

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

Form 10-K

(Mark One)

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

For the Fiscal Year Ended December 31, 2024  
or

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

For the Transition Period from to  
Commission File Number 1-15885

MATERION CORPORATION

(Exact name of registrant as specified in its charter)

Ohio  
(State or other jurisdiction of  
incorporation or organization)

34-1919973  
(I.R.S. Employer  
Identification No.)

6070 Parkland Blvd., Mayfield Heights, Ohio 44124  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code  
216-486-4200

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

| Title of Each Class        | Trading Symbol(s) | Name of Each Exchange on Which Registered |
|----------------------------|-------------------|-------------------------------------------|
| Common Stock, no par value | MTRN              | New York Stock Exchange                   |

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

None  
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐  
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒  
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

|                         |                                     |                           |                          |                         |                          |
|-------------------------|-------------------------------------|---------------------------|--------------------------|-------------------------|--------------------------|
| Large accelerated filer | <input checked="" type="checkbox"/> | Accelerated filer         | <input type="checkbox"/> | Emerging growth company | <input type="checkbox"/> |
| Non-accelerated filer   | <input type="checkbox"/>            | Smaller reporting company | <input type="checkbox"/> |                         |                          |

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262 (b)) by the registered public accounting firm that prepared or issued its audit report. ☒

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

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

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

The aggregate market value of common shares, no par value, held by non-affiliates of the registrant (based upon the closing sale price on the New York Stock Exchange) on June 28, 2024 was \$2,243,377,327.  
As of January 31, 2025, there were 20,765,214 common shares, no par value, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the 2025 Annual Meeting of Shareholders are incorporated by reference into Part III.

## TABLE OF CONTENTS

### **PART I**

|          |                                                  |                           |
|----------|--------------------------------------------------|---------------------------|
| Item 1.  | <a href="#"><u>Business</u></a>                  | <a href="#"><u>2</u></a>  |
| Item 1A. | <a href="#"><u>Risk Factors</u></a>              | <a href="#"><u>6</u></a>  |
| Item 1B. | <a href="#"><u>Unresolved Staff Comments</u></a> | <a href="#"><u>16</u></a> |
| Item 1C. | <a href="#"><u>Cybersecurity</u></a>             | <a href="#"><u>16</u></a> |
| Item 2.  | <a href="#"><u>Properties</u></a>                | <a href="#"><u>18</u></a> |
| Item 3.  | <a href="#"><u>Legal Proceedings</u></a>         | <a href="#"><u>19</u></a> |
| Item 4.  | <a href="#"><u>Mine Safety Disclosures</u></a>   | <a href="#"><u>19</u></a> |

### **PART II**

|          |                                                                                                                                     |                           |
|----------|-------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| Item 5.  | <a href="#"><u>Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u></a> | <a href="#"><u>20</u></a> |
| Item 6.  | <a href="#"><u>[Reserved]</u></a>                                                                                                   | <a href="#"><u>22</u></a> |
| Item 7.  | <a href="#"><u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u></a>                        | <a href="#"><u>23</u></a> |
| Item 7A. | <a href="#"><u>Quantitative and Qualitative Disclosures About Market Risk</u></a>                                                   | <a href="#"><u>35</u></a> |
| Item 8.  | <a href="#"><u>Financial Statements and Supplementary Data</u></a>                                                                  | <a href="#"><u>38</u></a> |
| Item 9.  | <a href="#"><u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u></a>                         | <a href="#"><u>81</u></a> |
| Item 9A. | <a href="#"><u>Controls and Procedures</u></a>                                                                                      | <a href="#"><u>81</u></a> |
| Item 9B. | <a href="#"><u>Other Information</u></a>                                                                                            | <a href="#"><u>81</u></a> |
| Item 9C. | <a href="#"><u>Disclosure Regarding Foreign Jurisdictions that Prevent Inspections</u></a>                                          | <a href="#"><u>81</u></a> |

### **PART III**

|          |                                                                                                                       |                           |
|----------|-----------------------------------------------------------------------------------------------------------------------|---------------------------|
| Item 10. | <a href="#"><u>Directors, Executive Officers and Corporate Governance</u></a>                                         | <a href="#"><u>82</u></a> |
| Item 11. | <a href="#"><u>Executive Compensation</u></a>                                                                         | <a href="#"><u>82</u></a> |
| Item 12. | <a href="#"><u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u></a> | <a href="#"><u>83</u></a> |
| Item 13. | <a href="#"><u>Certain Relationships and Related Transactions, and Director Independence</u></a>                      | <a href="#"><u>83</u></a> |
| Item 14. | <a href="#"><u>Principal Accountant Fees and Services</u></a>                                                         | <a href="#"><u>83</u></a> |

### **PART IV**

|          |                                                                   |                           |
|----------|-------------------------------------------------------------------|---------------------------|
| Item 15. | <a href="#"><u>Exhibits and Financial Statement Schedules</u></a> | <a href="#"><u>84</u></a> |
| Item 16. | <a href="#"><u>Form 10-K Summary</u></a>                          | <a href="#"><u>88</u></a> |
|          | <a href="#"><u>Signatures</u></a>                                 | <a href="#"><u>89</u></a> |

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**Forward-looking Statements:** Portions of the narrative set forth in this document that are not statements of historical or current facts are forward-looking statements. Our actual future performance may materially differ from that contemplated by the forward-looking statements as a result of a variety of factors. These factors include, in addition to those mentioned elsewhere herein: the global economy, including inflationary pressures, potential future recessionary conditions and the impact of tariffs and trade agreements; the impact of any U.S. Federal Government shutdowns or sequestrations; the condition of the markets which we serve, whether defined geographically or by segment; changes in product mix and the financial condition of customers; our success in developing and introducing new products and new product ramp-up rates; our success in passing through the costs of raw materials to customers or otherwise mitigating fluctuating prices for those materials, including the impact of fluctuating prices on inventory values; our success in identifying acquisition candidates and in acquiring and integrating such businesses; the impact of the results of acquisitions on our ability to fully achieve the strategic and financial objectives related to these acquisitions; our success in implementing our strategic plans and the timely and successful start-up and completion of any capital projects; other financial and economic factors, including the cost and availability of raw materials (both base and precious metals), physical inventory valuations, metal consignment fees, tax rates, exchange rates, interest rates, pension costs and required cash contributions and other employee benefit costs, energy costs, regulatory compliance costs, the cost and availability of insurance, credit availability, and the impact of the Company's stock price on the cost of incentive compensation plans; the uncertainties related to the impact of war, terrorist activities, and acts of God; changes in government regulatory requirements and the enactment of new legislation that impacts our obligations and operations; the conclusion of pending litigation matters in accordance with our expectation that there will be no material adverse effects; the disruptions in operations from, and other effects of, catastrophic and other extraordinary events including the conflict between Russia and Ukraine; realization of financial benefits expected from the Inflation Reduction Act of 2022 and the risk factors set forth in Part I, Item 1A of this Form 10-K.

