*" (other than the financial tests set forth in clause (4) of the first paragraph of such covenant),
- "*— Additional Guarantees*" and
- "*— Reports*."

Events of Default and Remedies

Each of the following will be an "*Event of Default*":

(1) default for 30 days in the payment when due of interest on the Notes;

(2) default in payment when due of the principal of, or premium, if any, on the Notes, whether at Stated Maturity or upon redemption (whether optional or mandatory);

(3) failure by the Company for 180 days after notice to the Company from the Trustee or to the Company and the Trustee from Holders of at least 25% in aggregate principal amount of the Notes then outstanding to comply with the provisions described under "*— Certain Covenants — Reports*";

(4) failure by the Company for 60 days after notice to the Company from the Trustee or to the Company and the Trustee from Holders of at least 25% in aggregate principal amount of the Notes then outstanding to comply with any of its other agreements in the Indenture or the Security Documents;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries, or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries (other than any Indebtedness owed to the Company or a Restricted Subsidiary), whether such Indebtedness or guarantee now exists, or is created after the Issue Date, if that default:

(a) is caused by a failure to pay the principal of such Indebtedness on its final scheduled maturity date after taking into account any grace period provided in such Indebtedness (a "*Payment Default*"); or

(b) results in the acceleration of such Indebtedness prior to its Stated Maturity,

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates to an amount that exceeds $75.0 million; *provided*, that if prior to any acceleration of the Notes, any such Payment Default is cured or waived, or such Indebtedness is repaid, within a period of 60 days from the continuation of such Payment Default beyond the applicable grace period or the occurrence of such acceleration, as the case may

be, such Event of Default and any consequential acceleration of the Notes shall be automatically rescinded, so long as such rescission does not conflict with any judgment, decree or applicable law;

(6) failure by the Company or any of its Restricted Subsidiaries to pay one or more final non-appealable judgments entered by a court or courts of competent jurisdiction aggregating to an amount that exceeds $75.0 million (to the extent not covered by insurance by a reputable and creditworthy insurer as to which the insurer has not disclaimed coverage), which judgment or judgments are not paid, satisfied, annulled, rescinded, discharged or stayed within 60 days after they become final and non-appealable;

(7) except as permitted by the Indenture, the Guarantee of any Guarantor that is a Significant Subsidiary of the Company shall be held in any final non-appealable judgment by a court of competent jurisdiction to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor that is a Significant Subsidiary of the Company, or any Person acting on behalf of such Guarantor, shall deny or disaffirm its obligations under its Guarantee;

(8) the occurrence of any of the following:

(a) except for expiration in accordance with its terms or amendment, modification, waiver, termination or release in accordance with its terms, any material provision of any Security Document ceases for any reason to be fully enforceable; *provided*; no Event of Default shall be deemed to occur under this clause (9)(a) if such failure to be enforceable relates solely to Collateral which, individually or in the aggregate, has a fair market value of not more than $75.0 million;

(b) any Lien purported to be granted under any Security Document that is required to be a perfected Lien, individually or in the aggregate, ceases to be a perfected Lien (subject only to Permitted Prior Liens), except to the extent that any such loss of perfection results from the failure of the Notes Collateral Agent to maintain possession of certificates, instruments or other documents actually delivered to it representing securities or other possessory collateral pledged under the applicable Security Documents; *provided*; no Event of Default shall be deemed to occur under this clause (9)(b) if such loss of perfection relates solely to Collateral which, individually or in the aggregate, has a fair market value of not more than $75.0 million; or

(c) the Company or the Guarantors, or any Person acting on behalf of any of them, denies or disaffirms, in writing, any obligation of the Company, any Guarantor or any such other Person set forth in or arising under any Security Document; and

(9) certain events of bankruptcy, insolvency or reorganization described in the Indenture with respect to the Company or any of the Company's Restricted Subsidiaries that is a Significant Subsidiary or any group of its Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary of the Company.

If any Event of Default (other than of a type specified in clause (9) above) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may declare the principal, interest and any other monetary obligations on all the then outstanding Notes issued under the Indenture to be due and payable immediately by notice in writing to the Company (with a copy to the Trustee, if such written notice is from Holders of at least 25% in principal amount of the then-outstanding Notes) specifying the Event of Default; *provided*, *however*, that after such acceleration, but before judgment or decree based on acceleration, Holders of a majority in aggregate principal amount of such outstanding Notes may, under certain circumstances, rescind and annul such acceleration if all Events of Default, other than the nonpayment of accelerated principal and interest, have been cured or waived as provided in the Indenture. Notwithstanding the foregoing, in the case of an Event of Default pursuant to clause (9), all outstanding Notes will become due and payable immediately without further action or notice.

The Company will be required to deliver to the Trustee annually an Officer's Certificate regarding compliance with the Indenture. Within 10 Business Days of any Officer of the Company becoming aware of any Default or Event of Default, unless such Default or Event of Default has been cured before the end of such period, the Company will be required to deliver to the Trustee a written statement specifying such event.

The Trustee shall, within 30 days after receipt of written notice to a responsible officer of the Trustee (which notice references the Indenture) or the actual knowledge of a responsible officer of the Trustee of the occurrence of any Default or Event of Default, unless such period is extended pursuant to the Indenture, give the Holders notice of all uncured Events of Default. The Trustee may withhold notice of any continuing Default or Event of Default from Holders of the Notes if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal of, or interest or premium, if any, on, the Notes.

Any notice of Default or Event of Default may not be given with respect to any action taken, and reported publicly or to Holders, more than two years prior to such notice of Default or Event of Default. Any notice of Default, notice of acceleration or instruction to the Trustee to provide a notice of Default, notice of acceleration or take any other action (or refrain from taking any action) (a "**Noteholder Direction**") provided by any one or more Holders (each, a "**Directing Holder**") must be accompanied by a signed Position Representation and Verification Form (in the form attached to the Indenture) delivered to the Company and the Trustee (a "**Position Representation and Verification Form**"). The Position Representation and Verification Form will contain a representation that the applicable Directing Holder is not (or, in the case such Holder is DTC or its nominee, that such Holder is being instructed solely by beneficial owners that have represented to such Holder that they are not) Net Short (a "**Position Representation**"), which representation, in the case of a Noteholder Direction relating to the delivery of a notice of Default shall be deemed a continuing representation until the resulting Event of Default is cured or otherwise ceases to exist or the Notes are accelerated. The Position Representation and Verification Form will also contain a covenant by the applicable Directing Holder to provide the Company (with a copy to the Trustee) with such other information as the Company may reasonably request from time to time in order to verify the accuracy of such Holder's Position Representation within five Business Days of request therefor (a "**Verification Covenant**"). The Trustee shall have no duty whatsoever to obtain for, or provide such other information to, the Company. In any case in which the Holder is DTC or its nominee (after delivery to the Trustee of appropriate confirmation of Beneficial Ownership satisfactory to the Trustee), any Position Representation and Verification Form required hereunder shall be provided by the beneficial owners of the Notes in lieu of DTC or its nominee and DTC shall be entitled to conclusively rely on such Position Representation and Verification Form in delivering its notice or instruction to the Trustee.

If, following the delivery of a Noteholder Direction, but prior to acceleration of the Notes, the Company determines in good faith that there is a reasonable basis to believe a Directing Holder was, at any relevant time, in breach of its Position Representation and provides to the Trustee an Officer's Certificate stating that the Company has initiated litigation in a court of competent jurisdiction seeking a determination that such Directing Holder was, at such time, in breach of its Position Representation, and seeking to invalidate any Default, Event of Default or acceleration (or notice thereof) that resulted from the applicable Noteholder Direction, the cure period with respect to such Default or Event of Default shall be automatically stayed and the cure period with respect to such Default or Event of Default shall be automatically reinstituted and any remedy stayed pending a final and non-appealable determination of a court of competent jurisdiction on such matter. If, following the delivery of a Noteholder Direction, but prior to acceleration of the Notes, the Company provides to the Trustee an Officer's Certificate stating that a Directing Holder failed to satisfy its Verification Covenant, the cure period with respect to such Default or Event of Default shall be automatically stayed and the cure period with respect to any such Default or Event of Default that resulted from the applicable Noteholder Direction shall be automatically reinstituted and any remedy stayed pending satisfaction of such Verification Covenant. Any breach of the Position Representation shall result in such Holder's participation in such Noteholder Direction being disregarded; and, if, without the participation of such Holder, the percentage of Notes held by the remaining Holders that provided such Noteholder Direction would have been insufficient to validly provide such Noteholder Direction, such Noteholder Direction shall be void ab initio, with the effect that such Default or Event of Default shall be deemed never to have occurred, acceleration voided and the Trustee shall be deemed not to have received such Noteholder Direction or any notice of such Default or Event of Default; *provided*, *however*, such voiding of such Noteholder Direction shall not void or invalidate any indemnity or security provided by the Directing Holders to the Trustee, which such indemnification or security obligations shall continue to survive.

Notwithstanding anything in the preceding two paragraphs to the contrary, any Noteholder Direction delivered to the Trustee during the pendency of an Event of Default as the result of a bankruptcy or similar proceeding in respect of the Company shall not require compliance with the foregoing paragraphs.

For the avoidance of doubt, the Trustee shall be entitled to conclusively rely on any Noteholder Direction delivered to it in accordance with the Indenture, and shall have no duty to inquire as to or investigate the accuracy of

any Position Representation, enforce compliance with any Verification Covenant, verify any statements in any Officer's Certificate delivered to it, or otherwise make calculations, investigations or determinations with respect to Derivative Instruments, Net Shorts, Long Derivative Instruments, Short Derivative Instruments or otherwise. The Trustee shall have no liability to the Company, any Holder or any other Person in acting in good faith on a Noteholder Direction or on any Officer's Certificate with respect to a Noteholder Direction or Verification Covenant, and the Company, any Holder or any such other Person waives any and all claims, in law and/or in equity, against the Trustee and agrees not to commence any legal proceeding against the Trustee in respect of, and agrees that the Trustee will not be liable for any action that the Trustee takes with respect to, a Noteholder Direction Covenant or any Officer's Certificate with respect to a Noteholder Direction or Verification Covenant or in accordance with the foregoing paragraphs.

In the case of an Event of Default arising from certain events of bankruptcy, insolvency or reorganization with respect to the Company, any Restricted Subsidiary of the Company that is a Significant Subsidiary or any group of its Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary of the Company, the principal of all outstanding Notes, together with accrued and unpaid interest thereon, will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may declare the principal of all the Notes, together with accrued and unpaid interest thereon, to be due and payable immediately.

Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture.

The Holders of a majority in aggregate principal amount of the Notes then outstanding by written notice to the Trustee may on behalf of the Holders of all of the Notes rescind an acceleration or waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of principal of, or interest or premium, if any, on, the Notes.

Limited Condition Transactions; Measuring Compliance

With respect to any (x) Investment or acquisition, in each case, the consummation by the Company or any Subsidiary of which is not conditioned on the availability of, or on obtaining, third-party financing for such Investment or acquisition (whether by merger, amalgamation, consolidation or other business combination or the acquisition of Capital Stock or otherwise) as applicable and (y) redemption, repurchase, defeasance, satisfaction and discharge or repayment of Indebtedness, Disqualified Stock or Preferred Stock requiring irrevocable notice in advance of such redemption, repurchase, defeasance, satisfaction and discharge or repayment (any transaction described in clauses (x) or (y), a "*Limited Condition Transaction*"), in each case for purposes of determining:

(1) whether any Indebtedness (including Acquired Debt), Disqualified Stock or Preferred Stock that is being incurred or issued in connection with such Limited Condition Transaction is permitted to be incurred in compliance with the covenant described under "— *Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock*";

(2) whether any Lien being incurred in connection with such Limited Condition Transaction or to secure any such Indebtedness, Disqualified Stock or Preferred Stock is permitted to be incurred in accordance with the covenant described under "— *Certain Covenants — Liens*" or the definition of "*Permitted Liens*";

(3) whether any other transaction (including any Investment or Restricted Payment) undertaken or proposed to be undertaken in connection with such Limited Condition Transaction complies with the covenants or agreements contained in the Indenture or the Notes; and

(4) any calculation of Consolidated Cash Flow, Fixed Charge Coverage Ratio, Consolidated Total Net Debt Ratio, Consolidated Net Tangible Assets, Consolidated Net Secured Debt Ratio and Consolidated Total Indebtedness and, whether a Default or Event of Default exists in connection with the foregoing,

at the option of the Company, the date that the definitive agreement (or other relevant definitive documentation) for such Limited Condition Transaction is entered into (the "*Transaction Agreement Date*") may be used as the applicable date of determination, as the case may be, in each case with such *pro forma* adjustments as are appropriate and

consistent with the *pro forma* adjustment provisions set forth in the definition of "*Fixed Charge Coverage Ratio*" and if the Company or the Restricted Subsidiaries could have taken such action on the relevant Transaction Agreement Date in compliance with the applicable ratios or other provisions, such provisions shall be deemed to have been complied with. For the avoidance of doubt, if the Company elects to use the Transaction Agreement Date as the applicable date of determination in accordance with the foregoing, (a) such election may not be revoked, (b) any fluctuation or change in the Consolidated Cash Flow, Fixed Charge Coverage Ratio, Consolidated Total Net Debt Ratio, Consolidated Net Tangible Assets, Consolidated Net Secured Debt Ratio or Consolidated Total Indebtedness of the Company, the target business, or assets to be acquired subsequent to the Transaction Agreement Date and prior to the consummation of such Limited Condition Transaction, will not be taken into account for purposes of determining whether any Investment, Restricted Payment, Indebtedness, Disqualified Stock, Preferred Stock or Lien that is being made, incurred or issued in connection with such Limited Condition Transaction is permitted to be made, incurred or issued or in connection with compliance by the Company or any of its Restricted Subsidiaries with any other provision of the Indenture or the Notes or any other action or transaction undertaken in connection with such Limited Condition Transaction and (c) until such Limited Condition Transaction is consummated or the definitive agreements related thereto are terminated or the relevant notice is revoked, such Limited Condition Transaction and all transactions proposed to be undertaken in connection therewith (including the making of any Restricted Payment, or Investments, or the incurrence of Indebtedness and Liens) will be given *pro forma* effect when determining compliance of other transactions (including the making of any Restricted Payment, or Investments, or the incurrence or issuance of Indebtedness, Disqualified Stock, Preferred Stock and Liens unrelated to such Investment, acquisition or repayment, repurchase or refinancing of Indebtedness) that are consummated after the Transaction Agreement Date and on or prior to the consummation of such Limited Condition Transaction and any such transactions (including any incurrence or issuance of Indebtedness, Disqualified Stock or Preferred Stock and the use of proceeds thereof) will be deemed to have occurred on the Transaction Agreement Date and outstanding thereafter for purposes of calculating any baskets or ratios under the Indenture after the date of such agreement and before the consummation of such Limited Condition Transaction (or, if earlier, the date on which the definitive agreements related thereto are terminated or the relevant notice is revoked); *provided* that for purposes of any such calculation of the Fixed Charge Coverage Ratio, consolidated interest expense will be calculated using an assumed interest rate for the Indebtedness to be incurred in connection with such Limited Condition Transaction based on the indicative interest margin contained in any financing commitment documentation with respect to such Indebtedness or, if no such indicative interest margin exists, as reasonably determined by the Company in good faith.

Notwithstanding anything herein to the contrary, if the Company or any of its Restricted Subsidiaries (x) incurs Indebtedness, issues Disqualified Stock or Preferred Stock, creates Liens, makes Asset Sales, makes Investments, makes Restricted Payments, designates any Subsidiary as a Restricted Subsidiary or an Unrestricted Subsidiary or repays any Indebtedness, Disqualified Stock or Preferred Stock in connection with any Limited Condition Transaction under a ratio-based basket and (y) incurs Indebtedness, issues Disqualified Stock or Preferred Stock, creates Liens, makes Asset Sales, Investments or Restricted Payments, designates any as a Restricted Subsidiary or an Unrestricted Subsidiary or repays any Indebtedness, Disqualified Stock or Preferred Stock in connection with any Limited Condition Transaction under a non-ratio-based basket (which occurs within five (5) Business Days of the events in clause (x) above), then the applicable ratio will be calculated with respect to any such action under the applicable ratio-based basket without regard to any such action under such non-ratio-based basket made in connection with such Limited Condition Transaction.

In addition, the Indenture will provide that compliance with any requirement relating to absence of Default or Event of Default may be determined as of the Transaction Agreement Date and not as of any later date as would otherwise be required under the Indenture.

In the event an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is incurred or issued, any Lien is incurred or other transaction is undertaken on the same date that any other item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is incurred or issued, any other Lien is incurred or other transaction is undertaken on reliance on a ratio basket based on the Fixed Charge Coverage Ratio, Consolidated Net Secured Debt Ratio or the Consolidated Total Net Debt Ratio then such ratio will be calculated with respect to such incurrence, issuance or other transaction without regard to any other incurrence, issuance or transaction. Each item of Indebtedness, Disqualified Stock or Preferred Stock that is incurred or issued, each Lien incurred and each other transaction undertaken will be deemed to have been incurred, issued or taken first, to the extent available, pursuant to

the relevant Fixed Charge Coverage Ratio, Consolidated Net Secured Debt Ratio or Consolidated Total Net Debt Ratio.

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, partner, employee, incorporator, manager or shareholder or other owner of Capital Stock of the Company or any Guarantor, as such, will have any liability for any obligations of the Company or any Guarantor under the Notes, the Indenture, the Guarantees or the Security Documents, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under U.S. federal securities laws.