## Item 1. BUSINESS

### THE COMPANY

Materion Corporation (referred to herein as the Company, our, we, or us), through its wholly owned subsidiaries, is an integrated producer of high-performance advanced engineered materials used in a variety of electrical, electronic, thermal, and structural applications with \$1.7 billion in net sales in 2024. The Company was incorporated in Ohio in 1931. Our products are sold into numerous end markets, including semiconductor, industrial, aerospace and defense, automotive, energy, consumer electronics, and life sciences.

### SEGMENT INFORMATION

Our businesses are organized under four reportable segments: Performance Materials, Electronic Materials, Precision Optics, and Other. Our Other reportable segment includes unallocated corporate costs. Additional information regarding our segments and business is presented below.

#### *Performance Materials*

Performance Materials provides advanced engineered solutions comprised of beryllium and non-beryllium containing alloy systems and custom engineered metal solutions in the forms of strip, bulk, rod, plate, bar, tube, and many specialized custom shapes produced at manufacturing facilities located throughout the United States and Europe and sold through distribution global hubs. This segment operates the world's largest bertrandite ore mine and refinery, which is located in Utah, providing feedstock hydroxide for our beryllium businesses and external sale. In addition to the products described below, this segment globally provides engineering and product development services to help our customers and partners with product design, including delivering prototype parts and other data to demonstrate that the products will perform under the required design specifications. Performance Materials operates through three global product lines: Advanced Alloys, Specialty Materials, and Performance Solutions, as described below:

- *Advanced Alloys* manufactures and globally provides to our customers three upstream (primary) product lines: alloyed metals, high-performance beryllium products, and beryllium hydroxide. Alloyed metals are made with copper and/or nickel (with or without beryllium) in ingot, shot, billet, plate, rod, bar, tube forms, and customized shapes. Depending on the application, the materials may provide one or a combination of superior strength, specific strength, wear and corrosion resistance, thermal and electrical conductivity, tribological benefits, and machinability. Applications for alloyed metals products include oil & gas drilling and production components, bearings, bushings, welding electrodes, plastic injection or metal die casting mold tooling, and electrical or electronic connectors. Major end markets for alloyed metals include industrial, automotive, aerospace and defense, energy, and life sciences. Alloyed metals competes with companies around the world that produce alloys with similar properties. High performance beryllium products are primarily beryllium metal products, which may also be alloys or other mixtures with aluminum and may be beryllium oxide. The materials are manufactured in billet, ingot, plate, sheet, powder, and customized shape forms. These materials are used in applications that require high stiffness and/or low density or high thermal conductivity and/or high electrical resistance. The properties are provided from the unique combination of material properties, or in applications requiring specific interactions with sub-atomic, high-energy particles, or in applications requiring strong affinity for oxygen such as in the manufacture of primary aluminum and magnesium. Beryllium hydroxide is produced at our milling operations in Utah from our bertrandite ore mine and purchased beryl ore. The hydroxide is used primarily as a raw material input for beryllium-containing alloys and, to a lesser extent, beryllium products. Key competitors include NGK Insulators, IBC Advanced Alloys Corp., Ningxia Orient Tantalum Industry Co., Ltd., Le Bronze Alloys, Minotti Metals, SA, KME AG & Co. KG, Aurubis AG, MKM Mansfelder Kupfer und Messing GmbH, AMPCO Metal, Chuetsu Metal Works Ltd, American Beryllia Inc., CBL Ceramics Limited, CoorsTek, Inc., and Ulba Metallurgical.
- *Specialty Materials* produces and provides our customers various thicknesses of precision strip products as well as various diameters of rod and wire products. The strip, rod, and wire products are beryllium and non-beryllium containing alloys that are made primarily with copper and nickel to provide unique combinations of high conductivity, high reliability, and high formability for use as connectors, contacts, springs, switches, relays, shielding, and bearings. In addition, Specialty Materials also produces and provides unique engineered strip metal products, which incorporate clad inlay and overlay metals, including precious and base metal electroplated systems, electron beam welded systems, contour profiled systems, and solder-coated metal systems. These engineered strip metal products provide a variety of thermal, electrical, or mechanical properties from a surface area or particular section of the material. Our precision cladding and plating capabilities allow for precious metal or other base metals to be applied in continuous strip form, only where it is needed, reducing the material cost to our customers as well as providing design flexibility and

performance. Major end markets include consumer electronics, life sciences, automotive, aerospace and defense, industrial, and energy. Key competitors include NGK Insulators, Wieland Electric, Inc., Aurubis Stolberg GmbH, Diehl Metall Stiftung & Co. KG, Nippon Mining, Proterial Ltd., Wickeder Group, Heraeus Inc., AMI Doduco, Inc., and other North American continuous strip and plating companies.

- *Performance Solutions* provides engineered end-product technologies to our customers, including near-net shape and finished machined beryllium containing and non-beryllium containing products. These products and materials are suitable for applications that require high stiffness and/or low density due to their unique combination of properties. Performance Solutions provides beryllium metal and beryllium alloy components mainly to the aerospace and defense and energy end markets. Beryllium foil products are provided for radiographic and acoustic applications, beryllium oxide ceramics are provided for a wide range of heat sink and high temperature industrial applications, and our copper beryllium products meet the demanding strength and corrosion resistance specifications required for sub-sea telecommunication equipment. In addition, our engineering teams have developed several innovative non-beryllium materials to meet demanding wear resistance or strength-to-weight applications used in a variety of industries. Our ToughMet™ alloys provide extended life for industrial bushings and bearings and tremendous wear resistance in oil and gas rig components. Our SupremEX™ products offer the industry's highest quality aluminum silicon carbide metal matrix composite formulation, well suited for a wide range of applications from high performance engine components and aerospace structural components to high-stiffness consumer electronic components. Direct competitors include IBC Advanced Alloys, NGK Metals, ATI Specialty Metals, CBL Ceramics Limited, and CoorsTek, Inc.

Performance Material's products are primarily sold directly from its facilities throughout the United States, Asia, and Europe, as well as distributed internationally through a network of Company-owned service centers, outside distributors, and agents.

### ***Electronic Materials***

Electronic Materials produces advanced chemicals, microelectronics packaging, precious metal, non-precious metal, and specialty metal products, including vapor deposition targets, frame lid assemblies, clad and precious metal pre-forms and high temperature braze materials. These products are used in high-performance logic, advanced memory, micro-electromechanical systems and power management integrated circuits, radio frequency devices, data storage, display, architectural glass, solar, optical coating, and other applications within the semiconductor, energy, and industrial end markets. Electronic Materials also has metal recovery operations and in-house refining that allow for the recycling of precious metals.

Electronic Materials products are sold directly from its facilities throughout the United States, Asia, and Europe, as well as through direct sales offices and independent sales representatives throughout the world. Principal competition includes companies such as Honeywell International, Inc., Praxair, Inc., Solar Applied Materials Technology Corp., Grikon, Solaris, Ametek Electronic Components and Packaging, and Tanaka Holding Co., Ltd., as well as a number of smaller regional and national suppliers.