Legal Defeasance and Covenant Defeasance

The Company may, at its option, elect to have all of its obligations discharged with respect to the outstanding Notes and all obligations of the Company and the Guarantors discharged with respect to their Guarantees ("**Legal Defeasance**"), except for:

(1) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, and interest or premium, if any, on, such Notes when such payments are due from the trust referred to below;

(2) the Company's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee, and the Company's obligations in connection therewith; and

(4) the Legal Defeasance provisions of the Indenture.

In addition, the Company may, at its option and at any time, elect to have its obligations and the obligations of each Guarantor released with respect to certain covenants that are described in the Indenture ("*Covenant Defeasance*") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, insolvency or reorganization events) described under "— *Events of Default and Remedies*" will no longer constitute an Event of Default with respect to the Notes.

If the Company exercises its Legal Defeasance option or its Covenant Defeasance option, the Liens, as they pertain to the Notes and the Guarantees, will be released and each Guarantor will be released from all of its obligations with respect to its Guarantee and, to the extent pertaining to the Notes and the Guarantees, the Security Documents.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders of the Notes, cash in U.S. dollars, non-callable Government Securities, or a combination of cash in U.S. dollars and non-callable Government Securities, in amounts as will be sufficient without consideration of any reinvestment of interest, in the opinion of an investment bank, appraisal firm or firm of independent public accountants (in the case of a deposit of non-callable Government Securities), to pay the principal of, and interest and premium, if any, on, the outstanding Notes on the date of fixed maturity or on the applicable redemption date, as the case may be, and the Company must specify whether the Notes are being defeased to the date of fixed maturity or to a particular redemption date; *provided* that upon any redemption that requires the payment of the Make Whole Premium, the amount deposited shall be sufficient for purposes of the Indenture to the extent that an amount is deposited with the Trustee that is equal to the Make Whole Premium calculated as of the date of the notice of redemption with any deficit as of the date of redemption (any such amount, the "*Make Whole Premium Deficit*") only required to be deposited with the Trustee on or prior to the date of redemption; provided, further, that the Trustee shall have no liability in the event that such Make Whole Premium Deficit is not in fact paid after any Legal Defeasance or

Covenant Defeasance and any Make Whole Premium Deficit shall be set forth in an Officer's Certificate delivered to the Trustee simultaneously with the deposit of such Make Whole Premium Deficit that confirms that such Make Whole Premium Deficit shall be applied toward such redemption;

(2) in the case of Legal Defeasance, the Company must deliver to the Trustee an opinion of counsel reasonably acceptable to the Trustee to the effect that (i) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or, (ii) since the Issue Date, there has been a change in the applicable United States federal income tax law, in either case to the effect that, and based thereon such opinion of counsel will confirm that, the Holders of the outstanding Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of such Legal Defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Company must deliver to the Trustee an opinion of counsel reasonably acceptable to the Trustee confirming that the Holders of the outstanding Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of such Covenant Defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the Indenture and the agreements governing any other Indebtedness being defeased, discharged or replaced) to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

(5) the Company must deliver to the Trustee an Officer's Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders of Notes over the other creditors of the Company with the intent of defeating, hindering, delaying or defrauding creditors of the Company or others; and

(6) the Company must deliver to the Trustee an Officer's Certificate and an opinion of counsel (which opinion of counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs, the Notes Documents (subject to the terms of the ABL Intercreditor Agreement, in the case of the Security Documents) may be amended or supplemented, and any existing Default or Event of Default or compliance with any provision of the Notes Documents may be waived, in each case, with the consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes (including Additional Notes, if any) voting as a single class (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

Without the consent of each Holder affected, an amendment, supplement or waiver may not (with respect to any Notes held by a non-consenting Holder):

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or change the fixed maturity of any Note or alter the provisions with respect to the optional redemption or repurchase of the Notes (other than provisions relating to minimum notices required for redemption of Notes described above under the caption "— *Optional Redemption*");

(3) reduce the rate of or change the time for payment of interest on any Note;

(4) waive a Default or Event of Default in the payment of principal of, or interest or premium, if any, on, the Notes (except a rescission of acceleration of the Notes by the Holders of a majority in principal amount of the Notes and a waiver of the payment default that resulted from such acceleration);

(5) make any Note payable in currency other than that stated in the Notes;

(6) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of Holders of Notes to receive payments of principal of, or interest or premium, if any, on the Notes (other than as permitted in clause (7) below);

(7) waive a redemption or repurchase obligation or payment with respect to any Note (other than a payment required by one of the covenants described above under the caption "— *Repurchase at the Option of Holders*");

(8) release any Guarantor from any of its obligations under its Guarantee or the Indenture, except in accordance with the terms of the Indenture; or

(9) make any change in the preceding amendment, supplement and waiver provisions.

Without the consent of the Holders of at least 66 2/3% in aggregate principal amount of the Notes then outstanding and affected thereby, no amendment or waiver may release all or substantially all of the Collateral from the Lien of the applicable Security Documents with respect to such Notes.

Notwithstanding the preceding paragraphs of this section, without the consent of any Holder of Notes, the Company, the Guarantors and the Trustee may amend or supplement the Notes Documents:

(1) to cure any ambiguity, omission, mistake, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of Certificated Notes (as defined herein);

(3) to provide for the assumption of the Company's or a Guarantor's obligations to Holders of Notes in the case of a merger or consolidation or sale of all or substantially all of the Company's or such Guarantor's properties or assets;

(4) to make any change that would provide any additional rights or benefits to the Holders of Notes or that does not adversely affect the legal rights under the Indenture of any such Holder, provided that any change to conform the Indenture, the Notes or any other Notes Document to this offering memorandum will not be deemed to adversely affect such legal rights;

(5) to make, complete or confirm any grant of Collateral permitted or required by the Indenture, any of the Security Documents or any release of Collateral pursuant to the terms of the Indenture or any of the Security Documents;

(6) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture;

(7) to add any additional Guarantor and provide for any Guarantee by any such Guarantor or a guarantee by any other Person, or to evidence the release of any Guarantor from its Guarantee, to the extent such release is permitted by the Indenture;

(8) to add a co-issuer of the Notes;

(9) to conform the text of the Indenture, the Notes, the Guarantees or the Security Documents to any provision of this "*Description of Notes*" section of this offering memorandum to the extent that such provision in this "*Description of Notes*" was intended to set forth, verbatim or in substance, a provision of the Indenture, the Notes, the Guarantees or the Security Documents (which intent will be certified to the Trustee in an Officers' Certificate);

(10) to evidence or provide for the acceptance of appointment under the Indenture of a successor Trustee or Notes Collateral Agent or add a co-Trustee or co-Notes Collateral Agent;

(11) to comply with any requirement of the SEC in connection with the qualification of the Indenture under the Trust Indenture Act, if such qualification is required;

(12) to comply with the rules and procedures of any applicable securities depositary;

(13) to secure additional extensions of credit and add additional secured creditors holding other Pari Passu Notes Lien Indebtedness or Pari Passu ABL Lien Indebtedness, as long as such Pari Passu Notes Lien Indebtedness or Pari Passu ABL Lien Indebtedness are not prohibited by the provisions of the Indenture or the Security Documents; or

(14) to add additional assets as Collateral.

The consent of the Holders will not be necessary under the Indenture to approve the particular form of any proposed amendment, supplement or waiver. It will be sufficient if such consent approves the substance of the proposed amendment, supplement or waiver. After an amendment, supplement or waiver under the Indenture requiring the approval of the Holders becomes effective, the Company will send to the Holders a notice briefly describing the amendment, supplement or waiver. However, the failure to give such notice, or any defect in the notice, will not impair or affect the validity of the amendment, supplement or waiver.

No amendment of, or supplement or waiver to, the Indenture or the Security Documents shall be permitted to be effected if such amendment, supplement or waiver is in violation of or inconsistent with the terms of the ABL Intercreditor Agreement.

Satisfaction and Discharge

The Indenture and the Security Documents will be discharged and will cease to be of further effect as to all Notes issued thereunder (except as to surviving rights of registration of transfer or exchange of the Notes and as otherwise specified in the Indenture), when:

(1) either:

(a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Company, have been delivered to the Trustee for cancellation; or

(b) all Notes that have not been delivered to the Trustee for cancellation have become due and payable or will become due and payable within one year by reason of the giving of a notice of redemption or otherwise and the Company or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, non-callable Government Securities, or a combination of cash in U.S. dollars and non-callable Government Securities, in amounts as will be sufficient without consideration of any reinvestment of interest, in the opinion of an investment bank, appraisal firm or firm of independent public accountants (in the case of a deposit of non-callable Government Securities), to pay and discharge the entire indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to the date of fixed maturity or redemption; *provided* that upon any redemption that requires the payment of the Make Whole Premium, the amount deposited shall be sufficient for purposes of the Indenture to the extent that an amount equal to any applicable Make Whole Premium Deficit is deposited with the Trustee on or prior to the date of redemption; provided, further, that the Trustee shall have no liability in the event that such Make Whole Premium Deficit is not in fact paid after any discharge and any Make Whole Premium Deficit shall be set forth in an Officer's Certificate delivered to the Trustee simultaneously with the deposit of such Make Whole Premium Deficit that confirms that such Make Whole Premium Deficit shall be applied toward such redemption;

(2) in respect of clause (1)(b) above, no Event of Default has occurred and is continuing on the date of the deposit (other than an Event of Default resulting from the borrowing of funds to be applied to such deposit and any similar deposit relating to other Indebtedness and, in each case, the granting of Liens to secure such borrowings), and the deposit will not result in a breach or violation of, or constitute a default under, any material

agreement or instrument (other than the Indenture and the agreements governing any other Indebtedness that is being defeased, discharged or replaced) to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound (other than with respect to the borrowing of funds to be applied concurrently to make the deposit required to effect such satisfaction and discharge and any similar concurrent deposit relating to other Indebtedness, and in each case the granting of Liens to secure such borrowings);

(3) the Company or any Guarantor has paid or caused to be paid all sums payable by it under the Indenture; and

(4) the Company has delivered irrevocable instructions to the Trustee to apply the deposited money toward the payment of the Notes at fixed maturity or the redemption date, as the case may be.

In addition, the Company must deliver an Officer's Certificate and an opinion of counsel (which opinion of counsel may be subject to customary assumptions and exclusions) to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Concerning the Trustee and Notes Collateral Agent

Truist Bank will serve as trustee, registrar, paying agent and collateral agent.

If either the Trustee or Notes Collateral Agent becomes a creditor of the Company or any Guarantor, the Indenture will limit its right to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee and the Notes Collateral Agent will be permitted to engage in other transactions; however, if either the Trustee or the Notes Collateral Agent acquires any conflicting interest (as defined in the Trust Indenture Act) after a Default has occurred and is continuing, it must eliminate such conflict within 90 days, apply to the Commission for permission to continue as Trustee (if the Indenture has been qualified under the Trust Indenture Act) or resign.

The Holders of a majority in principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or (through the Trustee) the Notes Collateral Agent, subject to certain exceptions as set out in the Indenture. In case an Event of Default occurs and is continuing, the Trustee will be required, in the exercise of its powers, to use the degree of care of a prudent person in the conduct of such person's own affairs. Subject to such provisions, neither the Trustee nor the Notes Collateral Agent will be under any obligation to exercise any of its rights or powers under the Indenture at the request of any Holder of Notes, unless such Holder has offered to the Trustee or the Notes Collateral Agent, as applicable, security or indemnity satisfactory to it against any loss, liability or expense. For the avoidance of doubt, while the Trustee shall be the sole party entitled to direct the Notes Collateral Agent in respect of any matters relating to the Notes (and shall do so in accordance with Noteholder Directions given to the Trustee by the Holders), the Trustee shall be under no obligation to provide any security or indemnity to the Notes Collateral Agent, with such security or indemnity being provided directly by the relevant Holders to the Notes Collateral Agent.

By their acceptance of the Notes, the Holders will be deemed to have authorized the Notes Collateral Agent to enter into, and to perform under, each of the Security Documents.

Governing Law

The Indenture, the Notes and the Guarantees will be governed by, and construed in accordance with, the laws of the State of New York.

Book-Entry, Delivery and Form

The Notes are being offered and sold to qualified institutional buyers in reliance on Rule 144A ("*Rule 144A Notes*"). Notes also may be offered and sold in offshore transactions in reliance on Regulation S ("*Regulation S Notes*"). Except as set forth below, Notes will be issued in registered, global form. Notes will be issued at the closing of this offering only against payment in immediately available funds.

Rule 144A Notes initially will be represented by one or more permanent global Notes in registered form without interest coupons (collectively, the "*Rule 144A Global Notes*"). Regulation S Notes initially will be represented by one or more permanent global Notes in registered form without interest coupons (collectively, the "*Regulation S Global Notes*"; the Regulation S Global Notes and the Rule 144A Global Notes collectively being called the "*Global Notes*").

The Global Notes will be deposited upon issuance with the Trustee as custodian for DTC, and registered in the name of DTC's nominee, Cede & Co., in each case for credit to an account of a direct or indirect participant in DTC as described below. Through and including the 40th day after the later of the commencement of this offering and the closing of this offering (such period through and including such 40th day, the "*Restricted Period*"), beneficial interests in the Regulation S Global Notes may be held only through Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclea**r") and Clearstream Banking, société anonyme ("*Clearstream*") (as indirect participants in DTC), unless transferred to a Person that takes delivery through a Rule 144A Global Note in accordance with the certification requirements described below. Beneficial interests in the Rule 144A Global Notes may not be exchanged for beneficial interests in the Regulation S Global Notes or vice versa at any time except in the limited circumstances described below. See "— *Exchanges Between Regulation S Notes and Rule 144A Notes*."

Except as set forth below, the Global Notes may be transferred, in whole but not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for Notes held in certificated form ("*Certificated Notes*"), except in the limited circumstances described below. See "— *Exchange of Global Notes for Certificated Notes*."

Rule 144A Notes and the Regulation S Notes (including beneficial interests in the Global Notes representing such Notes) will be subject to certain restrictions on transfer and will bear a restrictive legend as described under "Notice to Investors." In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream), which may change from time to time.

Depository Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. Neither we nor the Trustee takes any responsibility for these operations and procedures and urge investors to contact the system or their participants directly to discuss these matters.

DTC has advised us that DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the "*Participants*") and to facilitate the clearance and settlement of transactions in those securities between Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers (including the initial purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the "*Indirect Participants*"). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through the Participants or the Indirect Participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

DTC has also advised us that, pursuant to procedures established by it:

(1) upon deposit of the Global Notes, DTC will credit the accounts of Participants designated by the initial purchasers with portions of the principal amount of the Global Notes; and

(2) ownership of these interests in the Global Notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interests in the Global Notes).

Investors in the Notes represented by the 144A Global Notes who are Participants in DTC's system may hold their interests therein directly through DTC. Investors in such Notes who are not Participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) which are Participants. Investors in the Notes represented by the Regulation S Global Notes must initially hold their interests therein through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants. After the expiration of the Restricted Period (but not earlier), investors may also hold interests in the Regulation S Global Notes through Participants in the DTC system other than Euroclear and Clearstream.

Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries. All interests in a Global Note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems.

The laws of some jurisdictions may require that certain Persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such Persons will be limited to that extent. Because DTC can act only on behalf of Participants, which in turn act on behalf of Indirect Participants, the ability of a Person having beneficial interests in a Global Note to pledge such interests to Persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, owners of beneficial interests in the Global Notes will not have Notes registered in their names, will not receive physical delivery of Certificated Notes and will not be considered the registered owners or "Holders" thereof under the Indenture for any purpose.

Payments in respect of the principal of, and interest and premium, if any, on, a Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered Holder under the Indenture. Under the terms of the Indenture, the Company, the Guarantors and the Trustee will treat the Persons in whose names the Notes, including the Global Notes, are registered as the owners of the Notes for the purpose of receiving payments and for all other purposes. Consequently, none of the Company, the Guarantors, the Trustee or any agent of a Company or the Trustee has or will have any responsibility or liability for:

(1) any aspect of DTC's records or any Participant's or Indirect Participant's records relating to or payments made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes; or

(2) any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

DTC has advised us that its current practice, at the due date of any payment in respect of securities such as the Notes, is to credit the accounts of the relevant Participants with the payment on the payment date unless DTC has reason to believe it will not receive payment on such payment date. Each relevant Participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the Notes as shown on the records of DTC. Payments by the Participants and the Indirect Participants to the beneficial owners of Notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the Trustee or the Company. None of the Company, the Guarantors or the Trustee will be liable for any delay by DTC or any of its Participants in identifying the beneficial owners of the Notes, and the Company, the Guarantors and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Subject to the transfer restrictions set forth under "Transfer Restrictions," transfers between Participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the Notes described herein, cross-market transfers between the Participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by its depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

DTC has advised us that it will take any action permitted to be taken by a Holder of Notes only at the direction of one or more Participants to whose account DTC has credited the interests in the Global Notes and only in respect of such portion of the aggregate principal amount of the Notes as to which such Participant or Participants has or have given such direction. However, if there is an Event of Default under the Notes, DTC reserves the right to exchange the Global Notes for Certificated Notes, which may be legended if required by the Indenture, and to distribute such Notes to its Participants.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Global Notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and may discontinue such procedures at any time. None of the Company, the Guarantors, the Trustee or any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Global Notes for Certificated Notes

A Global Note is exchangeable for Certificated Notes in minimum denominations of $2,000 and in integral multiples of $1,000 in excess of $2,000, if:

(1) DTC (a) notifies the Company that it is unwilling or unable to continue as depositary for the Global Note or (b) has ceased to be a clearing agency registered under the Exchange Act and in either event the Company fail to appoint a successor depositary within 90 days;

(2) the Company at its option but subject to DTC's requirements, notifies the Trustee in writing that it elects to cause the issuance of the Certificated Notes; or

(3) there has occurred and is continuing an Event of Default and DTC notifies the Trustee of its decision to exchange the Global Note for Certificated Notes.

Beneficial interests in a Global Note may also be exchanged for Certificated Notes in the other limited circumstances permitted by the Indenture, including if an affiliate of ours acquires such interests. In all cases, Certificated Notes delivered in exchange for any Global Note or beneficial interests in Global Notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depositary (in accordance with its customary procedures) and will bear the restrictive legend referred to in "Transfer Restrictions," unless that legend is not required by the Indenture.

Exchange of Certificated Notes for Global Notes

Certificated Notes may not be exchanged for beneficial interests in any Global Note, except in the limited circumstances provided in the Indenture.

Exchanges Between Regulation S Notes and Rule 144A Notes

Prior to the expiration of the Restricted Period, beneficial interests in a Regulation S Global Note may be exchanged for beneficial interests in a Rule 144A Global Note only if:

(1) such exchange occurs in connection with a transfer of the Notes pursuant to Rule 144A; and

(2) the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that the Notes are being transferred to a Person:

(a) who the transferor reasonably believes to be a qualified institutional buyer within the meaning of Rule 144A;

(b) purchasing for its own account or the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A; and

(c) in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interests in a Rule 144A Global Note may be transferred to a Person who takes delivery in the form of an interest in a Regulation S Global Note, whether before or after the expiration of the Restricted Period, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S or Rule 144 under the Securities Act (if available) and that, if such transfer occurs prior to the expiration of the Restricted Period, the interest transferred will be held immediately thereafter through Euroclear or Clearstream.

Transfers involving exchanges of beneficial interests between the Regulation S Global Notes and the Rule 144A Global Notes will be effected in DTC by means of an instruction originated by the Trustee through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of a Regulation S Global Note and a corresponding increase in the principal amount of a Rule 144A Global Note or vice versa, as applicable. Any beneficial interest in one of the Global Notes that is transferred to a Person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in another Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for so long as it remains such an interest. The policies and practices of DTC may prohibit transfers of beneficial interests in the Regulation S Global Notes prior to the expiration of the Restricted Period.

Same-Day Settlement and Payment

The Company will make payments in respect of the Notes represented by the Global Notes (including principal, premium, if any, and interest) by wire transfer of immediately available funds to the accounts specified by DTC. The Company will make all payments of principal, interest and premium, if any, with respect to Certificated Notes in the manner described above under "— *Methods of Receiving Payments on the Notes*." The Notes represented by the Global Notes are eligible to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in such Notes will, therefore, be required by DTC to be settled in immediately available funds. We expect that secondary trading in any Certificated Notes will also be settled in immediately available funds.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a Participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised us that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a Participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all such terms, as well as any other capitalized terms used herein for which no definition is provided.

"*ABL Administrative Agent*" means JPMorgan Chase Bank, N.A., in its capacity as the administrative agent under the ABL Credit Agreement, or any successor representative acting in such capacity.

"*ABL Collateral Agent*" means JPMorgan Chase Bank, N.A., in its capacity as the collateral agent under the ABL Credit Agreement, or any successor representative acting in such capacity.

"*ABL Credit Agreement*" means that certain Amended and Restated Credit Agreement, dated as of December 6, 2023 (as amended by the First Amendment to the Amended and Restated Credit Agreement, dated as of February 6, 2024, the Second Amendment to Amended and Restated Credit Agreement dated as of August 20, 2025, and the Omnibus Amendment dated as of September 26, 2025), by and among the Company as borrower, Superior Energy Services, Inc., Superior Midco, Inc., SESI Holdings, Inc. and JPMorgan Chase Bank, N.A. as administrative agent, and the several lenders and other agents party thereto, including any notes, guarantees, collateral and security documents, instruments and agreements executed in connection therewith (including Hedging Obligations related to the Indebtedness incurred thereunder), and in each case as such agreement or facility may be amended (including any amendment or restatement thereof), supplemented or otherwise modified from time to time, including any agreement or indenture exchanging, extending the maturity of, refinancing, renewing, replacing, substituting or otherwise restructuring, whether in the bank or debt capital markets (or combination thereof) (including increasing the amount of available borrowings thereunder, changing the maturity or adding or removing Subsidiaries as borrowers or guarantors thereunder and whether or not with the same agents, lenders, investors or holders) all or any portion of the Indebtedness under such agreement or facility or any successor or replacement agreement or facility.

"*ABL Documents*" means the ABL Credit Agreement, any additional credit agreement, note purchase agreement, indenture or other agreement related thereto and all other loan or Notes Documents, collateral or security documents, notes, guarantees, instruments and agreements governing or evidencing, or executed or delivered in connection with, the ABL Credit Agreement or any Pari Passu ABL Lien Indebtedness, as such agreements or instruments may be amended, supplemented, modified, restated, replaced, renewed, refunded, restructured, increased or refinanced from time to time.

"*ABL Intercreditor Agreement*" means that certain Intercreditor Agreement, dated as of the Issue Date, by and among the Company, the ABL Collateral Agent and the Notes Collateral Agent.

"*ABL Obligations*" means all Indebtedness, liabilities and obligations (of every kind or nature) incurred or arising under or relating to the ABL Documents that is secured by a Permitted Lien described under clause (1) of the definition thereof, and all other obligations of the Company or any Guarantor in respect thereof.

"*ABL Secured Parties*" means the holders of Pari Passu ABL Lien Indebtedness and the ABL Collateral Agent.

"*Acquired Debt*" means, with respect to any specified Person:

(1) Indebtedness or Disqualified Stock of any other Person existing at the time such other Person was merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is incurred or Disqualified Stock is issued in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, such specified Person, but not including any Indebtedness or Disqualified Stock which is extinguished, retired or repaid in connection with such Person merging with or into or becoming a Subsidiary of such specified Person; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

Acquired Debt shall be deemed to be incurred on the date of the related acquisition of assets from any Person, the date such merger is consummated or the date such acquired Person becomes a Subsidiary, as applicable.

"*Acquisition*" means the indirect acquisition of Quail Tools, LLC ("*Quail Tools*") by the Company on August 20, 2025.

"*Additional Assets*" means:

(1) any assets used or useful in a Permitted Business (other than Indebtedness or Capital Stock) that are not classified as current assets under GAAP;

(2) the Capital Stock of a Person that becomes a Restricted Subsidiary of the Company as a result of the acquisition of such Capital Stock by the Company or any of its Restricted Subsidiaries; or

(3) Capital Stock constituting a non-controlling interest in any Person that at such time is a Restricted Subsidiary;

provided, that any such Restricted Subsidiary described in clause (2) or (3) is primarily engaged in a Permitted Business.

"*Affiliate*" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; and the terms "controlling," "controlled by" and "under common control with" have correlative meanings.

"*Asset Sale*" means:

(1) the sale, lease, conveyance or other disposition of any properties or assets (a "*disposition*") of the Company or any of its Restricted Subsidiaries; *provided*, that the disposition of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the Indenture described above under the caption "*— Repurchase at the Option of Holders — Change of Control*" and/or the provisions described above under the caption "*— Certain Covenants — Merger, Consolidation or Sale of Assets*" and not by the provisions of the covenant described above under the caption "*— Repurchase at the Option of Holders — Asset Sales*"; and

(2) the issuance or sale of Equity Interests in any of the Company's Restricted Subsidiaries (other than Disqualified Stock or Preferred Stock issued in compliance with the covenant described under "*— Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock*" or directors' qualifying shares and shares issued to foreign nationals as required under applicable law).

Notwithstanding the preceding, the following items will be deemed to not be Asset Sales:

(1) any single transaction or series of related transactions that involves properties or assets having a fair market value of less than $25.0 million;

(2) dispositions of properties or assets between or among any of the Company and its Restricted Subsidiaries, including between or among its Restricted Subsidiaries;

(3) an issuance or sale of Equity Interests by a Restricted Subsidiary of the Company to the Company or to another Restricted Subsidiary (and, to the extent there are any other equity holders of such Restricted Subsidiary, to each other equity holder of such Restricted Subsidiary on a pro rata basis as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors of the Company);

(4) dispositions of equipment, inventory, accounts receivable or other properties or assets in the ordinary course of business;

(5) dispositions of equipment or assets that, in the Company's reasonable judgment, are worn-out, obsolete or otherwise no longer economically practical, commercially desirable to maintain or used or useful in the business of the Company's or its Restricted Subsidiaries;

(6) a sale or disposition by the Company or a Restricted Subsidiary of its interest in machinery, equipment or other tangible personal property for which purchase money obligations were incurred and (i) such purchase money obligations are fully repaid concurrently with such sale or disposition and (ii) such sale or disposition is made in the ordinary course of business at fair market value to a Person at arm's length from the Company and its Subsidiaries;

(7) dispositions of cash or Cash Equivalents or other financial instruments;

(8) a Restricted Payment that does not violate the covenant described above under the caption "— *Certain Covenants — Restricted Payments*" or a Permitted Investment;

(9) the creation or perfection of a Lien that is not prohibited by the covenant described above under the caption "— *Certain Covenants — Liens*";

(10) dispositions in connection with Permitted Liens;

(11) surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(12) the grant in the ordinary course of business of any non-exclusive license of patents, trademarks, registrations therefor and other similar intellectual property;

(13) an Asset Swap;

(14) dispositions of assets resulting from an expropriation, involuntary taking or similar action by any government or the claims related thereto (including any receipt of proceeds related thereto or the subsequent sale or other disposition of any non-cash consideration received therefrom);

(15) dispositions of Investments in Joint Ventures to the extent required by, or made pursuant to customary buy/sell arrangements between the Joint Venture parties set forth in, Joint Venture agreements or any similar binding arrangements;

(16) dispositions of accounts receivable and notes receivable in connection with the compromise, settlement or collection thereof in the ordinary course of business or consistent with past practice or in bankruptcy, insolvency or similar proceedings (and exclusive of factoring or similar arrangements), and dispositions of Investments received in satisfaction or partial satisfaction of accounts receivable and notes receivable from financially troubled account debtors to the extent reasonably necessary or advisable in order to prevent or limit loss;

(17) the lease, assignment or sub-lease of any real or personal property in the ordinary course of business and the exercise of termination rights with respect to any lease, sub-lease, license or sublicense or other agreement;

(18) the sale or discount (with or without recourse, and on customary or commercially reasonable terms and for credit management purposes) of accounts receivable or notes receivable arising in the ordinary course of business or consistent with past practice, or the conversion or exchange of accounts receivable for notes receivable;

(19) dispositions of Equity Interests, Indebtedness or other securities of an Unrestricted Subsidiary;

(20) the unwinding or termination of any Hedging Contracts;

(21) dispositions resulting from sales of any accounts receivable under Permitted Supply Chain Financings; and

(22) dispositions of property subject to or resulting from casualty losses, foreclosure and condemnation or similar proceedings (including dispositions in lieu thereof).

"*Asset Swap*" means any substantially contemporaneous (and in any event occurring within 180 days of each other) purchase and sale or exchange of any assets or properties used or useful in a Permitted Business between the Company or any of its Restricted Subsidiaries and another Person; *provided* that the fair market value of the properties or assets traded or exchanged by the Company or such Restricted Subsidiary (together with any cash or Cash Equivalents) is reasonably equivalent, as determined in good faith by the Company, to the fair market value of the properties or assets (together with any cash and Cash Equivalents) to be received by the Company or such Restricted Subsidiary, and *provided further* that any net cash or Cash Equivalents received must be applied in accordance with the covenant described above under the caption "— *Repurchase at the Option of Holders — Asset Sales*" as if the Asset Swap were an Asset Sale.

"*Attributable Debt*" in respect of a Sale/Leaseback Transaction means, at the time of determination, the present value of the obligation of the lessee for net rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction including any period for which such lease has been extended or may, at the option of the lessor, be extended. Such present value shall be calculated using a discount rate equal to the rate of interest implicit in such transaction, determined in accordance with GAAP. As used in the preceding sentence, the "net rental payments" under any lease for any such period shall mean the sum of rental and other payments required to be paid with respect to such period by the lessee thereunder, excluding any amounts required to be paid by such lessee on account of maintenance and repairs, insurance, taxes, assessments, water rates or similar charges. In the case of any lease that is terminable by the lessee upon payment of penalty, such net rental payment shall also include the amount of such penalty, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated.

"*Bankruptcy Code*" means Title 11 of the United States Code.

"*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition. The terms "*Beneficially Owns*" and "*Beneficially Owned*" have correlative meanings.

"*Board of Directors*" means, with respect to any Person, the board of directors, managers or trustees or other governing body of such Person (or, if such Person is a partnership or limited liability company that does not have such a governing body, the board of directors, managers or trustees or other governing body of any direct or indirect general partner of such partnership or of any direct or indirect managing member or other managing Person of such limited liability company) or any duly authorized committee thereof; and, with respect to references to the Board of Directors of the Company, such references shall include the Board of Directors of the Parent.

"*Board Resolution*" means a copy of a resolution certified by the secretary or an assistant secretary of the applicable Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"*Borrowing Base*" means, with respect to the borrowings under the ABL Credit Agreement and any amendment to and/or modification or replacement thereof in the form of an asset-based borrowing base credit facility, so long as lenders holding at least 50% of the commitments thereunder are Commercial Lending Institutions, an amount equal to the sum, without duplication, of (i) 90.0% of the net book value of the Company's and its Restricted Subsidiaries' investment grade accounts receivable at such date, (ii) 85.0% of the net book value of the Company's and its Restricted Subsidiaries' non-investment grade accounts receivable at such date, (iii) 65% of the net book value of the premium rental drill pipe at such date and (iv) eligible cash up to $65.0 million at such date, as determined by the lenders or administrative agent thereunder, in accordance with customary practices and standards for U.S. asset-based borrowing base credit facilities. For the avoidance of doubt, the borrowing base under the ABL Credit Agreement is deemed to satisfy these requirements.

"*Business Day*" means each day that is not a Saturday, Sunday or other day on which banking institutions in New York, New York are authorized or required by law to close.

"*Capital Expenditures*" means, for any period, with respect to any Person, the aggregate of all expenditures and costs (whether paid in cash or accrued as liabilities during that period and including any expenditures and costs during that period that, following project completion, will be treated as a finance lease receivable by such Person) by such Person and its Subsidiaries during such period which are required to be capitalized under GAAP on a balance sheet of such Person; *provided* that any portion of such expenditures and costs funded by third party lessors under any operating lease in respect of which such Person is the lessee shall not constitute "Capital Expenditures."

"*Capital Markets Debt*" means any Indebtedness consisting of bonds, debentures, notes, term loans or other similar debt instruments.

"*Capital Stock*" means:

(1) in the case of a corporation, shares in the capital or corporate stock, as applicable, of the corporation;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person;

but excluding from all of the foregoing any debt securities convertible or exchangeable into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"*Cash Equivalents*" means:

(1) (a) United States dollars, European Union euros, Japanese yen, Canadian dollars, U.K. pounds sterling or any national currency of any participating member state of the European Economic and Monetary Union; or (b) in the case of any Foreign Subsidiary or any jurisdiction in which the Company or its Restricted Subsidiaries conducts business, such local currencies held by it from time to time in the ordinary course of business or consistent with industry practice;

(2) securities issued or directly and fully guaranteed or insured by (a) the federal government of the United States or any agency or instrumentality of the federal government of the United States (provided that the full faith and credit of the United States is pledged in support of those securities) or (b) any foreign country whose sovereign debt has a rating of at least "A3" from Moody's, "A-" from S&P or "A-" from Fitch, or any agency or instrumentality of such foreign country (provided that the full faith and credit of such foreign country is pledged in support of those securities), in each case having maturities of not more than two years from the date of acquisition;

(3) certificates of deposit, demand deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances with maturities not exceeding one year from the date of acquisition and overnight bank deposits, in each case, with any commercial bank having capital and surplus in excess of $250.0 million in the case of U.S. banks and $500.0 million (or the equivalent thereof in any other currency or currency unit) in the case of non-U.S. banks;

(4) marketable general obligations issued by any state, province, commonwealth or territory of the United States of America or any foreign country or any political subdivision, taxing authority or public instrumentality thereof maturing within two years from the date of creation or acquisition thereof and, at the time of acquisition having one of the two highest ratings obtainable from Moody's, S&P or Fitch, or carrying an equivalent rating by any other nationally recognized rating agency, if Moody's, S&P and Fitch cease publishing ratings;

(5) repurchase obligations with a term of not more than thirty days for underlying securities of the types described in clauses (2) and (3) above entered into with any commercial bank meeting the qualifications specified in clause (3) above;

(6) commercial paper and variable or fixed rate notes (a) having one of the two highest ratings obtainable from Moody's, S&P or Fitch, or carrying an equivalent rating by a nationally recognized rating agency, if each of Moody's, S&P and Fitch cease publishing ratings, and in each case maturing within two year after the date of acquisition or (b) issued by a commercial bank meeting the qualifications specified in clause (3) above;

(7) securities with maturities of one year or less from the date of acquisition backed by standby letters of credit issued by any commercial bank meeting the qualifications specified in clause (3) above;

(8) marketable short-term money market and similar securities maturing within 24 months after the date of creation or acquisition thereof and having a rating of at least "A-2," "P-2" or "F-2" from any of Moody's, S&P or Fitch, respectively, or carrying an equivalent rating by a nationally recognized rating agency, if each of Moody's, S&P and Fitch cease publishing ratings;

(9) Investments with average maturities of 12 months or less from the date of acquisition in money market funds rated within the three highest ratings categories by Moody's, S&P or Fitch, or carrying an equivalent rating by a nationally recognized rating agency, if each of Moody's, S&P and Fitch cease publishing ratings;

(10) with respect to any Foreign Subsidiary: (a) certificates of deposit of, banker's acceptance of, or time deposits with, any commercial bank which is organized and existing under the laws of the country in which such Foreign Subsidiary maintains its chief executive office and principal place of business, and whose short-term commercial paper rating from Moody's is at least "P-2" or the equivalent thereof or from S&P is at least "A-2" or the equivalent thereof (any such bank being an "*Approved Foreign Bank*"), and in each case with maturities of not more than one year from the date of acquisition and (b) the equivalent of demand deposit accounts which are maintained with an Approved Foreign Bank;

(11) Indebtedness or Preferred Stock with maturities of 24 months or less from the date of acquisition issued by Persons with a rating of "Baa3" or higher from Moody's, "BBB-" or higher from S&P or "BBB-" from Fitch, or carrying an equivalent rating by a nationally recognized rating agency, if each of Moody's, S&P and Fitch cease publishing ratings;

(12) bills of exchange issued in the United States or any foreign country eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(13) investments in money market funds access to which is provided as part of "sweep" accounts maintained with any commercial bank meeting the qualifications specified in clause (3) above;

(14) investments in industrial development revenue bonds that (a) "re-set" interest rates not less frequently than quarterly, (b) are entitled to the benefit of a remarketing arrangement with an established broker dealer and (c) are supported by a direct pay letter of credit covering principal and accrued interest that is issued by any commercial bank meeting the qualifications specified in clause (2) above;

(15) investments in pooled funds or investment accounts consisting of investments in the nature described in the foregoing clause (14);

(16) deposits available for withdrawal on demand with any commercial bank not meeting the qualifications specified in clause (3) above; and

(17) interests in any investment company, money market, enhanced high yield fund or other investment fund 90% or more of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (15) of this definition.