The majority of the sales into the semiconductor end market from this segment are vapor deposition targets, lids, wire, other related precious and non-precious metal products, advanced chemicals, and other microelectronic applications. These materials are used in wireless, light-emitting diode, handheld devices, and other applications, as well as in a number of applications within the energy and industrial end markets. Since we are an up-front material supplier, changes in our semiconductor sales levels do not necessarily correspond to changes in the end-use consumer demand in the same period due to down-stream inventory positions, the time to develop and deploy new products, and manufacturing lead times and scheduling. While our product and market development efforts allow us to capture new applications, we may lose existing applications and customers from time to time due to the rapid change in technologies and other factors.

### ***Precision Optics***

Precision Optics is a designer and manufacturer of advanced optical components, including precision thin-film coatings, optical filters, and assemblies. These critical components are essential for enabling cutting-edge technologies across diverse end markets, including aerospace and defense, automotive, consumer electronics, semiconductor, medical, and industrial applications.

With manufacturing facilities strategically located in Europe, Asia, and the United States, Precision Optics ensures a global reach and efficient delivery of its products. Distribution channels include direct sales from manufacturing facilities, as well as through direct sales offices and a network of independent sales representatives worldwide.

Precision Optics competes in a dynamic market with larger diversified technology companies, smaller specialized firms, and international competitors. The Company differentiates itself through a combination of factors:

- *Technological Expertise and Innovation:* Continuous investment in R&D drives the development of advanced coatings and optical solutions, maintaining a competitive edge.
- *Customer Focus:* Building strong partnerships with customers allows Precision Optics to understand their unique needs and deliver tailored solutions that exceed expectations.
- *Manufacturing Excellence:* State-of-the-art manufacturing facilities and rigorous quality control processes ensure consistent product quality and reliability.

While Precision Optics actively pursues new applications and markets, it recognizes the inherent challenges of operating in a rapidly evolving technological landscape. The Company adapts to changing market demands and proactively addresses potential disruptions to maintain its position as a leading provider of advanced optical components. Principal competition includes Viavi Corporation, Coherent Corporation, MKS Newport Optics, Alluxa, and a number of smaller regional and national suppliers.

#### ***Other***

The Other segment is comprised of unallocated corporate costs.

### **OTHER GENERAL INFORMATION**

#### ***Products***

We are committed to providing high-quality, innovative, and reliable products that will enable our customers' technologies and fuel their own technological breakthroughs and growth.

Our products include precious and non-precious specialty metals, inorganic chemicals and powders, specialty coatings, specialty engineered beryllium and copper-based alloys, beryllium composites, ceramics, and engineered clad and plated metal systems.

We are constantly looking ahead to realign product and service portfolios toward the latest market and technology trends so that we are able to provide customers with an even broader scope of products, services, and specialized expertise. We believe we are an established leader in our markets.

Approximately 800 customers purchase our products throughout the semiconductor, industrial, aerospace and defense, automotive, energy, consumer electronics, and life sciences end markets. In fiscal year 2024 and 2023, one customer in our Performance Materials segment accounted for approximately ten percent of our net sales. Prior to this, no single customer accounted for ten percent or more of our net sales.

#### ***Availability of Raw Materials***

The principal raw materials we use are beryllium, tantalum, aluminum, cobalt, copper, gold, nickel, palladium, platinum, ruthenium, silver, and tin. Ore reserve data can be found in Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations." The availability of these raw materials, as well as other materials used by us, is adequate and generally not dependent on any one supplier.

#### ***Patents and Licenses***

We own patents, patent applications, and licenses relating to certain of our products and processes. While our rights under these patents and licenses are of some importance to our operations, our business is not materially dependent on any one patent or license or on all of our patents and licenses as a group.

#### ***Backlog***

The backlog of unshipped orders as of December 31, 2024, 2023, and 2022 was \$537.6 million, \$573.4 million, and \$576.2 million, respectively. Backlog is generally represented by purchase orders that may be terminated under certain conditions. We expect that substantially all of our backlog of orders at December 31, 2024 will be filled over the next 18 months.

#### ***Regulatory Matters***

We are subject to a variety of laws that regulate the manufacturing, processing, use, handling, storage, transport, treatment, emission, release, and disposal of substances and wastes used or generated in manufacturing. For decades, we have operated our facilities under applicable standards of inplant and outplant emissions and releases. The inhalation of airborne beryllium particulate may present a health hazard to certain individuals.

In 2018, the U.S. Occupational Safety and Health Administration (OSHA) published a final standard for workplace exposure to beryllium that, among other things, lowered the permissible exposure by a factor of ten and established new requirements for respiratory protection, personal protective clothing and equipment, medical surveillance, hazard communication, and record-keeping. Materion was a participant in the development of the new standards, which fundamentally represents our current health and safety operating practices. Other government and standard-setting organizations are also reviewing beryllium-related worker safety rules and standards, and may make them more stringent. The development, proposal, or adoption of more stringent standards may affect the buying decisions of the users of beryllium-containing products. If the standards are made more stringent and/or our customers or other downstream users decide to reduce their use of beryllium-containing products, our results of operations, liquidity, and financial condition could be materially adversely affected. The impact of this potential adverse effect would depend on the nature and extent of the changes to the standards, the cost and ability to meet the new standards, the extent of any reduction in customer use, and other factors. The magnitude of this potential adverse effect cannot be estimated.

In addition to laws that regulate the manufacturing, processing, use, handling, storage, transport, treatment, emission, release, and disposal of substances and wastes used or generated in manufacturing, we are subject to various laws around the world. For example, trade regulations, including tariffs or other import or export restrictions, may increase the cost of some of our raw materials or cross-border shipments, and limit our ability to do business in certain countries or with certain individuals. We are also required to comply with increasingly complex and changing laws and regulations enacted to protect business and personal data in the United States and other jurisdictions regarding privacy, data protection and data security, including those related to the collection, storage, use, transmission and protection of personal information and other consumer, customer, vendor or employee data. With respect to the laws and regulations noted above, as well as other applicable laws and regulations, the Company's compliance programs may, under certain circumstances, involve material investments in the form of additional processes, training, personnel, information technology, and capital.

#### ***Human Capital Management***

Materion employees are located throughout the world. Employee levels are managed to align with the pace of business and management believes it has sufficient human capital to operate its business successfully. We employed approximately 3,037 people globally as of December 31, 2024. Approximately 341 were in the Asia-Pacific region, 444 were in the Europe, the Middle East, and Africa (EMEA) region, and 2,252 were in the North America region. Among our total global employee population, approximately 2,005 were employed in manufacturing. Our strong employee base, along with their commitment to customer service excellence and uncompromising values, provides the foundation for our Company's success.

Our employees are responsible for upholding our core values, which include working safely and collaboratively, conducting all aspects of business with the highest standards of ethics and integrity, leveraging processes and data to drive continuous improvement, empowering individuals and teams, embracing change, attracting and developing diverse global talent, and partnering for the betterment of the communities where we live and operate.

#### ***Health and Safety***

The environment, health, safety, and well-being of our employees is our highest priority and is a Materion core value. We have a strong and mature Environmental, Health, and Safety (EHS) program based on the 45001 standard. We began a new chapter in Materion's longstanding effort to reduce the risk of injuries in 2023 with the integration of human operating performance concepts and a concerted focus on identifying and controlling high energy sources such as electrical, hydraulic, steam and chemical energy. All factory leadership received detailed training on the model as well as the operations staff receiving basic training on the concepts last year. In 2024, we experienced a 20 percent improvement in our injury frequency rate and lowered our severity rate to one of the lowest in the primary nonferrous industry. A new interactive learning management system increasing operator hazard recognition skills was deployed as well. Performance improvement was also due in part to a large increase in safety conversations between operators and supervision as well as a campaign to dramatically increase near miss reporting. To ensure sustainability we conduct self-audits of our processes and systems to create an environment where our colleagues leave their workplace safely, every day. Capital investments to reduce the risk of injury, chemical exposure, business interruption and property loss are integrated into the annual capital plan. On an annual basis, our corporate long-range strategies are critically analyzed, reviewed and updated and then improvement plans are developed. Progress of improvement plans is tracked, and daily critical safety statistics and metrics are published internally. Our corporate intranet site is visible to all global employees, where we share detailed descriptions of serious injuries and near misses and their corrective actions, as well as other proactive measures to promote lessons learned and ensure worker safety. Safety awareness and employee engagement programs have been implemented at all global facilities. We also have onsite medical staff at three key manufacturing sites to provide medical testing for employees to determine any potential exposure to beryllium, of which Materion is a leading global supplier.

#### ***Diversity and Inclusion***

As part of our human capital management initiatives to attract, develop, and retain diverse global talent, we track and report internally on key talent metrics including workforce demographics, critical role pipeline data, and diversity hiring analytics. This data-driven approach helps ensure that we stay aligned to our goal of creating a positive and dynamic global work environment where all employees can both contribute and thrive. A truly innovative workforce needs to be diverse and leverage the skills and perspectives of a broad range of backgrounds and experiences. To attract a global workforce, we strive to create and embed a culture where employees can bring their authentic selves to work and feel a genuine sense of belonging.

Our employee resource groups (ERGs) are Company-sponsored groups of global employees that support and promote the specific mutual objectives of both the employees and the Company. The ERGs serve as platforms for employees to network, learn, develop, and grow in a supportive environment that emphasizes our commitment to diversity and inclusion. As of December 31, 2024, we had four ERGs: ELEVATE (Women); V.E.T. (veterans and allies of the military); LGBTQ+; and United Voices of Materion (all ethnic backgrounds).

#### ***Talent Development***

We continue to provide professional development and training for all global employees. By providing employees with wide-ranging development opportunities and paths to success, we empower them to realize their full potential. Our development activities support our goal to develop and retain employees while building a strong foundation on their critical capabilities. We strongly encourage employees to build development plans in partnership with their managers and supervisors, providing both ongoing and specific opportunities for two-way communication and corresponding action. We offer formalized mentoring, development plans, and stretch assignments for employees who are engaged in career development programs. Apprenticeship programs have been implemented in some of our largest plant sites, and we continue to develop a path for apprenticeship program expansion throughout the Company. Likewise, we have implemented career development programs and tools in other key professional functional areas.

We are committed to identifying and developing the talents of our next generation of leaders. Our robust and fully integrated talent and succession-planning process supports the development of our talent pipeline for critical roles in operations management, commercial excellence, and engineering. We have maintained our campus recruitment initiatives to ensure a strong pipeline of talent into the organization. Additionally, Company development programs have been designed to target and accelerate key leadership and functional skill sets. On an annual basis, we conduct organizational reviews with our Chief Executive Officer and all business unit and function senior leaders to identify and evaluate our high potential, diverse talent and create succession plans for our most critical roles.

#### ***Available Information***

We are subject to the informational requirements of the Securities Exchange Act of 1934. Therefore, we file periodic reports, proxy statements, and other information with the Securities and Exchange Commission (SEC).

We use our investor relations website, <https://investor.materion.com/>, as a channel for routine distribution of important information, including news releases, analyst presentations, and financial information. As soon as reasonably practicable, we make all documents that we file with, or furnish to, the SEC, including our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to these reports, available free of charge via this website. The content on any website referred to in this Form 10-K is not incorporated by reference into this Form 10-K unless expressly noted.

#### ***Executive Officers of the Registrant***

Incorporated by reference from information with respect to executive officers of Materion Corporation set forth in Item 10 in Part III of this Form 10-K.

#### **Item 1A. RISK FACTORS**

Our business, financial condition, results of operations, and cash flows can be affected by a number of factors, including, but not limited to, those set forth below and elsewhere in this Form 10-K, any one of which could cause our actual results to vary materially from recent results or from our anticipated future results. Therefore, an investment in us involves some risks, including the risks described below. Although the risks are organized by headings, and each risk is discussed separately, many are interrelated. You should not interpret the disclosure of any risk factor to imply that the risk has not already materialized. The risks discussed below are not the only risks that we may experience. If any of the following risks occur, our business, results of operations, or financial condition could be negatively impacted.

### **Risks Relating to Economic Conditions**

*The businesses of many of our customers are subject to significant fluctuations as a result of the cyclical nature of their industries and their sensitivity to general economic conditions, which could adversely affect their demand for our products and reduce our sales and profitability.*

A substantial number of our customers are in the semiconductor, industrial, aerospace and defense, automotive, energy, consumer electronics, and life sciences end markets. Each of these end markets is cyclical in nature, influenced by a combination of factors which could have a negative impact on our business, including, among other things, periods of economic growth or recession, inflation, tariffs, rising interest rates and the strength or weakness of the U.S. dollar, the strength of the semiconductor, automotive electronics, and oil and gas industries, the rate of construction of telecommunications infrastructure equipment, and government spending on defense.

Also, in times when growth rates in our markets are lower, or negative, there may be temporary inventory adjustments by our customers that may negatively affect our business.

For example, we have experienced customers building inventory in anticipation of increased demand, whereas in other periods, we experienced decreased demand because our customers had excess inventory.

### **Risks Relating to Our Business and Operations**

*A portion of our revenue is derived from the sale of defense-related products through various contracts and subcontracts. These contracts may be suspended, canceled, or delayed, which could have an adverse impact on our revenues.*

In 2024, 19% of our value-added sales were to customers in the aerospace and defense end market. A portion of these customers operate under contracts with the U.S. Government, which are vulnerable to termination at any time, for convenience or default. Some of the reasons for cancellation include, but are not limited to, budgetary constraints or re-appropriation of government funds, timing of contract awards, violations of legal or regulatory requirements, and changes in political agenda. If cancellations were to occur, it would result in a reduction in our revenue. Furthermore, significant reductions to defense spending could occur over the next several years due to government spending cuts, which could have a significant adverse impact on us. For example, high-margin defense application delays and/or push-outs may adversely impact our results of operations, including quarterly earnings.