In the case of Investments by any Restricted Subsidiary or Investments made in a country outside the United States of America, Cash Equivalents shall also include (i) investments of the type and maturity described in clauses (1) through (9) and clauses (11) through (14) above of foreign obligors, which Investments or obligors (or the parents

of such obligors) have ratings described in such clauses or equivalent ratings from comparable foreign rating agencies and (ii) other short-term investments utilized by Foreign Subsidiaries that are Restricted Subsidiaries in accordance with normal investment practices for cash management in investments analogous to the foregoing investments in clauses (1) through (14) and in this paragraph. For the avoidance of doubt, any items identified as Cash Equivalents under this definition will be deemed to be Cash Equivalents for all purposes under the Indenture regardless of the treatment of such items under GAAP.

"*Cash Management Agreement*" means any agreement entered into from time to time by the Company, any Guarantor or any Restricted Subsidiary in connection with cash management services for collections, other Cash Management Obligations and for operating, payroll and trust accounts of such Person, including automatic clearing house services, controlled disbursement services, electronic funds transfer services, information reporting services, lockbox services, stop payment services and wire transfer services.

"*Cash Management Obligations*" means, with respect to any Person, obligations of such Person in relation to (1) treasury, depository or cash management services, arrangements or agreements (including, without limitation, credit, debt or other purchase card programs and intercompany cash management services) or any automated clearinghouse ("*ACH*") transfers of funds (including reimbursement and indemnification obligations with respect to letters of credit or similar instruments), and (2) netting services, overdraft protections, controlled disbursement, ACH transactions, return items, interstate deposit network services, supplier services, cash pooling and operational foreign exchange management, Society for Worldwide Interbank Financial Telecommunication transfers and similar programs.

"*Change of Control*" means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets (including Capital Stock of the Restricted Subsidiaries of the Company) of the Company and its Restricted Subsidiaries taken as a whole, to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act);

(2) the adoption of a plan relating to the liquidation or dissolution of the Company, other than as part of a transaction that is permitted by the covenant described under "*— Certain Covenants — Merger, Consolidation or Sale of Assets*"; or

(3) the consummation of any transaction (including any merger or consolidation) the result of which is that any "person" (as that term is used in Section 13(d)(3) of the Exchange Act), other than GoldenTree Asset Management LP or any of its affiliates or managed funds, becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of the Company, measured by voting power rather than number of shares.

For the purposes of this definition, (a) no Change of Control shall be deemed to have occurred solely as a result of a transfer of assets, or the consummation of any transaction (including, without limitation, any merger, arrangement, amalgamation or consolidation), among the Company and its Restricted Subsidiaries; (b) a Person shall not be deemed to have beneficial ownership of securities subject to a stock purchase agreement, merger agreement or similar agreement until the consummation of the transactions contemplated by such agreement; and (c) to the extent that one or more regulatory approvals are required for any of the transactions or circumstances described in clauses (1), (2) or (3) above to become effective under applicable law and such approvals have not been received before such transactions or circumstances have been consummated, such transactions or circumstances shall be deemed to have occurred at the time such approvals have been obtained and become effective under applicable law.

Notwithstanding the preceding, (a) a transaction will not be deemed to involve a Change of Control if (i) the Company becomes a direct or indirect Wholly Owned Subsidiary of a parent entity and (ii) immediately following that transaction no Person is the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of such parent entity (or its general partner, if applicable), and (b) (i) a conversion of the Company or any of its Restricted Subsidiaries from a limited partnership, corporation, limited liability company or other form of entity to a limited liability company, corporation, limited partnership or other form of entity or (ii) an exchange of all the outstanding Equity Interests in one form of entity for Equity Interests in another form of entity each shall not constitute a Change

of Control, so long as immediately following such conversion or exchange or transaction no "person" Beneficially Owns more than 50% of the Voting Stock of such entity (or its general partner, if applicable).

"*Change of Control Triggering Event*" means the occurrence of both a Change of Control and a Rating Event.

"*Commercial Lending Institution*" means commercial banks regulated by either (a) the U.S. Office of the Comptroller of the Currency, (b) the Federal Deposit Insurance Corporation or (c) the Federal Reserve Board of Governors, as of the date of determination.

"*Commission*" *or* "*SEC*" means the Securities and Exchange Commission.

"*Common Collateral*" means all Collateral that constitutes both Notes Priority Collateral and ABL Priority Collateral. If, at any time, any portion of the ABL Priority Collateral under one or more ABL Documents does not constitute Notes Priority Collateral under one or more Notes Documents, then such portion of such ABL Priority Collateral shall constitute Common Collateral only with respect to the Notes Documents for which it constitutes Notes Priority Collateral and shall not constitute Common Collateral for any Notes Documents which do not have a security interest in such Collateral at such time. If, at any time, any portion of the Notes Priority Collateral under one or more Notes Documents does not constitute ABL Priority Collateral under one or more ABL Documents, then such portion of such Notes Priority Collateral shall constitute Common Collateral only with respect to the ABL Documents for which it constitutes ABL Priority Collateral and shall not constitute Common Collateral for any ABL Documents which do not have a security interest in such Collateral at such time.

"*Consolidated Cash Flow*" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus the following:

(1) an amount equal to any extraordinary, non-recurring or unusual loss plus any net loss realized by such Person or any of its Restricted Subsidiaries in connection with any Asset Sale (or any transaction excluded from the definition thereof), or the disposition of securities or the early extinguishment of Indebtedness, to the extent such losses were deducted in computing such Consolidated Net Income; plus

(2) provision for taxes based on income, profits or capital of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; plus

(3) the Fixed Charges of such Person and its Restricted Subsidiaries (and, to the extent not otherwise included, such Person's proportional share of Fixed Charges of any other Person in which such specified Person has an investment that is accounted for using the equity method of accounting or that is not a Restricted Subsidiary of such specified Person) for such period, to the extent that such Fixed Charges were deducted in computing such Consolidated Net Income; plus

(4) depreciation, depletion, amortization (including amortization of intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period), impairment and other non-cash charges and expenses (excluding any such non-cash charge or expense to the extent that it represents an accrual of or reserve for cash charges or expenses in any future period or amortization of a prepaid cash charge or expense that was paid in a prior period) of such Person and its Restricted Subsidiaries (and, to the extent not otherwise included, such Person's proportional share of such depreciation, depletion, amortization, impairment and other non-cash charges and expenses of any other Person in which such specified Person has an investment that is accounted for using the equity method of accounting or that is not a Restricted Subsidiary of such specified Person) for such period to the extent that such depreciation, depletion, amortization, impairment and other non-cash charges or expenses were deducted in computing such Consolidated Net Income; plus

(5) any reasonable expenses and charges related to any Investment, acquisition, disposition, Equity Offering, recapitalization, or issuance or incurrence or repayment of Indebtedness permitted under the Indenture (in each case, whether or not successful); plus

(6) dividends, distributions and other payments received in cash by such Person or a Restricted Subsidiary of such Person from a Person that is not a Restricted Subsidiary of such specified Person or that is accounted for by the equity method of accounting (including an Unrestricted Subsidiary), to the extent that such dividends, distributions and other payments were in excess of such specified Person's proportional share of the income of such other Person that was included in the Consolidated Net Income of such specified Person for such period; plus

(7) all cash payments received by the Company and the Restricted Subsidiaries from customers pursuant to contracts accounted for as Finance Lease Obligations (unless otherwise included in Consolidated Cash Flow due to recognition in a prior period); and minus

(8) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business, in each case, on a consolidated basis and determined in accordance with GAAP.

"*Consolidated Net Income*" means, with respect to any specified Person for any period, the aggregate net income (loss) of such Person and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP and before any reduction in respect of Preferred Stock dividends (and only to the extent such items are otherwise included in the calculation of net income); *provided* that:

(1) any gain (or loss), together with any related provision for taxes on such gain (or loss), realized in connection with: (i) any Asset Sale (or any transaction excluded from the definition thereof), other than in the ordinary course of business; (ii) the disposition of any securities by such Person or its Restricted Subsidiaries (other than in the ordinary course of business or pursuant to item (14) of the items not deemed to be Asset Sales in the definition of Asset Sale); or (iii) the extinguishment of any Indebtedness of such Person or its Restricted Subsidiaries will be excluded;

(2) any extraordinary, non-recurring or unusual (as determined in good faith by such Person) gain (or loss) or income (or expense) (including, without duplication, Transaction Costs), together with any related provision for taxes on such gain (or loss) or income (or expense) will be excluded;

(3) solely for purposes of determining the amount available for Restricted Payments permitted under the covenant described under "*—Certain Covenants—Restricted Payments*," the net income of any Restricted Subsidiary will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that net income is not at the date of determination permitted without any prior governmental approval (except as has been obtained or is customarily obtained) or, directly or indirectly, by operation of the terms of its charter or any judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its shareholders, partners or members; *provided* that upon the removal of such restriction, the aggregate net income of such Restricted Subsidiary previously excluded within the immediately preceding four fiscal quarters shall be added to the net income of such Person and its Restricted Subsidiaries for the same quarters;

(4) any severance expenses, relocation expenses, restructuring expenses, curtailments or modifications to pension and post-retirement employee benefit plans, excess pension charges, expenses or charges relating to facilities closing costs, acquisition integration costs, signing, retention or completion bonuses, expenses or charges related to any issuance, redemption, repurchase, retirement or acquisition of Capital Stock, Investment, acquisition, disposition, recapitalization or issuance, repayment, refinancing, amendment or modification of Indebtedness (in each case, whether or not successful), in each case other than in the ordinary course of business, and any fees, expenses or charges related to the Transactions, in each case, shall be excluded;

(5) the cumulative effect of a change in accounting principles will be excluded;

(6) any impairment losses will be excluded;

(7) any non-cash compensation charge arising from any grant of stock, stock options or other equity-based awards will be excluded;

(8) unrealized mark-to-market losses and gains under Hedging Contracts included in the determination of Consolidated Net Income will be excluded; and

(9) any after-tax charges relating to any premium or penalty paid, write off of deferred finance costs or other charges in connection with redeeming or retiring any Indebtedness prior to its Stated Maturity will be excluded.

"*Consolidated Net Secured Debt Ratio*" means, with respect to any Person as of any date of determination, the ratio of (1) the aggregate principal amount of all Secured Debt of such Person and its Restricted Subsidiaries as of such date of determination minus cash and Cash Equivalents that would be stated on the balance sheet of such Person and its Restricted Subsidiaries as of such date of determination with such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio and as determined in good faith by such Person to (2) LTM Cash Flow of such Person.

"*Consolidated Net Tangible Assets*" means, with respect to any Person at any date of determination, the aggregate amount of total assets included in such Person's most recent quarterly or annual consolidated balance sheet prepared in accordance with GAAP less applicable reserves reflected in such balance sheet, after deducting (i) all current liabilities of Indebtedness incurred under Credit Facilities as reflected in such balance sheet and (ii) all goodwill, trademarks, patents, unamortized debt discounts and expenses and other like intangibles reflected in such balance sheet.

"*Consolidated Total Indebtedness*" means, with respect to any Person at any date of determination, as of any date of determination and without duplication, an amount equal to the sum of (1) the aggregate principal amount of all outstanding Indebtedness of such Person on a consolidated basis consisting of Indebtedness for borrowed money, Obligations in respect of Finance Lease Obligations and debt obligations evidenced by credit agreements, bonds, notes, debentures, promissory notes and similar instruments, as determined in accordance with GAAP (excluding for the avoidance of doubt all undrawn amounts under revolving credit facilities) and (2) the aggregate amount of all outstanding Disqualified Stock of the such Person and all Preferred Stock of its Restricted Subsidiaries that are not Guarantors on a consolidated basis, with the amount of such Disqualified Stock and Preferred Stock equal to the greater of their respective voluntary or involuntary liquidation preferences and maximum fixed repurchase prices, in each case determined on a consolidated basis in accordance with GAAP (but excluding the effects of any discounting of Indebtedness resulting from the application of repurchase or purchase accounting in connection with the issuance of the Notes or any acquisition); *provided*, that Consolidated Total Indebtedness shall not include Indebtedness in respect of (A) any letter of credit or bank guarantee, except to the extent of unreimbursed amounts under standby letters of credit, *provided* that any unreimbursed amounts under commercial letters of credit shall not be counted as Consolidated Total Indebtedness until five Business Days after such amount is drawn and (B) Hedging Obligations existing on the Issue Date or otherwise permitted by clause (7) of the definition of Permitted Debt. For purposes hereof, the "maximum fixed repurchase price" of any Disqualified Stock or Preferred Stock that does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock or Preferred Stock as if such Disqualified Stock or Preferred Stock were purchased on any date on which Consolidated Total Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the fair market value of such Disqualified Stock or Preferred Stock, such fair market value shall be determined reasonably and in good faith by the Company. The U.S. dollar equivalent principal amount of any Indebtedness denominated in a foreign currency will reflect the currency translation effects, determined in accordance with GAAP, of Hedging Obligations for currency exchange risks with respect to the applicable currency in effect on the date of determination of the U.S. dollar equivalent principal amount of such Indebtedness.

"*Consolidated Total Net Debt Ratio*" means, with respect to any Person as of any date of determination, the ratio of (1) Consolidated Total Indebtedness of such Person and its Restricted Subsidiaries as of the end of the most recent fiscal quarter minus cash and Cash Equivalents that would be stated on the balance sheet of such Person and its Restricted Subsidiaries as of such date with such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio and as determined in good faith by the Company to (2) LTM Cash Flow.

"*continuing*" means, with respect to any Default or Event of Default, that such Default or Event of Default has not been cured or waived.

"*Credit Facility*" means any debt facility (including the ABL Credit Agreement), indentures, commercial paper facilities, asset-backed securitization facilities or other financing arrangements providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), letters of credit, debt securities, notes, bonds or other capital markets financings.

"*Credit Parties*" means, collectively, the Company and each Guarantor, and "*Credit Party*" means any of them.

"*Customary Recourse Exceptions*" means, with respect to any Non-Recourse Debt of an Unrestricted Subsidiary, exclusions from the exculpation provisions with respect to such Non-Recourse Debt for the voluntary bankruptcy or insolvency of such Unrestricted Subsidiary, fraud, misapplication of cash, environmental claims, waste, willful destruction and other circumstances customarily excluded by lenders from exculpation provisions or included in separate indemnification agreements in non-recourse financings.

"*Debtor Relief Laws*" means the Bankruptcy Code and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, winding-up, restructuring, examinership or similar action or proceeding, in each case under debtor relief laws of the United States or other insolvency law in the applicable jurisdictions from time to time in effect and affecting the rights of creditors generally or any other corporate statute if the relevant corporation proposes an arrangement involving a compromise or conversion of liabilities with respect to any class of creditors of such corporation.

"*Default*" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"*Derivative Instrument*" with respect to a Person, means any contract, instrument or other right to receive payment or delivery of cash or other assets to which such Person or any Affiliate of such Person that is acting in concert with such Person in connection with such Person's investment in the Notes (other than a Screened Affiliate) is a party (whether or not requiring further performance by such Person), the value and/or cash flows of which (or any material portion thereof) are materially affected by the value and/or performance of the Notes and/or the creditworthiness of the Company and/or any one or more of the Guarantors (the "*Performance References*").

"*Designated Non-Cash Consideration*" means the fair market value of non-Cash Consideration received by the Company or a Restricted Subsidiary of the Company in connection with an Asset Sale that is so designated as Designated Non-Cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of or collection on such Designated Non-Cash Consideration.

"*DIP Financing*" means a debtor-in-possession or interim financing (or its equivalent) in favor of one or more Credit Parties.

"*Disqualified Stock*" means, with respect to any Person, any Capital Stock that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, in either case at the option of the holder thereof) or upon the happening of any event (other than at the option of such Person):

(1) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise,

(2) is or may become redeemable or repurchaseable at the option of the holder thereof, in whole or in part, or

(3) is convertible or exchangeable at the option of the holder thereof for Indebtedness or Disqualified Stock,

on or prior to, in the case of clause (1), (2) or (3), the date that is 91 days after the original Stated Maturity of the Notes. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Company to repurchase or redeem such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of

such Capital Stock provide that the Company may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the terms of the Indenture. The amount of Disqualified Stock deemed to be outstanding at any time for purposes of the Indenture will be the maximum amount that the Company and its Restricted Subsidiaries may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends.