*The markets for our products are experiencing rapid changes in technology.*

We operate in markets driven by rapidly changing technology and evolving customer specifications and industry standards. Next-generation solutions may quickly render an existing product obsolete and unmarketable. For example, for many years thermal and mechanical performance have been at the forefront of device packaging for wireless communications infrastructure devices. In recent years, a tremendous effort has been put into developing disruptive thermal spreading materials which requires newer technology that replaces the traditional approach of building package. Our growth and future results of operations depend in part upon our ability to enhance existing products and processes which introduce newly developed products on a timely basis that conform to prevailing and evolving industry standards, meet or exceed technological advances in the marketplace, meet changing customer specifications, achieve market acceptance, and respond to our competitors' products.

The process of developing new products can be technologically challenging and requires the accurate anticipation of technological and market trends. We may not be able to introduce new products successfully or do so on a timely basis. If we fail to develop new products that are appealing to our customers or fail to develop products on time and within budgeted amounts, we may lose customers or otherwise be unable to recover our research and development costs, which could adversely affect our margins and profitability.

*The availability of competitive substitute materials for beryllium-containing products may reduce our customers' demand for these products and reduce our sales.*

In certain product applications, we compete with manufacturers of non-beryllium-containing products, including organic composites, metal alloys or composites, titanium, and aluminum. Our customers may choose to use substitutes for beryllium-containing products in their products for a variety of reasons, including, among other things, the lower costs of those substitutes, the health and safety concerns relating to these products (despite numerous studies affirming the safety of beryllium in these products), and the risk of litigation relating to beryllium-containing products. If our customers use substitutes for beryllium-containing materials in their products, the demand for beryllium-containing products may decrease, which could reduce our sales.

***Our long and variable sales and development cycle makes it difficult for us to predict if and when a new product will be sold to customers.***

Our sales and development cycle, which is the period from the generation of a sales lead or new product idea through the development of the product and the recording of sales, may typically take several years, making it very difficult to forecast sales and results of operations. Our inability to accurately predict the timing and magnitude of sales of our products, especially newly introduced products, could affect our ability to meet our customers' product delivery requirements or cause our results of operations to suffer if we incur expenses in a particular period that do not translate into sales during that period, or at all. In addition, these failures would make it difficult to plan future capital expenditure needs and could cause us to fail to meet our cash flow requirements.

***The availability and prices of some raw materials we use in our manufacturing operations fluctuate, and increases in raw material costs can adversely affect our operating results and our financial condition.***

We manufacture advanced engineered materials using various precious and non-precious metals, including beryllium, tantalum, aluminum, cobalt, copper, gold, nickel, palladium, platinum, ruthenium, silver, tin, iridium, rhodium, niobium, hafnium, and tungsten. The availability of, and prices for, these raw materials are volatile and are influenced by worldwide economic conditions, speculative action, world supply and demand balances, inventory levels, availability of substitute metals, the U.S. dollar exchange rate, production costs of U.S. and foreign competitors, anticipated or perceived shortages, and other factors. Prices for precious metal and certain non-precious metals including tantalum, nickel, iridium, rhodium, niobium, hafnium and tungsten have fluctuated significantly in recent years. Additionally, geopolitical instability and the inflationary environment have added to the volatility. Higher prices can cause adjustments to our inventory carrying values, whether as a result of quantity discrepancies, normal manufacturing losses, differences in scrap rates, theft or other factors, which could have a negative impact on our profitability and cash flows. Also, the price of our products will generally increase in tandem with rising metal prices, as a result of changes in precious metal prices that are passed through to our customers, which could deter them from purchasing our products and adversely affect our net sales and operating profit.

Further, we maintain some precious metals and copper on a consigned inventory basis. The owners of the precious metals and copper charge a fee that fluctuates based on the market price of those metals and other factors. A significant increase in the market price or the consignment fee of precious metals and/or copper would increase our costs, negatively impacting our operating profit.

We are not dependent on any one supplier for our primary raw materials, but the business could be impacted by supply constraints. If, in the future, we are unable to obtain sufficient amounts of metals on a timely basis, we may not be able to obtain metals from alternate sources at competitive prices. In addition, interruptions or reductions in our supply of metals could make it difficult to satisfy our customers' delivery requirements, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***Utilizing precious metals in the manufacturing process creates challenges in physical inventory valuations that may impact earnings.***

We manufacture precious, non-precious, and specialty metal products and also have metal cleaning operations and in-house refineries that allow for the reclaim of precious metals from internally generated or customer scrap. We refine that scrap through our internal operations and externally through outside vendors.

When taking periodic physical inventories in our refinery operations, we reconcile the actual precious metals to what was estimated prior to the physical inventory count. Those estimates are based in part on assays or samples of precious metals taken during the refining process. If those estimates are inaccurate, we may have an inventory long (more physical precious metal than what we had estimated) or short (less physical precious metal than what we had estimated). These fluctuations could have a material impact on our financial statements and may impact earnings. In the past, our gross margin has been reduced by a net quarterly physical inventory adjustment. Higher precious metal prices may magnify the value of any potential inventory long or short.

***Because we maintain a significant inventory of precious metals, we may experience losses due to theft or employee error.***

Because we manufacture products that contain precious metals, we maintain a significant amount of precious metals at certain of our manufacturing facilities. Accordingly, we are subject to the risk of precious metal shortages resulting from employee error or theft. In the past, we have had precious metal shortages resulting from theft and employee error, which could reoccur in the future.



While we maintain controls to prevent theft, including physical security measures, if our controls do not operate effectively or are designed ineffectively, our profitability could be adversely affected, including any charges that we might incur as a result of the shortage of our inventory and by costs associated with increased security, preventative measures, and insurance. Additionally, while we maintain insurance to cover the theft of our inventory, such coverage may not sufficiently cover any loss.

***Access to consigned metals may restrict our operations***

We use gold and other precious metals in the production of some of our products. We obtain most precious metals from consignors under consignment agreements. The consignors retain ownership of the precious metals and charge us fees based on the amounts we consign and the period of consignment. Because we do not control the consigned inventory, we may not be able to access the inventory to meet our forecasted needs, which could adversely impact our results of operations.

***We have a limited number of manufacturing facilities, and damage to those facilities, or to critical pieces of equipment in these facilities, could interrupt our operations, increase our costs of doing business, and impair our ability to deliver our products on a timely basis.***

Some of our facilities are interdependent. For instance, our manufacturing facility in Elmore, Ohio relies on our mining operation for its supply of beryllium hydroxide used in production of most of its beryllium-containing materials. Additionally, our Reading, Pennsylvania and Tucson, Arizona manufacturing facilities are dependent on materials produced by our Elmore, Ohio manufacturing facility, and our Wheatfield, New York manufacturing facility is dependent on our Buffalo, New York manufacturing facility. The destruction or closure of our mine, any of our manufacturing facilities, or to critical pieces of equipment within these facilities for a significant period of time as a result of harsh weather (including that caused by climate change), fire, explosion, act of war or terrorism, or other natural disaster or unexpected event, including a security incident such as a ransomware attack, may interrupt our manufacturing capabilities, increase our capital expenditures and our costs of doing business, and impair our ability to deliver our products on a timely basis. In addition, many of our manufacturing facilities depend on one source for electric power and natural gas, which could be interrupted due to equipment failures, terrorism, or another cause.