"*Domestic Subsidiary*" means any Restricted Subsidiary of the Company that was formed under the laws of the United States or any state of the United States or the District of Columbia. "*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable or exercisable for, Capital Stock).

"*Equity Offering*" means any public or private sale of Capital Stock of the Company (or any parent of the Company if the net proceeds thereof are contributed to the Company as a capital contribution) (other than Disqualified Stock and other than to a Subsidiary of the Company) made for cash on a primary basis by the Company (or any parent of the Company) after the Issue Date.

"*Excluded Contributions*" means the net cash proceeds, fair market value of marketable securities, Cash Equivalents or assets that are used or useful in, or Capital Stock of any Person engaged in, a Permitted Business, in each case, received by the Company from: (a) contributions to its common equity capital, and (b) the sale (other than to a Subsidiary of the Company or to any Company or Subsidiary management equity plan or stock option plan or any other management or employee benefit plan or agreement) of Capital Stock (other than Disqualified Stock) of the Company, in each case designated as Excluded Contributions pursuant to an Officer's Certificate on or promptly after the date such capital contributions are made or the date such Capital Stock is sold, as the case may be.

"*Excluded Subsidiary*" means any Restricted Subsidiary with respect to which the provision of a Guarantee by such Restricted Subsidiary would be prohibited or restricted by (a) any applicable Governmental Authority, applicable law or regulation or (b) contract (provided that such contract was not entered into in contemplation and for the purposes of avoiding such Restricted Subsidiary's obligation to otherwise provide a Guarantee).

"*Existing Indebtedness*" means the aggregate principal amount of Indebtedness of the Company and its Restricted Subsidiaries (other than Indebtedness under the ABL Credit Agreement and any intercompany Indebtedness) in existence on the Issue Date, until such amounts are repaid.

"*fair market value*" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by the Board of Directors of the Company or (other than for purposes of clause (9) under "*—Events of Default*"), in cases involving amounts of less than $50.0 million, by an officer of the Company.

"*Finance Lease Obligation*" means, at the time any determination is to be made, the amount of the liability in respect of a finance lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with GAAP, and the Stated Maturity 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. Notwithstanding the foregoing, any lease (whether entered into before or after the Issue Date) that would have been classified as an operating lease pursuant to GAAP as in effect prior to the issuance by the Financial Accounting Standards Board on February 25, 2016 of an Accounting Standards Update (the "*ASU*") will be deemed not to represent a Finance Lease Obligation, and any ratio or basket availability under the Indenture will be calculated as if the changes in GAAP made as a result of such ASU had not occurred.

"*Fitch*" means Fitch Ratings, Inc., and any successor to the ratings business thereof.

"*Fixed Charge Coverage Ratio*" means with respect to any specified Person for any Reference Period, the ratio of the Consolidated Cash Flow of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases or redeems any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the applicable Reference Period

and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "*Calculation Date*"), then the Fixed Charge Coverage Ratio will be calculated giving pro forma effect to such incurrence, assumption, guarantee, repayment, repurchase or redemption of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or Preferred Stock, and the use of the proceeds therefrom as if the same had occurred at the beginning of such period. If any Indebtedness that is being given pro forma effect bears an interest rate at the option of such Person, the interest rate shall be calculated by applying such optional rate chosen by such Person. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a secured overnight financing rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as such Person may designate.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions and Investments that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers, consolidations or otherwise (including acquisitions of assets used in a Permitted Business), and including in each case any related financing transactions (including repayment of Indebtedness) during the Reference Period or subsequent to such Reference Period and on or prior to the Calculation Date, will be given pro forma effect as if they had occurred on the first day of the Reference Period, including any Consolidated Cash Flow and any pro forma expense and cost reductions that have occurred or are reasonably expected to occur within the next 24 months, in the reasonable judgment of the chief financial or accounting officer or treasurer of such Person (regardless of whether those cost savings or operating improvements could then be reflected in pro forma financial statements in accordance with Regulation S-X promulgated under the Securities Act or any other regulation or policy of the Commission related thereto);

(2) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date;

(4) any Person that is a Restricted Subsidiary of the specified Person on the Calculation Date will be deemed to have been a Restricted Subsidiary of the specified Person at all times during such Reference Period;

(5) any Person that is not a Restricted Subsidiary of the specified Person on the Calculation Date will be deemed not to have been a Restricted Subsidiary of the specified Person at any time during such Reference Period;

(6) if any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date of 12 months or more, or, if the remaining term is less than 12 months, taking such Hedging Obligation into account on a proportional basis); and

(7) interest income reasonably anticipated by such Person to be received during the applicable Reference Period from cash or Cash Equivalents held by such Person or any Restricted Subsidiary of such Person, which cash or Cash Equivalents exist on the Calculation Date or will exist as a result of the transaction giving rise to the need to calculate the Fixed Charge Coverage Ratio, will be included.

"*Fixed Charges*" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense (net of cash interest income) of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, including amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Finance Lease Obligations, imputed interest with respect to Attributable

Debt, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and including the effect of all payments made or received pursuant to interest rate Hedging Contracts, but excluding any unrealized mark-to-market losses and gains under Hedging Contracts; plus

(2) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period, plus

(3) all dividends, whether paid or accrued and whether or not in cash, on any series of Disqualified Stock of such Person or on any series of Preferred Stock of its Restricted Subsidiaries, other than dividends payable solely in Equity Interests of the payor (other than Disqualified Stock) or to such Person or a Restricted Subsidiary of such Person, in each case, on a consolidated basis and determined in accordance with GAAP.

"*Flood Insurance Laws*" means, 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 statue 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.

"*Foreign Subsidiary*" means any Restricted Subsidiary of the Company that is not a Domestic Subsidiary, and any Restricted Subsidiary of any Foreign Subsidiary, whether or not such Restricted Subsidiary is a Domestic Subsidiary.

"*GAAP*" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect on the Issue Date. For the purposes of the indenture, the term "consolidated" with respect to any Person means such Person consolidated with its Restricted Subsidiaries, and shall not include any Unrestricted Subsidiary, but the interest of such Person in an Unrestricted Subsidiary will be accounted for as an Investment.

"*Government Securities*" means securities that are:

(1) direct obligations of the United States for the timely payment of which its full faith and credit is pledged; or

(2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States, which are not callable or redeemable at the option of the issuers thereof, and will also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such Government Securities or a specific payment of principal of or interest on any such Government Securities held by such custodian for the account of the holder of such depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Government Securities or the specific payment of principal of or interest on the Government Securities evidenced by such depository receipt.

"*Governmental Authority*" means the government of the United States or any state, district or possession thereof or any other nation, or of any political subdivision thereof, whether state, local, or otherwise, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"*Grantor*" means the Company and each Guarantor that executes a Security Document, *provided* that, upon release or discharge of any Guarantor from its Guarantee of the Notes, such Person shall cease to be a Grantor.

The term "*guarantee*" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including by way of a pledge of assets, acting as co-obligor or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness, *provided* that any agreement by the Company or any of its Restricted Subsidiaries to repurchase equipment at a price not greater than its fair market value shall not be deemed a guarantee of Indebtedness. When used as a verb, "guarantee" has a correlative meaning.

"*Guarantee*" means any guarantee of the Company's Obligations under the Indenture and the Notes.

"*Guarantors*" means the Parent and each of the Restricted Subsidiaries of the Parent that becomes a Guarantor in accordance with the provisions of the Indenture; and their respective successors and assigns, *provided* that, upon release or discharge of the Parent or any such Restricted Subsidiary from its Guarantee of the Notes, such Restricted Subsidiary shall cease to be a Guarantor.

"*Hedging Contracts*" means, with respect to any specified Person:

(1) any interest swap agreement, forward rate agreement, floor, cap or collar agreement, futures or options, insurance or other similar agreement or arrangement, or any combination thereof, entered into by the Company, any Guarantor or any Restricted Subsidiary where the subject matter of the same is interest rates or the price, value or amount payable thereunder is dependent or based upon the interest rates or fluctuations in interest rates in effect from time to time (but, for certainty, shall exclude conventional floating rate debt);

(2) any currency swap agreement, cross currency agreement, forward agreement, floor, cap or collar agreement, futures or options, insurance or other similar agreement or arrangement, or any combination thereof, entered into by the Company, any Guarantor or any Restricted Subsidiary where the subject matter of the same is currency exchange rates or the price, value or amount payable thereunder is dependent or based upon currency exchange rates or fluctuations in currency exchange rates as in effect from time to time;

(3) any agreement for the making or taking of delivery of any commodity, any commodity swap agreement, floor, cap or collar agreement or commodity future or option or other similar agreements or arrangements, or any combination thereof, entered into by the Company, any Guarantor or any Restricted Subsidiary where the subject matter of the same is any commodity or the price, value or amount payable thereunder is dependent or based upon the price of any commodity or fluctuations in the price of any commodity; *provided* that, "Hedging Contract" shall exclude any agreement for the making or taking of physical delivery of any commodity in the ordinary course of business or the physical purchase or sale of any commodity by the Company, any Guarantor or any Restricted Subsidiary entered into in the ordinary course of business unless either (a) such agreement is with a bank, investment bank, securities dealer, insurance company, trust company, pension fund, institutional investor or any other financial institution or any Affiliate of any of the foregoing, or (b) such agreement is entered into for hedging purposes or otherwise for the purpose of eliminating or reducing the financial risk or exposure of the Company, any Guarantor or any Restricted Subsidiary to fluctuations in the prices of commodities; or

(4) any agreement in connection with equity securities of the Company, any Guarantor or a Restricted Subsidiary, any equity securities plan hedging agreement, floor, cap or collar agreement or equity security plan future or option or other similar agreements or arrangement, or any combination thereof, entered into by the Company, any Guarantor or a Restricted Subsidiary where the subject matter of the same is any equity securities of the Company or a Restricted Subsidiary or the price, value or amount payable thereunder is dependent or based upon the price of any equity securities of the Company, any Guarantor or a Restricted Subsidiary or fluctuations in the price of any such equity securities;

and in each case are entered into only in the normal course of business and not for speculative purposes.

"*Hedging Obligations*" mean, with respect to any Person, the Obligations in respect of such Person under Hedging Contracts.

"*Holder*" means a Person in whose name a Note is registered.

"*Indebtedness*" means, with respect to any specified Person, any indebtedness of such Person, whether or not contingent:

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments;

(3) in respect of all outstanding letters of credit issued for the account of such Person that support obligations that constitute Indebtedness (provided that the amount of such letters of credit included in Indebtedness shall not exceed the amount of the Indebtedness being supported) and, without duplication, the unreimbursed amount of all drafts drawn under letters of credit issued for the account of such Person;

(4) in respect of bankers' acceptances issued for the account of such Person;

(5) representing Finance Lease Obligations or representing Attributable Debt in respect of a Sale/Leaseback Transaction not involving a Finance Lease Obligation;

(6) representing the balance deferred and unpaid of the purchase price of any property, except any such balance that constitutes an accrued expense or trade payable; or

(7) representing any obligations under Hedging Contracts,

if and to the extent any of the preceding items (other than letters of credit and obligations under Hedging Contracts) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of the specified Person prepared in accordance with GAAP. In addition, the term "*Indebtedness*" includes (i) all Indebtedness of other Persons of the type referred to in the foregoing clauses (1) through (7) secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person), the amount of such Indebtedness of such referent Person being deemed to be the lesser of the fair market value of such asset and the amount of the Indebtedness of such other Person so secured and (ii) to the extent not otherwise included, the guarantee by the specified Person of any Indebtedness of any other Person. For the avoidance of doubt, the term "*Indebtedness*" excludes (i) any obligation in respect of taxes, assessments or other similar governmental charges or claims, (ii) any obligation arising from any agreement providing for indemnities, purchase price adjustments, holdbacks, contingency payment obligations based on the performance of acquired or disposed assets or similar obligations (other than guarantees of Indebtedness) incurred by the specified Person in connection with the acquisition or disposition of assets, (iii) any obligation arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business, (iv) obligations owed to banks and other financial institutions incurred in the ordinary course of business in connection with Cash Management Obligations and other ordinary banking arrangements to provide treasury services or to manage cash balances, and (v) any commitment to make loans, advances or other Investments, or to purchase Investments, Persons or other securities or assets. The term "*Indebtedness*" also excludes any repayment or reimbursement obligation of such Person or any of its Restricted Subsidiaries with respect to Customary Recourse Exceptions, unless and until an event or circumstance occurs that triggers the Person's or such Restricted Subsidiary's direct repayment or reimbursement obligation (as opposed to contingent or performance obligations) to the lender or other Person to whom such obligation is actually owed, in which case the amount of such direct payment or reimbursement obligation shall constitute Indebtedness.

The amount of any Indebtedness outstanding as of any date will be:

(1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;

(2) in the case of obligations under any Hedging Contracts, the termination value of the agreement or arrangement giving rise to such obligations that would be payable by such Person at such date;

(3) in the case of any Finance Lease Obligations, the amount determined in accordance with the definition thereof;

(4) in the case of contingent obligations (other than those specified in clauses (1) and (2) of this paragraph), the maximum liability at such date of such Person; and

(5) the principal amount of the Indebtedness, in the case of any other Indebtedness.

For purposes of determining the amount of Indebtedness under any covenants, definitions or other provisions of the Indenture, guarantees of, and obligations in respect of, letters of credit, bankers' acceptances, bank guarantees and other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included, and the incurrence or creation of any such guarantees, obligations or Liens shall not be deemed to be the incurrence of Indebtedness.

"*Insolvency or Liquidation Proceeding*" means:

(1) any case, proceeding or other action commenced by or against any Credit Party under any Debtor Relief Laws, but which, for certainty, shall exclude any dissolution, winding-up or liquidation of a solvent Credit Party into or merger, amalgamation with, or transfer of all or substantially all of the assets of one Credit Party to, another solvent Credit Party as permitted by each of the applicable Secured Debt Documents, each as in effect on the date hereof;

(2) any other proceeding, or the initiation of any proceedings: (a) of any type or nature in which substantially all claims of creditors of any Credit Party are determined and any payment or distribution is or may be made on account of such claims; or (b) in relation to any of the foregoing; or

(3) any analogous procedure in any jurisdiction,

in each case, whether any of the foregoing is voluntary or involuntary, partial or complete, and includes any such proceedings initiated or consented to by any Credit Party.

"*Investment Grade Rating*" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's, BBB- (or the equivalent) or better by Fitch and BBB- (or the equivalent) by S&P, or if Moody's, Fitch or S&P ceases to rate the Notes for reasons outside of the Company's control, the equivalent investment grade rating from any other Rating Agency.

"*Investments*" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including guarantees or other obligations), advances or capital contributions (excluding (i) loans and advances (including payroll, commission, travel, relocation costs and similar advances) to officers, directors (or persons holding similar positions) and employees made in the ordinary course of business, (ii) advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of the lender and (iii) any debt or extension of credit represented by a bank deposit other than a time deposit), Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP; *provided*, however, that endorsements of negotiable instruments and deposits in the ordinary course of business consistent with past practice will not be deemed to be an Investment. If the Company or any Restricted Subsidiary of the Company sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of the Company such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary of the Company, the Company will be deemed to have made an Investment on the date of any such sale or disposition in an amount equal to the fair market value of the Equity Interests of such Restricted Subsidiary not sold or disposed of. The acquisition by the Company or any Restricted Subsidiary of the Company of a Person that holds an Investment in a third Person will be deemed to be an Investment made by the Company or such Restricted Subsidiary in such third Person in an amount equal to the fair market value of the Investment held by the acquired Person in such third Person on the date of any such acquisition.

For purposes of the covenants described under "— *Certain Covenants —Restricted Payments*" and "— *Designation of Restricted and Unrestricted Subsidiaries*":

(1) "*Investments*" will include the portion (proportionate to the Company's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of

such Restricted Subsidiary of the Company at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary under the Indenture (as determined in good faith by the Board of Directors of the Company); *provided, however,* that upon a redesignation of such Subsidiary as a Restricted Subsidiary under the Indenture, the Company will be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary for purposes of the Indenture in an amount (if positive) equal to (a) the Company's "Investment" in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer.

"*Issue Date*" means , 2025.

"*Joint Venture*" means any Person that is not a direct or indirect Subsidiary of the Company in which the Company or any of its Restricted Subsidiaries makes any Investment.

"*Junior Debt*" means any (a) senior unsecured Capital Markets Debt issued or borrowed by the Company or any of its Restricted Subsidiaries, any Indebtedness of the Company or any Restricted Subsidiary which is by its terms expressly subordinated in right of payment to the Notes or the Guarantee or such Restricted Subsidiary and (b) senior secured Indebtedness that is secured by Liens on the Collateral ranking junior in priority to the Liens securing the Notes or with respect to the application of proceeds from Collateral resulting from an enforcement event.

"*Lien*" means, with respect to any asset, any mortgage, lien (statutory or other), pledge, hypothecation, collateral assignment, charge, security interest or encumbrance or any preference, priority or other security of any kind or nature in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code or equivalent statute of any other jurisdiction; *provided* that in no event shall a lease (whether entered into before or after December 31, 2018) which would have been classified as an operating lease in accordance with generally accepted accounting principles in effect on December 31, 2018, be deemed to constitute a Lien.

"*Long Derivative Instrument*" means a Derivative Instrument (i) the value of which generally increases, and/or the payment or delivery obligations under which generally decrease, with positive changes to the Performance References and/or (ii) the value of which generally decreases, and/or the payment or delivery obligations under which generally increase, with negative changes to the Performance References.

"*LTM Cash Flow*" means Consolidated Cash Flow of a specified Person measured for the applicable Reference Period, with such pro forma adjustments giving effect to such Indebtedness, acquisition, Investment or other transaction, as applicable, since the start of such four quarter period and as are consistent with the pro forma adjustments set forth in the definition of "*Fixed Charge Coverage Ratio*."

"*Make Whole Premium*" means, with respect to a Note as of any redemption date for such Note whose redemption price may be determined by reference to the Make Whole Premium, the excess, if any, of (1) the present value as of the applicable redemption date of (a) the redemption price of such Note at , 2027 (such redemption price being set forth in the first full paragraph of this "— *Optional Redemption*" section) plus (b) any required interest payments due on such Note through , 2027 (except for accrued and unpaid interest to, but not including, the applicable redemption date), computed using a discount rate equal to the Treasury Rate plus 50 basis points, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months), over (2) the principal amount of such Note.

"*Material Real Property*" means Real Property in which the Company or any Guarantor has an interest, in each case, with a fair market value of $10.0 million (as determined by the Company in good faith) or more, as determined (A) with respect to any Real Property owned by the Company or any Guarantor on the Issue Date, as of

the Issue Date, and (B) with respect to any Real Property acquired by the Company or any Guarantor after the Issue Date, as of the date of such acquisition.

"*Moody's*" means Moody's Investors Service, Inc. or any successor to the rating agency business thereof.

"*Net Proceeds*" means the aggregate cash proceeds received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of:

(1) the direct costs relating to such Asset Sale, including legal, accounting and investment banking fees and sales commissions, severance costs and any relocation expenses incurred as a result of the Asset Sale;

(2) taxes paid or payable by or on behalf of the Company, any of its Restricted Subsidiaries, or any of their direct or indirect owners as a result of the Asset Sale;

(3) amounts required to be applied to the repayment of Indebtedness secured by a Permitted Prior Lien on the properties or assets that were the subject of such Asset Sale; and

(4) any amounts to be set aside in any reserve established in accordance with GAAP or any amount placed in escrow, in either case for adjustment in respect of the sale price of such properties or assets or for liabilities associated with such Asset Sale and retained by the Company or any of its Restricted Subsidiaries until such time as such reserve is reversed or such escrow arrangement is terminated, in which case Net Proceeds shall include only the amount of the reserve so reversed or the amount returned to the Company or its Restricted Subsidiaries from such escrow arrangement, as the case may be.

"*Net Short*" means, with respect to a Holder or Beneficial Owner, as of a date of determination, either (i) the value of its Short Derivative Instruments exceeds the sum of (x) the value of its Notes plus (y) the value of its Long Derivative Instruments as of such date of determination or (ii) it is reasonably expected that such would have been the case were a Failure to Pay or Bankruptcy Credit Event (each as defined in the 2014 ISDA Credit Derivatives Definitions, as supplemented by the 2019 Narrowly Tailored Credit Event Supplement) to have occurred with respect to the Company or any Guarantor immediately prior to such date of determination.

"*Non-Recourse Debt*" means Indebtedness:

(1) except as provided in (2) below, as to which neither the Company nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness) or (b) is directly or indirectly liable as a guarantor or otherwise, except for Customary Recourse Exceptions; and

(2) as to which the lenders will not have any contractual recourse to the Capital Stock or assets of the Company or any of its Restricted Subsidiaries (other than the Capital Stock of an Unrestricted Subsidiary), except for Customary Recourse Exceptions.

For purposes of determining compliance with the covenant described under "— *Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock*" above, in the event that any Non-Recourse Debt of any of the Company's Unrestricted Subsidiaries ceases to be Non-Recourse Debt of such Unrestricted Subsidiary, such event will be deemed to constitute an incurrence of Indebtedness by a Restricted Subsidiary of the Company.

"*Notes Collateral Account*" means one or more deposit accounts or securities accounts under the control of the Trustee or the Notes Collateral Agent holding only the proceeds of any sale or disposition of any Notes Priority Collateral.

"*Notes Documents*" means, collectively, the Indenture (including the Guarantees), the Notes, the Security Documents, and each of the other agreements, documents and instruments providing for or evidencing any other Notes Obligations, and any other document or instrument executed or delivered at any time in connection with any Notes Obligations, to the extent such are effective at the relevant time, in each case, as each may be amended, restated,

supplemented, modified, renewed, extended or refinanced in whole or in part from time to time, and any other credit agreement, indenture or other agreement, document or instrument evidencing, governing, relating to or securing any Pari Passu Notes Lien Indebtedness.

"*Notes Obligations*" means all Obligations in respect of the Notes and the Guarantees and any Indebtedness incurred under clause (3)(b) of the definition of "Permitted Debt."

"*Obligations*" means with respect to any Indebtedness of any Person (collectively, without duplication):

(1) all debt, financial liabilities and obligations under a Secured Debt Document of such Person of whatsoever nature and howsoever evidenced (including principal, interest (including all interest accrued thereon after the commencement of any Insolvency or Liquidation Proceeding at the rate, including any applicable post-default rate, specified in the applicable Secured Debt Documents, even if such interest is not enforceable, allowable or allowed as a claim in such proceeding), fees, reimbursement obligations, penalties, indemnities and legal and other expenses, whether due after acceleration or otherwise) to the providers or holders of such Indebtedness or to any agent, trustee or other representative of such providers or holders of such Indebtedness under or pursuant to each agreement, document or instrument evidencing, securing, guaranteeing or relating to such Indebtedness, financial liabilities or obligations relating to such Indebtedness (including Secured Debt Documents applicable to such Indebtedness (if any)), in each case, direct or indirect, primary or secondary, fixed or contingent, now or hereafter arising out of or relating to any such agreement, document or instrument;

(2) any and all sums advanced by the Notes Collateral Agent or any other Person in accordance with the Secured Debt Documents in order to preserve the Collateral or any other collateral securing such Indebtedness or to preserve the Liens in the Collateral or any other collateral securing such Indebtedness;

(3) the costs and expenses of collection and enforcement of the obligations referred to in clauses (1) and (2), including:

(a) the costs and expenses of retaking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on any Collateral or any other collateral;

(b) the costs and expenses of any exercise by the Notes Collateral Agent or any other Person of its rights under the Security Documents; and

(c) reasonable legal fees and court costs; and

(4) other compensation and expenses payable in accordance with the Indenture.

"*Obligor*" means each of the Company, each Guarantor and each other Person that at any time provides collateral security for any Secured Obligations.

"*Officer*" means, with respect to the Company or any other Obligor upon the Notes, the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer or the Secretary (1) of such Person or (2) if such Person is a partnership or limited partnership or otherwise managed by another single entity, of such entity. Unless otherwise indicated, Officer shall refer to an officer of the Company.

"*Officer's Certificate*" means a certificate signed on behalf of a Person by an Officer of such Person that meets the requirements set forth in the Indenture.

"*Parent*" means SESI Holdings, Inc., a Delaware corporation.

"*Pari Passu ABL Lien Indebtedness*" means:

(1) Indebtedness under the ABL Credit Agreement (provided that one or more Commercial Lending Institutions holds a majority of the aggregate commitments and outstanding principal amount of each tranche of

Indebtedness thereunder at the time of incurrence thereof) incurred in reliance upon clause (1) of the definition of "Permitted Debt" and Priority Hedging Obligations and Priority Cash Management Obligations constituting "Secured Obligations" (as defined in the ABL Credit Agreement) and any guarantees thereof that, in each case, were permitted under each applicable Secured Debt Document to be incurred and secured at the date of incurrence (with the satisfaction of such requirements to be conclusively established if the Company makes a representation, at the time of incurrence, to the lenders under the ABL Credit Agreement to that effect or delivers, at the time of incurrence, an Officer's Certificate to such lenders to that effect); and

(2) Indebtedness under any other Credit Facility (excluding intercompany Indebtedness owing to the Company or any of its Subsidiaries) incurred under clause (1) of the definition of "Permitted Debt" and any Guarantee thereof and any Priority Hedging Obligations and Priority Cash Management Obligations incurred under clause (1) of the definition of "Permitted Debt" and any Guarantees thereof, in each case, with Pari Passu Lien Priority relative to the ABL Obligations with respect to the Collateral and permitted under each applicable Secured Debt Document to be incurred and so secured; *provided*, in the case of each issue or series of Indebtedness referred to in this clause (2), that:

(A) one or more Commercial Lending Institutions holds a majority of the aggregate commitments and outstanding principal amount of each tranche of Indebtedness thereunder at the time of incurrence thereof;

(B) such Indebtedness is not secured by any assets that do not constitute Collateral; and

(C) an authorized representative of the holders of such Indebtedness shall have executed a joinder to the Security Documents in the form provided therein.

"*Pari Passu Indebtedness*" means any Indebtedness of the Company or any Guarantor that is not subordinated Indebtedness.

"*Pari Passu Lien Priority*" means relative to specified Indebtedness and other obligations having equal Lien priority to (i) the Notes and the Guarantees on the Collateral or (ii) the ABL Credit Agreement on the Collateral.

"*Pari Passu Notes Lien Documents*" means, collectively, the Notes Documents, any Pari Passu Notes Lien Intercreditor Agreement and the indenture or agreement governing each other Series of Pari Passu Notes Lien Indebtedness and in each case all related guarantees and other agreements governing, securing or relating to any Pari Passu Notes Lien Obligations (including, without limitation, the Security Documents).

"*Pari Passu Notes Lien Indebtedness*" means:

(1) the Notes and the related Guarantees issued on the Issue Date, and any other amounts payable under the Indenture, other than in respect of any Additional Notes; and

(2) Indebtedness issued or incurred from time to time in reliance on clause (3)(b) or (5) (insofar as such Indebtedness is refinancing Indebtedness incurred under clause (3)(b) of the definition of "Permitted Debt") of the definition of "Permitted Debt"; *provided* that any such Indebtedness (including Additional Notes) has a Stated Maturity date that is equal to or longer than the Stated Maturity date of the Notes, is permitted to have Pari Passu Lien Priority relative to the Notes and the Guarantees with respect to the Collateral and is not secured by any other assets; *provided* further that, in each case, an authorized representative of the holders of such Indebtedness (other than any Additional Notes) shall have entered into (or joined) a Pari Passu Notes Lien Intercreditor Agreement and executed a joinder to the Security Documents in the form provided therein.

"*Pari Passu Notes Lien Intercreditor Agreement*" means an agreement in substantially the same form as attached to the Indenture among each Pari Passu Notes Lien Representative and the Notes Collateral Agent allocating rights in respect of the Collateral among the various Series of Pari Passu Notes Lien Indebtedness.

"*Pari Passu Notes Lien Obligations*" means Pari Passu Notes Lien Indebtedness and all other Obligations in respect thereof.

"*Pari Passu Notes Lien Representative*" means:

(1) in the case of the Notes and the Guarantees, the Trustee; or

(2) in the case of any other Series of Pari Passu Notes Lien Indebtedness, the trustee, agent or representative of the holders of such Series of Pari Passu Notes Lien Indebtedness who is appointed as a Pari Passu Notes Lien Representative (for purposes related to the administration of the Security Documents) pursuant to the agreement governing such Series of Pari Passu Notes Lien Indebtedness, and who has become a party to the ABL Intercreditor Agreement and a Pari Passu Intercreditor Agreement.

"*Pari Passu Notes Lien Secured Parties*" means the holders of Pari Passu Notes Lien Obligations, including Holders of the Notes, the Trustee, each Pari Passu Notes Lien Indebtedness Representative and the Notes Collateral Agent.

"*Permitted Acquisition Indebtedness*" means:

(1) Indebtedness or Preferred Stock of the Company or any of its Restricted Subsidiaries to the extent such Indebtedness or Preferred Stock were Indebtedness or Preferred Stock of any other Person existing at the time (a) such Person became a Restricted Subsidiary of the Company, (b) such Person was merged or consolidated with or into the Company or any of its Restricted Subsidiaries or (c) properties or assets of such Person were acquired by the Company or any of its Restricted Subsidiaries and such Indebtedness was assumed in connection therewith; and

(2) Indebtedness incurred by the Company or any of its Restricted Subsidiaries, in each case, (a) to provide all or any portion of the funds utilized to consummate the transaction pursuant to which such Person became a Restricted Subsidiary of the Company or was merged or consolidated with or into the Company or a Restricted Subsidiary of the Company or (b) otherwise in connection with, or in contemplation of, such acquisition, *provided*, in the case of this clause (3), that on the date such Person became a Restricted Subsidiary of the Company or the date such Person was merged or consolidated with or into the Company or any of its Restricted Subsidiaries, or on the date of such property or asset acquisition, as applicable, either:

(a) immediately after giving effect to such transaction and any related financing transactions on a pro forma basis as if the same had occurred at the beginning of the applicable Reference Period, the Company or such Restricted Subsidiary, as applicable, would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described above under the caption "*— Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock*," or

(b) immediately after giving effect to such transaction and any related financing transactions on a pro forma basis as if the same had occurred at the beginning of the applicable Reference Period, the Fixed Charge Coverage Ratio of the Company would be equal to or greater than the Fixed Charge Coverage Ratio of the Company immediately prior to such transaction.

"*Permitted Business*" means (i) oil and gas drilling equipment rentals; (ii) the provision of oilfield services; or (iii) any business that is, in the reasonable judgment of the Company, similar, reasonably related, incidental, ancillary or complementary to the foregoing or extensions, developments or expansions thereof.

"*Permitted Business Investments*" means Investments by the Company or any of its Restricted Subsidiaries in any Unrestricted Subsidiary of the Company or in any Joint Venture, *provided* that:

(1) at the time of such Investment and immediately after giving pro forma effect to such Investment as though such Investment had been made at the beginning of the Reference Period the Company could incur $1.00 of additional Indebtedness under the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described under "*— Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock*" above *provided* that in connection with any Permitted Business Investment involving aggregate payments or consideration in excess of $25.0 million or series of related Permitted Business Investments, the Company shall deliver to the Trustee an Officer's Certificate (a) certifying that such Permitted Business Investment or series of Permitted

Business Investments complies with this clause and that such Permitted Business Investment or series of related Permitted Business Investments is being made for bona fide business purposes and (b) with respect to any Permitted Business Investment or series of related Permitted Business Investment involving aggregate payments or consideration in excess of $100.0 million has been approved by a majority of the Board of Directors of the Company;

(2) if such Unrestricted Subsidiary or Joint Venture has outstanding Indebtedness at the time of such Investment, either (a) all such Indebtedness is Non-Recourse Debt or (b) any such Indebtedness of such Unrestricted Subsidiary or Joint Venture that is recourse to the Company or any of its Restricted Subsidiaries (which shall include all Indebtedness of such Unrestricted Subsidiary or Joint Venture for which the Company or any of its Restricted Subsidiaries may be directly or indirectly, contingently or otherwise, obligated to pay, whether pursuant to the terms of such Indebtedness, by law or pursuant to any guarantee, including any "claw-back," "make-well" or "keep-well" arrangement) could, at the time such Investment is made, be incurred (and, for the avoidance of doubt will be deemed incurred) at that time by the Company and its Restricted Subsidiaries under the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described under "— *Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock*"; and

(3) such Unrestricted Subsidiary's or Joint Venture's activities are not outside the scope of any Permitted Business.