If such events occur, we may need to resort to an alternative source of manufacturing or to delay production, which could increase our costs of doing business and/or result in lost sales. Our property damage and business interruption insurance may not cover all of our potential losses and may not continue to be available to us on acceptable terms, if at all.

***A cybersecurity incident impacting customer, employee, supplier, or Company information, or Company systems or infrastructure, may have a material adverse effect on our business, financial condition, and results of operations.***

In the conduct of our business, we collect, use, transmit, store, and report data on information systems owned by the Company or support or hosted by third parties, and interact with customers, vendors, and employees. Increased global information technology (IT) security threats and in some instances, more sophisticated and targeted computer crime pose a risk to the security of our systems and networks, as well as those of third parties who we rely on, and risk the confidentiality, availability, and integrity of our data and systems. We protect our sensitive, confidential, or proprietary information as well as personal data, our facilities, and IT systems, but we and third parties upon whom we rely to host or protect our data, facilities, and IT systems may be vulnerable to cybersecurity threats and future cybersecurity incidents. In the conduct of our business, we also are in the process of preparing for a Level 2 Cybersecurity Maturity Model Certification (CMMC), including by engaging an external third party to audit our information security standards against CMMC requirements. Despite our security measures, the IT systems and infrastructure of the Company and third parties who host or secure our data may be vulnerable to customer viruses, cyber-attacks, harmful malware or ransomware, denial-of-services attacks and other attacks, which may affect business continuity and threaten the availability, confidentiality and integrity of our systems and information. Cybersecurity incidents can also include employee or personnel failures, fraud, phishing or other social engineering attempts or other methods to cause confidential information, payments, account access or access credentials, or other data to be transmitted to an unintended recipient. Cybersecurity threat actors also may attempt to exploit vulnerabilities through in software including that is software commonly used by companies in cloud-based services and bundled software. Any such threat or incident could compromise our networks and those of third parties and the information stored there could be accessed, publicly disclosed, lost, or stolen. A cybersecurity incident and any attacks impacting our systems or data could interrupt or damage our operations or harm our reputation, resulting in a loss of sales, operating profits, and assets, including major disruptions to business operations, loss of intellectual property, release of confidential information, alteration or corruption of data or systems, costs related to remediation or the payment of ransom, and litigation including individual claims or consumer class actions, commercial litigation, administrative, and civil or criminal investigations or actions, regulatory intervention and sanctions or fines, investigation and remediation costs and possible prolonged negative publicity. The Company has taken steps to protect our computer systems and data; however, there is always a risk of successful intrusions or attacks, and any intrusions or attacks could pose a risk of undetected data loss or theft that could later be used to harm the Company.

These cybersecurity threats exist with respect to the IT systems of our lenders, suppliers, consultants, advisers, and other third parties with whom we conduct business. Cyber attacks, vulnerabilities, and disruptions impacting those systems could result in the loss, theft, or disclosure of confidential, proprietary, or personal information or intellectual property and could also interrupt or damage our operations, harm our reputation, and subject us to legal claims. Although we maintain a cyber insurance policy, there is no guarantee that such coverage will be sufficient to address costs, liabilities and damages we may incur in connection with a cybersecurity incident or that such coverage will continue to be available on commercially reasonable terms or at all.

***Data privacy compliance and breaches and the evolving global governmental regulations relating to data privacy and cybersecurity could adversely affect our results of operations and profitability.***

The Company is subject to increasingly complex and changing laws and regulations enacted to protect business and personal information in the United States and other jurisdictions regarding privacy, data protection and data security, including those related to the collection, storage, use, transmission and protection of personal information and other customer, vendor or employee data. Laws and regulations addressing personal information, including with respect to the European Union's General Data Protection Regulation (GDPR), and the California Consumer Privacy Act of 2018 (CCPA) as amended by the California Privacy Rights Act (CPRA), and other similar United States state privacy laws, and the interpretation and enforcement of these and similar laws and regulations, are continuously evolving and there is significant uncertainty with respect to how compliance with these laws and regulations may develop and the costs and complexity of future compliance. Similarly, our role as a subcontractor to government contractors. The interpretation and application of data protection laws may be interpreted and applied in a manner that is inconsistent with our data practices. In addition, as a result of existing or new data protection requirements, we incur and expect to continue to incur significant ongoing costs as part of our efforts to protect our business data and personal information and comply with applicable law. Any failure, or perceived failure, to comply with our data protection or privacy-related legal obligations may result in governmental enforcement actions, litigation, or negative publicity, and could have an adverse effect on our operating results and financial condition.

***Our defined benefit pension plans and other post-employment benefit plans are subject to financial market risks that could adversely impact our financial performance.***

In 2019, the Company's Board of Directors approved changes to the U.S. defined benefit pension plan. The Company froze the pay and service amounts used to calculate the pension benefits for active participants as of January 1, 2020. The Company has

defined benefit pension plans in other non-U.S. locations. Our pension expense and our required contributions to our pension plans are directly affected by the value of plan assets, the projected rate of return on plan assets, the actual rate of return on plan assets, and the actuarial assumptions we use to measure our defined benefit pension plan obligations, including the rate at which future obligations are discounted to a present value, or the discount rate. Significant changes in market interest rates and decreases in the fair value of plan assets and investment losses on plan assets would increase funding requirements and expenses and may adversely impact our results of operations.

We provide post-employment health benefits to eligible employees. Our retiree health expense is directly affected by the assumptions we use to measure our retiree health plan obligations, including the assumed rate at which health care costs will increase and the discount rate used to calculate future obligations. For retiree health accounting purposes, we have used a graded assumption schedule to assume the rate at which health care costs will increase. We cannot predict whether changing market or economic conditions, regulatory changes, or other factors will further increase our retiree health care expenses or obligations, diverting funds we would otherwise apply elsewhere.

***Unexpected events and natural disasters at our mine or manufacturing facilities could increase the cost of operating our business.***

A portion of our production costs at our mine and manufacturing facilities are fixed regardless of current operating levels. Our operating levels are subject to conditions beyond our control that may increase the cost of products for varying lengths of time. These conditions include, among other things, weather (including severe weather caused by climate change), fire, natural disasters, pit wall failures, and ore processing changes. Our operations also involve the handling and production of potentially explosive materials. It is possible that an explosion at our mine or other manufacturing facilities could result in death or injuries to employees and others and material property damage to third parties and us. Any explosion could expose us to adverse publicity or liability for damages and materially adversely affect our operations. Any of these events could increase our cost of operations.

***Tax increases and changes in tax laws may adversely affect our financial results***

As a company conducting business on a global basis with material operations throughout the United States, we are exposed, both directly and indirectly, to the effects of changes in U.S., state, local, and foreign tax laws. Taxes for financial reporting purposes and cash tax liabilities in the future may be adversely affected by changes in such tax laws. Such changes may put us at a competitive disadvantage compared to some of our major competitors, to the extent we are unable to pass the tax costs through to our customers. Specifically, the Inflation Reduction Act of 2022 may be subject to change by future presidential administrations, including the Trump administration. It is not possible at this time to determine whether such actions will be taken and the impact they may have on the Company.