"*Permitted Investments*" means:

(1) any Investment in the Company (including through purchases of, or other investments in, the Notes) or a Restricted Subsidiary of the Company; *provided* that (i) in the case of Investments in Restricted Subsidiaries that are not Guarantors at the time of such Investment and immediately after giving pro forma effect to such Investment as though such Investment had been made at the beginning of the Reference Period the Company's Consolidated Total Net Debt Ratio is equal to or less than 1.75 to 1.00, and (ii) in connection with any Investment or series of related Investments involving aggregate payments or consideration in excess of $25.0 million pursuant to this proviso, the Company shall deliver to the Trustee an Officer's Certificate (a) certifying that such Investment or series of Investment complies with this proviso and that such Investment or series of related Investments is being made for bona fide business purposes and (b) with respect to any Investment or series of related Investment involving aggregate payments or consideration in excess of $100.0 million has been approved by a majority of the Board of Directors of the Company; *provided*, *further*, that if any Investment pursuant to this clause (1) is made in any Person that is not a Guarantor of the Company at the date of the making of such Investment and such Person becomes a Guarantor after such date, such Investment shall thereafter be deemed to have been made pursuant to the first portion of this clause (1) and shall cease to have been made pursuant to the first proviso of this clause (1) for so long as such Person continues to be a Guarantor;

(2) any Investment in cash and Cash Equivalents;

(3) any Investment by the Company or any Restricted Subsidiary of the Company in a Person, if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary of the Company; or

(b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its properties or assets to, or is liquidated into, the Company or a Restricted Subsidiary of the Company, and

in each case, any Investment held by any such Person at the time such Person becomes a Restricted Subsidiary of the Company or at the time of such merger, consolidation, amalgamation, transfer, conveyance or liquidation;

(4) any Investment made as a result of the receipt of non-cash consideration from (i) an Asset Sale that was made pursuant to and in compliance with the covenant described under "— *Certain Covenants — Repurchase at the Option of Holders — Asset Sales*," including Asset Swaps, or (ii) a disposition of assets not constituting an Asset Sale;

(5) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of the second paragraph of the covenant described under "—Certain Covenants — Transactions with Affiliates" (except those described in clauses (2), (7), (8), (9), (10), (11), (12) and (14) of that paragraph);

(6) any Investment in receivables owing to the Company or any Restricted Subsidiary created or acquired in the ordinary course of business and consistent with past practice; *provided, however,* that such trade terms may include such concessionary trade terms as the Company or any such Restricted Subsidiary deems reasonable under the circumstances;

(7) any Investment in payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business and consistent with past practice;

(8) any Investment in any Person solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Company;

(9) any Investments received (a) in compromise, settlement or resolution of, or upon satisfaction of judgments with respect to, (i) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Company or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy, insolvency, workout or recapitalization of any trade creditor or customer, or (ii) litigation, arbitration or other disputes; (b) as a result of a foreclosure, perfection or enforcement of any Lien or other transfer of title by the Company or any of its Restricted Subsidiaries with respect to any secured Investment in default; or (c) in exchange for any other Investment or accounts receivable held by the Company or any of its Restricted Subsidiaries;

(10) (i) guarantees of Indebtedness not prohibited by the covenant described under "*— Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock*" and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements entered into in the ordinary course of business (other than any Indebtedness incurred pursuant to clause (18) of the definition of Permitted Debt) and (ii) performance guarantees with respect to obligations that are not prohibited by the provisions of the Indenture (other than any Indebtedness incurred pursuant to clause (18) of the definition of Permitted Debt);

(11) loans or advances to officers, directors or employees made in the ordinary course of business of the Company or any Restricted Subsidiary of the Company in an aggregate principal amount not to exceed $10.0 million at any one time outstanding;

(12) any Investment in prepaid expenses, negotiable instruments held for collection and lease, utility, worker's compensation, performance and other similar deposits made in the ordinary course of business;

(13) 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 the provisions of the Indenture;

(14) any Investment existing on, or made pursuant to agreements or obligations of the Company and any of its Restricted Subsidiaries in effect on, the Issue Date, and any renewals or replacements thereof on terms and conditions not materially less favorable to the Company or such Restricted Subsidiary, as the case may be, than the terms of the Investment being renewed or replaced;

(15) any Investment consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(16) Hedging Contracts;

(17) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business and consistent with past practice or Liens otherwise described in the definition of "*Permitted Liens*" or made in connection with Liens permitted under the covenant in the Indenture described under "*— Certain Covenants — Limitation on Liens*";

(18) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property, in any case, in the ordinary course of business or consistent with past practice and in accordance with the Indenture;

(19) Investments of a Restricted Subsidiary acquired on or after the Issue Date or of an entity merged into the Company or merged into or consolidated with a Restricted Subsidiary on or after the Issue Date in a transaction that is not prohibited by the covenant described under the caption "*—Certain Covenants—Merger, Consolidation or Sale of Assets*" to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger or consolidation and were in existence on the date of such acquisition, merger or consolidation;

(20) Permitted Business Investments having an aggregate fair market value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (20) that are at the time outstanding, do not exceed the sum of (x) the greater of (a) $75.0 million and (b) 5.0% of the Company's Consolidated Net Tangible Assets determined as of the date of such Investment plus (y) an amount equal to any returns (including dividends, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) actually received by the Company or any Guarantor in respect of any such Investment;

(21) any Investments pursuant to or in connection with the Transactions;

(22) other Investments in any non-Guarantor Foreign Subsidiaries having an aggregate fair market value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (22) that are at the time outstanding, do not exceed the sum of (x) the greater of (a) $50.0 million and (b) 3.25% of the Company's Consolidated Net Tangible Assets determined as of the date of such Investment plus (y) an amount equal to any returns (including dividends, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) actually received by the Company or any Guarantor in respect of any such Investment; provided, that if any Investment pursuant to this clause (22) is made in any Person that is not a Guarantor of the Company at the date of the making of such Investment and such Person becomes a Guarantor after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) of this definition and shall cease to have been made pursuant to this clause (22) for so long as such Person continues to be a Guarantor; and

(23) other Investments in any Person having an aggregate fair market value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (23) that are at the time outstanding, do not exceed the greater of (a) $75.0 million and (b) 5.0% of the Company's Consolidated Net Tangible Assets determined as of the date of such Investment; *provided*, that if any Investment pursuant to this clause (23) is made in any Person that is not a Restricted Subsidiary of the Company at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) of this definition and shall cease to have been made pursuant to this clause (23) for so long as such Person continues to be a Restricted Subsidiary.

"*Permitted Liens*" means:

(1) Liens on Collateral securing Indebtedness and other obligations under Credit Facilities incurred and then outstanding pursuant to (a) clause (1) of "Permitted Debt," to the extent constituting Pari Passu ABL Lien Indebtedness or Junior Debt, or (b) clause (3) of "Permitted Debt," to the extent constituting Pari Passu Notes Lien Indebtedness or Junior Debt, including, in each case, without limitation, loans, obligations in respect of letters of credit, related Hedging Obligations and related Cash Management Agreements;

(2) Liens in favor of the Company or any of the Guarantors;

(3) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with the Company or any Restricted Subsidiary of the Company, *provided* that such Liens were in existence prior to the contemplation of such merger or consolidation and do not extend to any assets (other than replacements thereof, improvements, additions and accessions thereto and proceeds thereof and any receivables,

contract rights or intangibles related thereto) other than those of the Person merged into or consolidated with the Company or the Restricted Subsidiary;

(4) Liens on property existing at the time of acquisition of the property by the Company or any Restricted Subsidiary of the Company, *provided* that such Liens were in existence prior to the contemplation of such acquisition and relate solely to such property and replacements thereof, improvements, additions and accessions thereto and proceeds thereof and any receivables, contract rights or intangibles related thereto;

(5) any interest or title of a lessor to the property subject to a Finance Lease Obligation;

(6) Liens for the purpose of securing the payment of all or a part of the purchase price of, or Finance Lease Obligations, purchase money obligations or other payments incurred to finance the acquisition, lease, improvement or construction of or repairs or additions to, assets or property acquired or constructed in the ordinary course of business; *provided* that:

(a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be incurred under the Indenture and does not exceed the cost of the assets or property so acquired or constructed; and

(b) such Liens are created within 270 days of the later of the acquisition, lease, completion of improvements, construction, repairs or additions or commencement of full operation of the assets or property subject to such Lien and do not encumber any other assets or property of the Company or any of its Restricted Subsidiaries other than such assets or property and replacements thereof, improvements, additions and accessions thereto and proceeds thereof and any receivables, contract rights or intangibles related thereto; *provided* that individual financings of assets provided by a counterparty may be cross-collateralized to other financings of assets provided by such counterparty;

(7) Liens existing on the Issue Date (other than Liens specifically permitted by another clause of this definition);

(8) Liens to secure the performance of tenders, bids, statutory obligations, regulatory obligations, surety, customs, advance payment, appeal or similar bonds, trade contracts, government contracts, operating leases, performance bonds or other obligations of a like nature incurred in the ordinary course of business, including guarantees and obligations of the Company or any of its Restricted Subsidiaries with respect to letters of credit supporting such obligations (in each case other than an obligation for money borrowed);

(9) landlords' Liens or any other rights of distress reserved in or exercisable under any lease of real property for rent and for compliance with the terms of such lease; *provided* that such lien does not attach generally to all or substantially all of the undertaking, assets and property of the Company or a Restricted Subsidiary unless in the case of a Restricted Subsidiary, its assets primarily consist of and relate to the premises leased or are located thereon;

(10) Liens on Capital Stock of any Unrestricted Subsidiary or any Joint Venture owned by the Company or any Restricted Subsidiary of the Company to the extent securing Non-Recourse Debt or other Indebtedness of such Unrestricted Subsidiary or Joint Venture;

(11) any restriction or encumbrance (including customary rights of first refusal and tag, drag and similar rights) with respects to the pledge or transfer of Equity Interests of (a) any Unrestricted Subsidiary, (b) the Equity Interests in any Person that is not a Subsidiary or (c) any less than Wholly Owned Subsidiary that constitutes a joint venture or partnership with a non-Affiliated Person;

(12) Liens on pipelines or pipeline facilities that arise by operation of law;

(13) Liens arising under Joint Venture agreements, partnership agreements and other agreements arising in the ordinary course of business of the Company and its Restricted Subsidiaries that are customary in any Permitted Business;

(14) customary Liens on cash or cash equivalents held by a trustee for fees, costs and expenses of such trustee pursuant to an indenture;

(15) Liens pursuant to merger agreements, stock purchase agreements, asset sale agreement and similar agreements on earnest money deposits, good faith deposits, purchase price adjustment escrows and similar deposits and escrow arrangements made or established thereunder;

(16) Liens upon specific items of inventory, receivables or other goods or proceeds of the Company or any of its Restricted Subsidiaries securing such Person's obligations in respect of bankers' acceptances or receivables securitizations issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory, receivables or other goods or proceeds and permitted by the covenant "*— Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock*";

(17) Liens on any assets of any Foreign Subsidiary securing Indebtedness and other obligations under Credit Facilities incurred and then outstanding pursuant to (i) the second proviso of the first paragraph of the covenant described under the caption "*— Incurrence of Indebtedness and Issuance of Preferred Stock*" providing for incurrence of Indebtedness by Restricted Subsidiaries that are not Guarantors or (ii) clause (17) of "Permitted Debt";

(18) Liens to secure performance of Hedging Contracts (other than Priority Hedging Contracts) of the Company or any of its Restricted Subsidiaries in the ordinary course of business and not for speculative purposes;

(19) Liens securing (i) any defeasance trust provided that such Liens do not extend to or cover any assets or property that is not part of such defeasance trust or (ii) any insurance premium financing under customary terms and conditions, provided that no such Lien may extend to or cover any assets or property other than the insurance being acquired with such financing, the proceeds thereof and any unearned or refunded insurance premiums related thereto;

(20) Liens arising from any filing of or agreement to give any financing statement under the Uniform Commercial Code (or any equivalent statutes in other jurisdictions) regarding operating leases;

(21) Liens arising under pipeline agreements, compression agreements, balancing agreements, construction agreements, disposal agreements, licenses, sublicenses and other agreements that are customary in a Permitted Business; *provided*, in all instances that such Liens are limited to the assets that are the subject of the relevant agreement, program, order or contract;

(22) Liens and trusts arising or imposed by operation of law, including landlords', carriers', warehousemen's, mechanics', garagemen's, employees' materialmen's and repairmen's Liens, or related contracts in the ordinary course of business, or deposits in connection with worker's compensation, employment insurance and other social security legislation, in each case for sums not overdue for more than 60 days (or which, if due and payable, are being contested in good faith by appropriate proceedings provided appropriate reserves required pursuant to GAAP have been made in respect thereof);

(23) Liens under or pursuant to any judgment or award rendered, or claim filed, against the Company or a Restricted Subsidiary, the time for the appeal or petition for rehearing of which shall not have expired, or which the Company or such Restricted Subsidiary, as applicable, are being contesting in good faith by appropriate proceedings provided appropriate reserves required pursuant to GAAP have been made in respect thereof;

(24) undetermined or inchoate liens, charges, privileges, statutory Liens, adverse claims or encumbrances of any nature whatsoever arising or potentially arising under statutory provisions incidental to construction or current operations which have not at such time been filed pursuant to law against the Company or a Restricted Subsidiary or which relate to obligations not overdue for more than 60 days (or which, if due and payable, are being contested in good faith by appropriate proceedings provided appropriate reserves required pursuant to GAAP have been made in respect thereof);

(25) security given by the Company or a Restricted Subsidiary to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of the Company or such Restricted Subsidiary, as applicable, all in the ordinary course of its

business which individually or in the aggregate do not materially impair its use in the operation of the business of the Company or its Subsidiaries, taken as a whole;

(26) the reservation in any original grants from a Governmental Authority of any land or interests therein and statutory exceptions and reservations to title and reservations of mineral rights in any grants from a Governmental Authority or from any other predecessors in title;

(27) pledges of cash or Cash Equivalents and bankers' liens, rights of set-off and other similar liens existing solely with respect to such cash and Cash Equivalents on deposit in one or more accounts maintained by the Company or any of the Restricted Subsidiaries, in each case, granted in the ordinary course of business in favor of a person that is not a lender or an Affiliate of a lender under the ABL Credit Agreement, with which such accounts are maintained, securing amounts owing to such Person with respect to cash management and operating account arrangements, including those involving pooled accounts and netting arrangements;

(28) Liens (if any) on any account (or, in the case of any judicial re-characterization of any such sale, granted as collateral to secure financing) sold pursuant to any Permitted Supply Chain Financing and any related bank account;

(29) security interests resulting from the deposit of cash or Cash Equivalents or security interests on other assets as security when the Company or a Restricted Subsidiary is required by a Governmental Authority or by normal business practice to provide such deposits or security in connection with contracts, licenses or tenders or similar matters in the ordinary course of business and for the purpose of carrying on the same, or to secure workers' compensation, surety or appeal bonds or to secure costs of litigation when required by applicable law;

(30) rights and interests created by notice by any ministries of transportation or similar authorities with respect to proposed highways and which do not materially impair the operation of the business of the Company or a Restricted Subsidiary;

(31) *lis pendens* that may be registered against any real property or interest therein of the Company or a Restricted Subsidiary in respect of any action or proceeding against the Company or such Restricted Subsidiary or in which it is a defendant but with respect to which action or proceeding no judgment, award or attachment against the Company or such Restricted Subsidiary has been granted or made and which the Company or such Restricted Subsidiary is defending in good faith;

(32) Liens for taxes, assessments or other governmental charges not overdue for more than 30 days (or which, if so overdue, are being contested in good faith by appropriate proceedings provided appropriate reserves required pursuant to GAAP have been made in respect thereof) or the nonpayment of which in the aggregate would not reasonably be expected to have a material adverse effect on the Company and the Restricted Subsidiaries of the Company taken as a whole;

(33) survey exceptions, encumbrances, ground leases, easements, restrictions, servitudes, permits, conditions, covenants, exceptions or reservations of, or rights of others for, licenses, rights-of-way, roads, pipelines, transmission liens, transportation liens, distribution lines for the removal of gas, oil, coal or other minerals, or for the joint or common use of real estate, rights of way, facilities and equipment, Liens related to surface leases and surface operations, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real properties or liens incidental to the conduct of the business of the Company or any Restricted Subsidiary of the Company or to the ownership of its properties that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Company or any Restricted Subsidiary of the Company;

(34) the rights reserved to or vested in Governmental Authorities by statutory provisions or by the terms of leases, licenses, franchises, grants or permits, which affect any land, to terminate the leases, licenses, franchises, grants or permits or to require annual or other periodic payments as a condition of the continuance thereof;

(35) Liens or covenants restricting or prohibiting access to or from lands abutting on controlled access highways or covenants affecting the use to which such lands may be put; *provided*, *however*, such liens or covenants do not materially impair the use of the lands in the operations of the Company or a Restricted Subsidiary;

(36) Liens arising under any retention of title or conditional sale arrangement or arrangements having similar effect in respect of goods in the ordinary course of business;

(37) grants of software and other technology licenses in the ordinary course of business;

(38) other Liens, *provided* that, (a) after giving effect to any such incurrence, the aggregate principal amount of all Indebtedness then outstanding and secured by any Liens incurred pursuant to this clause (38) does not exceed the greater of (i) $100.0 million and (ii) 6.5% of the Company's Consolidated Net Tangible Assets determined as of the date of grant of such Lien and (b) if such Lien is on Collateral, such Liens are junior in priority relative to the Notes and the Guarantees; and

(39) any Lien renewing, extending, replacing a Lien permitted by clauses (2) through (38) above, *provided* that (i) the principal amount of the Indebtedness secured by such Lien is not increased except by an amount equal to the premium or other amount paid and fees and expenses incurred, in connection therewith and by an amount equal to any existing commitments unutilized thereunder and (ii) no assets encumbered by any such Lien other than the assets permitted to be encumbered immediately prior to such Refinancing are encumbered (or, under written arrangements under which the original Lien arose, could have been encumbered) thereby (other than improvements thereon, accessions thereto and proceeds thereof).

"*Permitted Prior Liens*" means

(1) Liens against cash and cash equivalents in favor of the administrative agent under the ABL Credit Agreement (including any accounts, intangibles, financial assets or proceeds comprising the same or relating thereto), which cash and cash equivalents are deposited with the administrative agent under the ABL Credit Agreement pursuant to the repayment provisions of the ABL Credit Agreement in respect of Obligations under undrawn letters of credit or outstanding bankers' acceptances (or in favor of other ABL Secured Parties or the agent thereof pursuant to the equivalent provisions of any other credit agreement entered into by the Company or other Credit Parties in compliance with the Indenture and the other Secured Debt Documents, including in connection with the replacement or refinancing, in whole or in part, of the credit facilities established under the ABL Credit Agreement);

(2) Liens described in clauses (3) through (16), (18) through (37) and (39) (to the extent renewing, extending or replacing a Lien pursuant to any of clauses (3) through (16) or (18) through (37) of the definition of "Permitted Liens") of the definition of "Permitted Liens;" and

(3) any other Liens (excluding Liens referred to in subparagraph (1) and (2) above) that have or are intended to have priority over the Liens under the Security Documents and are permitted under the Notes Documents.

"*Permitted Refinancing Indebtedness*" means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to Refinance other Indebtedness of the Company or any of its Restricted Subsidiaries (other than intercompany Indebtedness), *provided* that:

(1) the principal amount of such Permitted Refinancing Indebtedness does not exceed the principal amount of the Indebtedness being Refinanced (plus all accrued interest on the Indebtedness and the amount of all fees, expenses and premiums incurred in connection therewith);

(2) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being Refinanced;

(3) if the Indebtedness being Refinanced is subordinated in right of payment to the Notes or the Guarantees, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Notes or the

Guarantees on terms at least as favorable to the Holders of Notes as those contained in the documentation governing the Indebtedness being Refinanced;

(4) such Indebtedness is not incurred by a Restricted Subsidiary of the Company (other than a Guarantor) if the Company or any Guarantor is the issuer or other primary obligor on the Indebtedness being Refinanced; and

(5) to the extent such Permitted Refinancing Indebtedness is secured, the Liens securing such Permitted Refinancing Indebtedness have a Lien priority equal to or junior to the Liens securing the Indebtedness being refunded, refinanced, replaced, redeemed, repurchased or retired.

Notwithstanding the preceding, any Pari Passu Notes Lien Indebtedness or Pari Passu ABL Lien Indebtedness shall be subject only to the refinancing provision within the respective definitions thereof and not pursuant to the requirements set forth in the definition of Permitted Refinancing Indebtedness.

"*Permitted Supply Chain Financing*" means one or more non-recourse supply chain financings, on terms and conditions customary for supply-chain financing arrangements, in respect of all or a portion of the accounts receivable owing to the Company or any Restricted Subsidiary from one or more customer(s) of the Company or such Restricted Subsidiary (*but*, for the avoidance of doubt, not a sale or sales of all accounts receivable of the Company or any of its Restricted Subsidiaries generally); *provided* that (a) such transaction shall be evidenced by a receivables purchase agreement or other similar documentation on terms and conditions customary for supply-chain financing arrangements; (b) any such sale is structured, and is intended to be treated, as a true sale of accounts receivable with any recourse to the Company or any Restricted Subsidiary limited to breach of a representation, warranty or covenant by the Company or such Restricted Subsidiary with respect to the sold accounts receivable; (c) immediately before and immediately after giving effect to such sale, no Event of Default shall have occurred and be continuing; and (d) the proceeds of such sales are received in cash and are in an amount equal to the face value of the sold accounts receivable, net of a commercially reasonable and customary discount rate based on then current market conditions, in each case, in the reasonable judgment of the Company.

"*Permitted Tax Distributions*" means (i) with respect to any taxable period (or portion thereof) for which the Company and/or a Subsidiary is a member of a consolidated, combined, affiliated, unitary or similar group for U.S. federal and/or applicable foreign, state or local income, franchise, or similar tax purposes (each, a "*Tax Group*") of which a direct or indirect parent of the Company is the common parent, any dividends or distributions (on a quarterly, annual, or other basis) to the direct or indirect parent of such Tax Group in an amount not to exceed the amount of such income, franchise, or similar taxes that the Company and/or such Subsidiary, as applicable, would have paid for such taxable period (or portion thereof) had the Company and/or such Subsidiary been a stand-alone taxpayer or a stand-alone group for purposes of such income, franchise, or similar taxes for such taxable period (or portion thereof) and (ii) with respect to any taxable period (or portion thereof) for which the Company is a partnership or disregarded entity for U.S. federal or applicable foreign, state or local income, franchise, or similar tax purposes and without duplication of any amounts distributed under clause (i), any dividends or distributions (on a quarterly, annual, or other basis) to any member of the Company such that each direct or indirect member of the Company receives, in the aggregate for such taxable period (or portion thereof), dividends or distributions sufficient to satisfy such direct or indirect member's U.S. federal, foreign, state and/or local income liabilities (as applicable) attributable to its direct or indirect ownership of the Company and its Subsidiaries with respect to such taxable period (or portion thereof), including any income inclusion by reason of being a "United States shareholder" within the meaning of Section 951(b) of the Code.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"*Preferred Stock*" means any Equity Interest with preferential rights of payment of dividends or upon liquidation, dissolution, or winding up.

"*Priority Cash Management Obligations*" means all Cash Management Obligations owing to any Qualified Counterparty.

"*Priority Hedging Contract*" means a Hedging Contract with a Priority Hedging Counterparty which creates Priority Hedging Obligations.

"*Priority Hedging Counterparty*" has the meaning set forth in the definition of "Priority Hedging Obligations."

"*Priority Hedging Obligations*" means all Hedging Obligations owing to a lender under the ABL Credit Agreement or a Person that was a lender under the ABL Credit Agreement, a lender under any other Pari Passu ABL Lien Indebtedness or an Affiliate of a lender under the ABL Credit Agreement or of a lender under any other Pari Passu ABL Lien Indebtedness, in each case, at the time the Hedging Contract(s) which created such Hedging Obligations were entered into (each such Person, a "*Priority Hedging Counterparty*") and secured pursuant to the ABL Documents, including any Hedging Obligations under any amendment, extension, modification or replacement of such Hedging Contracts; *provided* that, (a) in each case, to the extent such Hedging Obligations are permitted to be incurred and secured on a priority basis under the terms of each applicable Secured Debt Document (and the satisfaction of such requirements will be conclusively established if the Company represents and warrants to the applicable Priority Hedging Counterparty in either the applicable Hedging Obligation or in an Officer's Certificate delivered to such Priority Hedging Counterparty) and (b) any Hedging Obligations under any Hedging Contracts which are in existence before the ABL Credit Agreement is entered into and are with a counterparty (or its Affiliate) that becomes a lender under the ABL Credit Agreement, and which are deemed to be Priority Hedging Obligations by the ABL Credit Agreement, will be deemed to be Priority Hedging Obligations for the purposes of the Security Documents, including any Hedging Obligations under any amendment, extension, modification or replacement of such Hedging Contracts, and the counterparty to each such Hedging Contract shall be deemed to be a Priority Hedging Counterparty for the purposes of the Security Documents.

"*Qualified Counterparty*" means (a) the agent or any lender under the ABL Credit Agreement or any of their respective Affiliates, (b) any Person that is or was a lender under any Credit Facility constituting Pari Passu ABL Lien Indebtedness or any Affiliate of such lender, in each case, at the time the Hedging Contract(s) or the Cash Management Agreement was entered into, and (c) any other Person whose corporate rating at the time of entering into the applicable Hedging Contract or Cash Management Agreement is rated A-1 or higher by S&P or whose senior unsecured long-term debt obligations at the time of entering into the applicable Hedging Contract or Cash Management Agreement are rated A- or higher by S&P or, in each case, an equivalent rating by another internationally recognized statistical rating organization of similar standing (or whose obligations under the applicable Hedging Contract or Cash Management Agreement are guaranteed by another Person satisfying the foregoing ratings criteria).

"*Qualified IPO*" means any transaction or series of transactions (including through any direct listing, specialized purpose acquisition vehicle ("SPAC IPO") transaction, Reverse Morris Trust, reverse merger) that results in, or following which, any common Equity Interests of the Company or any direct or indirect parent company, any SPAC IPO entity (or its successor by merger, amalgamation or other combination) or any listing company that the Company will distribute to its direct or indirect parent company in connection with a Qualified IPO (an "IPO Entity") being publicly traded on the New York Stock Exchange, the NASDAQ, the Luxembourg Stock Exchange, the London Stock Exchange, the Euronext, the Deutsche Bourse, the Shanghai Stock Exchange, the Japan Exchange Group, the Hong Kong Stock Exchange, the Frankfurt Stock Exchange or any other comparable stock exchange or similar market.

"*Rating Agency*" means each of S&P, Fitch and Moody's, or if any of S&P, Fitch or Moody's shall not make a rating on the Notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Company (as certified by a Board Resolution of the Board of Directors of the Company) which shall be substituted for S&P, Fitch or Moody's, as applicable, as the case may be.

"*Rating Event*" means a decrease of one or more gradations (including gradations within rating categories as well as between rating categories and excluding, for the avoidance of doubt, changes in ratings outlook) in the rating of the Notes by one of the Rating Agencies or a withdrawal of the rating of the Notes by one of the Rating Agencies on, or within 30 days following, the earlier of (x) the occurrence of a Change of Control or (y) the date of public announcement of the occurrence of a Change of Control or of the intention by the Company to effect a Change of Control, which period shall be extended for a period not longer than 60 days so long as the rating of the Notes relating to the Change of Control is under publicly announced consideration for downgrade by the applicable Rating Agency; *provided*, that a downgrade of the Notes by the applicable Rating Agency shall not be deemed to have occurred in

respect of a particular Change of Control (and thus shall not be deemed a downgrade for purposes of this definition of Rating Event) if such Rating Agency making the downgrade in rating does not publicly announce or confirm or inform the Company or the Trustee in writing at the request of the Company that the downgrade is a result of the transactions constituting or occurring simultaneously with the applicable Change of Control (whether or not the applicable Change of Control has occurred at the time of such downgrade).

"*Real Property*" means, collectively, all right, title and interest (excluding any leasehold estate) in and to any and all parcels of or interests in real property owned by any Person, together with, in each case, all easements, hereditaments and appurtenances relating thereto, all improvements and appurtenant fixtures and equipment, all general intangibles and contract rights and other property and rights incidental to the ownership, lease or operation thereof.

"*Reference Period*" means, with respect to any date of determination, the four most recent fiscal quarters of the Company for which internal financial statements are available.

"*Refinance*" means, with respect to any Indebtedness, to renew, refund, refinance, replace, defease, discharge or otherwise retire for value, in whole or in part, any such Indebtedness, and "Refinancing" and "Refinanced" have meanings correlative to the foregoing.

"*Refinancing Transactions*" means (i) the issuance of the Notes and related Guarantees, (ii) the Refinancing in full (and the termination of all related agreements and payment of all related fees and expenses) of all outstanding debt for borrowed money of the Company and its Subsidiaries under the Seller Note and the Bridge Loan with the net proceeds from the offering of Notes, and (iii) the ABL Credit Agreement becoming effective.

"*Regulation S"* means Regulation S promulgated under the Securities Act.

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Subsidiary*" of a Person means any direct or indirect Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

"*Rule 144A*" means Rule 144A under the Securities Act.

"*Sale/Leaseback Transaction*" means an arrangement relating to property or assets owned by the Company or a Subsidiary on the Issue Date or thereafter acquired by the Company or a Subsidiary whereby the Company or a Subsidiary transfers such property or assets to a Person (other than the Company or a Restricted Subsidiary of the Company) and the Company or a Subsidiary leases such property or assets from such Person.

"*S&P*" means S&P Global Ratings, a division of S&P Global Inc., or any successor to the ratings agency business thereof.

"*Screened Affiliate*" means any Affiliate of a Holder (i) that makes investment decisions independently from such Holder and any other Affiliate of such Holder that is not a Screened Affiliate, (ii) that has in place customary information screens between it and such Holder and any other Affiliate of such Holder that is not a Screened Affiliate and such screens prohibit the sharing of information with respect to the Company or its Subsidiaries, (iii) whose investment policies are not directed by such Holder or any other Affiliate of such Holder that is acting in concert with such Holder in connection with its investment in the Notes, and (iv) whose investment decisions are not influenced by the investment decisions of such Holder or any other Affiliate of such Holder that is acting in concert with such Holders in connection with its investment in the Notes.

"*Secured Debt*" means the Pari Passu ABL Lien Indebtedness and the Pari Passu Notes Lien Indebtedness.

"*Secured Debt Documents*" means the ABL Documents and the Notes Documents.

"*Secured Obligations*" means ABL Obligations and Notes Obligations.

"*Securities Act*" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Security Documents*" means the ABL Intercreditor Agreement, each joinder or other agreement pursuant to which holders of other Pari Passu Notes Lien Indebtedness become parties thereto, any Pari Passu Notes Lien Intercreditor Agreement, and all security agreements, pledge agreements, mortgages, deeds of trust, collateral assignments, collateral agency agreements, debentures, control agreements or other grants or transfers for security executed and delivered by the Company or any Guarantor (including, without limitation, financing statements under the Uniform Commercial Code of the relevant state) creating (or purporting to create) a Lien upon Collateral in favor of the Notes Collateral Agent or other agent or representative of Pari Passu Notes Lien Indebtedness or notice of such pledge, grant or assignment is given, in each case, as amended, modified, renewed, restated or replaced, in whole or in part, from time to time, in accordance with its terms and the terms of the ABL Intercreditor Agreement.

"*Series of Pari Passu ABL Lien Indebtedness*" means, severally, (a) the ABL Documents, and (b) each other issue or series of Pari Passu ABL Lien Indebtedness for which a single transfer register is maintained; and for the purposes hereof, (i) Hedging Obligations and obligations under Cash Management Agreements relating to a Series of Pari Passu ABL Lien Indebtedness will be treated as, and deemed to be a part of, the same Series of Pari Passu ABL Lien Indebtedness therewith and (ii) all credit facilities under the same credit agreement constituting Pari Passu ABL Lien Indebtedness will be deemed to be the same Series of Pari Passu ABL Lien Indebtedness.

"*Series of Pari Passu Notes Lien Indebtedness*" means, severally, (a) the Notes, and (b) each other issue or series of Pari Passu Notes Lien Indebtedness; and for the purposes hereof all credit facilities under the same credit agreement constituting Pari Passu Notes Lien Indebtedness will be deemed to be the same Series of Pari Passu Notes Lien Indebtedness.

"*Series of Secured Debt*" means, severally, each Series of Pari Passu Notes Lien Indebtedness and each Series of Pari Passu ABL Lien Indebtedness.

"*Short Derivative Instrument*" means a Derivative Instrument (i) the value of which generally decreases, and/or the payment or delivery obligations under which generally increase, with positive changes to the Performance References and/or (ii) the value of which generally increases, and/or the payment or delivery obligations under which generally decrease, with negative changes to the Performance References.

"*Significant Subsidiary*" means any Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the Issue Date.

"*Stated Maturity*" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"*Subordinated Debt*" means (1) with respect to the Company, any Indebtedness of the Company which is by its terms expressly subordinated in right of payment to the Notes, and (2) with respect to any Guarantor, any Indebtedness of such Guarantor which is by its terms expressly subordinated in right of payment to its Guarantees.

"*Subsidiary*" of any Person means:

(1) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) more than 50% of the combined voting power of the outstanding Voting Stock of which is owned, directly or indirectly, by such Person or by one or more other Subsidiaries of such Person or by such Person and one or more Subsidiaries thereof; or

(2) any partnership, joint venture, limited liability company or similar entity of which:

(a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise; and

(b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"*Tax*" or "*Taxes*" means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings (including backup withholding) and any charges of a similar nature (including interest, penalties and other liabilities with respect thereto) that are imposed by any government or other taxing authority.

"*Transaction Costs*" means any legal, professional and advisory fees or other transaction costs and expenses paid (whether or not incurred) by the Company or any Restricted Subsidiary of the Company in connection with (i) any acquisitions by the Company or any Restricted Subsidiary of the Company, (ii) any incurrence of Indebtedness or Disqualified Stock by the Company or any Restricted Subsidiary of the Company or any refinancing thereof, or any issuance of other equity securities or (iii) any reorganization, restructuring or recapitalization of the capital structure of the Company or Subsidiaries thereof, in each case permitted under the Indenture.

"*Transactions*" means the Acquisition and the Refinancing Transactions.

"*Treasury Rate*" means, with respect to any redemption date for any Note whose redemption price may be determined by reference to the Make Whole Premium, the yield to maturity as of the earlier of (a) such redemption date and (b) the date on which such series of Notes are defeased or satisfied and discharged, of United States Treasury securities with a constant maturity (as compiled and published in the most recent Selected Interest Rates (Daily) - H.15 that has become publicly available at least two Business Days prior to such date (or, if such Statistical Release is no longer published, any publicly available source of similar market data selected by the Company)) most nearly equal to the period from such date to , 2027; *provided*, that if such period is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Company shall obtain the Treasury Rate by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the redemption date to , 2027 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used. Calculation of the Make Whole Premium and the Treasury Rate will be made by the Company or on behalf of the Company by such Person as the Company shall designate. The Company will (1) calculate the Treasury Rate and the Make Whole Premium no later than the first (and no earlier than the fourth) Business Day preceding the applicable redemption date (or, in the case of any redemption in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture, on the Business Day preceding such event), and (2) prior to such redemption date (or such event, as applicable), file with the Trustee an Officer's Certificate setting forth the Treasury Rate and the Make Whole Premium and showing the calculation of each in reasonable detail.

"*Unrestricted Subsidiary*" means any Subsidiary of the Company that is designated by the Board of Directors of the Company as an Unrestricted Subsidiary pursuant to a Board Resolution, but only to the extent that such Subsidiary:

(1) except to the extent permitted by subclause (2)(b) of the definition of "*Permitted Business Investments*," has no Indebtedness, other than Non-Recourse Debt, owing to any Person other than the Company or any of its Restricted Subsidiaries;

(2) is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary that at the time of such designation would be prohibited by the covenant described under the caption "*Certain Covenants—Transactions with Affiliates*";

(3) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation (i) to subscribe for additional Equity Interests or (ii) to maintain or preserve such Person's financial condition or cause such Person to achieve any specified levels of operating results; and

(4) has not guaranteed or otherwise directly or indirectly provided credit support (other than any Customary Recourse Exceptions and Liens of the type described in clause (10) of the definition of "*Permitted Liens*") for any Indebtedness of the Company or any of its Restricted Subsidiaries.

All Subsidiaries of an Unrestricted Subsidiary shall also be Unrestricted Subsidiaries.

Any designation of a Subsidiary of the Company as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a Board Resolution giving effect to such designation and an Officer's Certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant described above under the caption "*— Certain Covenants — Restricted Payments*." If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of the Company as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under the caption "*— Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock*," the Company will be in default of such covenant.

"*Voting Stock*" of any Person as of any date means the Capital Stock of such Person that is at the time entitled (without regard to the occurrence of any contingency) to vote in the election of the Board of Directors of such Person.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) 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 of the Indebtedness, 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

(2) the then outstanding principal amount of such Indebtedness.

"*Wholly Owned Subsidiary*" means, with respect to any Person, any Subsidiary of such Person of which all the outstanding Voting Stock of such Subsidiary (other than directors' qualifying shares and other than an immaterial amount of Voting Stock required to be owned by other Persons pursuant to applicable law or regulation) is owned by such Person and/or one or more Wholly Owned Subsidiaries of such Person.