***Our success is dependent upon our relationships with certain key customers.***

Although the Company serves a diverse customer base, a portion of our sales is concentrated amongst a limited number of customers. If we lost one or more of these major customers, or if one or more major customers significantly decreased its orders for our products, our business, results of operations and financial condition could be materially and adversely impacted. In fiscal year 2024 and 2023, one Performance Material customer accounted for approximately ten percent of our net sales.

***Our business may be impacted by external factors that we may not be able to control.***

War, civil conflict, terrorism, other geopolitical and diplomatic tensions, natural disasters, climate change and public health issues including domestic or international pandemics, other outbreaks of contagious diseases (such as the COVID-19 pandemic) and other adverse public health developments have caused or could cause damage or disruption to domestic or international commerce by creating economic or political uncertainties. Additionally, the volatility in the financial markets could negatively impact our business. These events could result in a decrease in demand for our products, affect the availability of credit facilities to us, our customers or other members of the supply chain necessary to transact business, make it difficult or impossible to deliver orders to customers or receive materials from suppliers, affect the availability or pricing of energy sources or result in other severe consequences that may or may not be predictable. As a result, our business, financial condition and results of operations could be materially adversely affected.

**Risks Related to Legal, Compliance and Regulatory Matters**

***We conduct our sales and distribution operations on a worldwide basis and are subject to the risks associated with doing business outside the United States.***

We sell to customers outside of the United States from our domestic and international operations. Revenue from international operations (principally Europe and Asia) accounted for approximately 57% in 2024 and 51% in 2023 and 2022, respectively of Net sales. We anticipate that international shipments will account for a significant portion of our sales for the foreseeable future. There are a number of risks associated with international business activities, including:

- burdens to comply with multiple and potentially conflicting foreign laws and regulations, including export requirements, tariffs and other barriers, environmental health and safety requirements, increasingly complex requirements concerning privacy and data security, including the European Union's General Data Protection Regulation, and unexpected changes in any of these factors;
- difficulty in obtaining export licenses from the U.S. Government;
- political and economic instability and disruptions, including terrorist attacks;
- disadvantages of competing against companies from countries that are not subject to U.S. laws and regulations, including the Foreign Corrupt Practices Act (FCPA);
- potentially adverse tax consequences due to overlapping or differing tax structures;
- fluctuations in currency exchange rates; and
- disruptions in our business or the businesses of our suppliers or customers due to cyber security incidents, public health concerns (including viral outbreaks, such as COVID-19), war or other hostilities, or natural disasters.

Any of these risks could have an adverse effect on our international operations by reducing the demand for our products or reducing the prices at which we can sell our products, which could result in an adverse effect on our business, financial position, results of operations, or cash flows. For example, the Trump administration has proposed to significantly increase tariffs on foreign imports into the United States, particularly from Canada, China and Mexico. Other effects of these changes, including impacts on the price of raw materials, responsive actions from governments and the opportunity for competitors to establish a presence in markets where we participate, could also have significant impacts on our financial results. We cannot predict what further action may be taken with respect to tariffs or trade relations between the U.S. and other governments, and any further changes in U.S. or international trade policy could have an adverse impact on our business.

In addition, we could be adversely affected by violations of the FCPA and similar worldwide anti-bribery laws. The FCPA and similar anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. While policies mandate compliance with these anti-bribery laws, we operate in many parts of the world that have experienced governmental corruption to some degree and, in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. We cannot assure that our internal controls and procedures will always protect us from the reckless or criminal acts committed by our employees or agents. If we are found to be liable for FCPA violations or other anti-bribery laws, we could suffer from criminal or civil penalties or other sanctions, which could have a material adverse effect on our business.

***Changes in laws or regulations or the manner of their interpretation or enforcement could adversely impact our financial performance and restrict our ability to operate our business or execute our strategies.***

New laws or regulations, or changes in existing laws or regulations or the manner of their interpretation or enforcement, could increase our cost of doing business and restrict our ability to operate our business or execute our strategies. In particular, there may be significant changes in U.S. laws and regulations and international trade agreements that could affect a wide variety of industries and businesses, including those businesses we own and operate.

***We may be exposed to certain regulatory and financial risks related to climate change.***

Growing concerns about climate change may result in the imposition of additional regulations or restrictions to which we may become subject. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to climate change, including regulating greenhouse gas emissions. The outcome of new legislation or regulation in the U.S. and other jurisdictions in which we operate may result in new or additional requirements, additional charges to fund energy efficiency activities, and fees or restrictions on certain activities. Compliance with these climate change initiatives may also result in additional costs to us, including, among other things, increased production costs, additional taxes, reduced

emission allowances or additional restrictions on production or operations. Any adopted future climate change regulations could also negatively impact our ability to compete with companies situated in areas not subject to such limitations. Even without such regulation, increased public awareness and adverse publicity about potential impacts on climate change emanating from us or our industry could harm us. We may not be able to recover the cost of compliance with new or more stringent laws and regulations, which could adversely affect our results of operations, financial position or cash flows.

***We are exposed to lawsuits in the normal course of business, which could harm our business.***

During the ordinary conduct of our business, we may become involved in certain legal proceedings, including those involving product liability claims, third-party lawsuits relating to exposure to beryllium, claims against us of infringement of intellectual property rights of third parties, or other litigation matters. Due to the uncertainties of litigation, we can give no assurance that we will prevail in the resolution of future claims. Certain of these matters involve types of claims that, if they result in an adverse ruling to us, could give rise to substantial liability, which could have a material adverse effect on our business, operating results, or financial condition.

Although we have insurance which may be applicable in certain circumstances, some jurisdictions preclude insurance coverage for punitive damage awards. Accordingly, our profitability could be adversely affected if any current or future claimants obtain judgments for any uninsured compensatory or punitive damages. Further, an unfavorable outcome or settlement of a pending beryllium case or adverse media coverage could encourage the commencement of additional similar litigation.

***Health issues, litigation, and government regulations relating to our beryllium operations could significantly reduce demand for our products, limit our ability to operate, and adversely affect our profitability.***

If exposed to respirable beryllium fumes, dusts, or powder, some individuals may demonstrate an allergic reaction and may later develop a chronic lung disease known as chronic beryllium disease (CBD). Severe cases of CBD can cause disability or death.

Further, some scientists claim there is evidence of an association between beryllium exposure and lung cancer, and certain standard-setting organizations have classified beryllium and beryllium compounds as human carcinogens.

The health risks relating to exposure to beryllium have been, and will continue to be, a significant issue confronting the beryllium-containing products industry. The health risks associated with beryllium have resulted in product liability claims, employee, and third-party lawsuits.

The increased levels of scrutiny by federal, state, foreign, and international regulatory authorities could lead to regulatory decisions relating to the approval or prohibition of the use of beryllium-containing materials for various uses. Concerns over CBD and other potential adverse health effects relating to beryllium, as well as concerns regarding potential liability from the use of beryllium, may discourage our customers' use of our beryllium-containing products and significantly reduce demand for our products. In addition, adverse media coverage relating to our beryllium-containing products could damage our reputation or cause a decrease in demand for beryllium-containing products, which could adversely affect our profitability.

Additionally we, as well as our customers, are subject to laws regulating worker exposure to beryllium. In 2018, OSHA issued a final standard for workplace exposure to beryllium. Materion was a participant in the development of the standards, which fundamentally represent our current health and safety operating practices. Other government and standard-setting organizations are also reviewing beryllium-related worker safety rules and standards, and will likely make them more stringent. The development, proposal, or adoption of more stringent standards may affect buying decisions by the users of beryllium-containing products. If the standards are made more stringent and/or our customers or other downstream users decide to reduce their use of beryllium-containing products, our results of operations, liquidity, and financial condition could be materially adversely affected. The impact of this potential adverse effect would depend on the nature and extent of the changes to the standards, the cost and ability to meet the new standards, the extent of any reduction in customer use, and other factors. The magnitude of this potential adverse effect cannot be estimated.

***Our bertrandite ore mining and manufacturing operations are subject to extensive environmental regulations that impose, and will continue to impose, significant costs and liabilities on us, and future regulation could increase these costs and liabilities or prevent production of beryllium-containing products.***

We are subject to a variety of governmental regulations relating to the environment, including those relating to our handling of hazardous materials and air and wastewater emissions. Some environmental laws impose substantial penalties for non-compliance. Others, such as the federal Comprehensive Environmental Response, Compensation, and Liability Act, impose strict, retroactive, and joint and several liability upon entities responsible for releases of hazardous substances. Bertrandite ore

mining is also subject to extensive governmental regulation on matters such as permitting and licensing requirements, plant and wildlife protection, reclamation and restoration of mining properties, the discharge of materials into the environment, and the effects that mining has on groundwater quality and availability. Future requirements could impose on us significant additional costs or obligations with respect to our extraction, milling, and processing of ore. If we fail to comply with present and future environmental laws and regulations, we could be subject to liabilities or our operations could be interrupted. In addition, future environmental laws and regulations could restrict our ability to expand our facilities or extract our bertrandite ore deposits. These environmental laws and regulations could also require us to acquire costly equipment, obtain additional financial assurance, or incur other significant expenses in connection with our business, which would increase our costs of production.

***Expectations relating to environmental, social and governance considerations expose us to potential liabilities, increased costs and other adverse effects on our business.***

Many governments, regulators, investors, employees, customers and other stakeholders are increasingly focused on environmental, social and governance considerations relating to businesses, including climate change and greenhouse gas emissions, human capital and diversity, equity and inclusion. The Company is committed to ensuring that our organization's governance and operations are fully aligned with environmentally and socially responsible practices. We make statements about our environmental, social and governance goals and initiatives through information provided on our website and other communications. Responding to these environmental, social and governance considerations and implementation of these goals and initiatives involves risks and uncertainties, requires investments, which could be material, and are impacted by factors that may be outside our control. In addition, some stakeholders may disagree with our goals and initiatives and the focus of stakeholders may change and evolve over time. Stakeholders also may have very different views on where environmental, social and governance focus should be placed, including differing views of regulators in various jurisdictions in which we operate. Any failure, or perceived failure, by us to achieve our goals, further our initiatives, adhere to our public statements, comply with federal, state or international environmental, social and governance laws and regulations, or meet evolving and varied stakeholder expectations and standards could result in legal and regulatory proceedings against us and materially adversely affect our business, reputation, results of operations, financial condition and stock price.

#### **Risks Related to Our Debt**

***A major portion of our bank debt consists of variable-rate obligations, which subjects us to interest rate fluctuations.***

Our credit facilities are secured by substantially all of our assets (other than non-mining real property and certain other assets). Our working capital line of credit includes variable-rate obligations, which expose us to interest rate risks. If interest rates increase, our debt service obligations on our variable-rate indebtedness would increase even if the amount borrowed remained the same, resulting in a decrease in our net income. Additional information regarding our market risks is contained in Item 7A "Quantitative and Qualitative Disclosures About Market Risk."

***Our failure to comply with the covenants contained in the terms of our indebtedness could result in an event of default, which could materially and adversely affect our operating results and our financial condition. Additionally, restrictive covenants contained in our indebtedness may restrict our operations, including our ability to pursue our growth and acquisition strategies.***

The terms of our credit facilities require us to comply with various covenants, including financial covenants. A global economic downturn could have a material adverse impact on our earnings and cash flow, which could adversely affect our ability to comply with our financial covenants and could limit our borrowing capacity. Our ability to comply with these covenants depends, in part, on factors over which we may have no control. A breach of any of these covenants could result in an event of default under one or more of the agreements governing our indebtedness which, if not cured or waived, could give the holders of the defaulted indebtedness the right to terminate commitments to lend and cause all amounts outstanding with respect to the indebtedness to be due and payable immediately. Acceleration of any of our indebtedness could result in cross-defaults under our other debt instruments. Our assets and cash flow may be insufficient to fully repay borrowings under all of our outstanding debt instruments if some or all of these instruments are accelerated upon an event of default, in which case we may be required to seek legal protection from our creditors.

Additionally, the terms of the agreements governing our indebtedness contain a number of restrictive covenants, including restrictions in our ability to, among other things, borrow and make investments, acquire other businesses, and consign additional precious metals. These covenants could adversely affect our business by limiting our ability to plan for or react to market conditions or to meet our capital needs, as well as adversely affect our ability to pursue our growth and acquisition strategies, and other strategic initiatives.

***Adverse business conditions could impact our ability to generate cash and service our indebtedness.***

Our ability to pay interest on our debt and to satisfy our other debt obligations depends in part upon our future financial and operating performance and that of our subsidiaries, and upon our ability to renew or refinance borrowings. Prevailing economic conditions and financial, business, competitive, legislative, regulatory and other factors, many of which are beyond our control, affect our ability to make these payments. While we believe that cash flow from our current level of operations, available cash and available borrowings under our revolving credit facility provide adequate sources of liquidity, a significant drop in operating cash flow resulting from economic conditions, competition or other uncertainties beyond our control could create the need for alternative sources of liquidity. If we are unable to generate sufficient cash flow to meet our debt service obligations, we will have to pursue one or more alternatives, such as reducing or delaying capital or other expenditures, refinancing debt, selling assets, or raising equity capital.

#### **Risks Related to the Execution of Our Strategy.**

##### ***We may not be able to complete our acquisition strategy or successfully integrate acquired businesses.***

We are active in pursuing acquisitions. We intend to continue to consider further growth opportunities through the acquisition of assets or companies and routinely review acquisition opportunities. We cannot predict whether we will be successful in pursuing any acquisition opportunities or whether we will be able to achieve the strategic and other objectives related to any acquisitions, including the achievement of any expected synergies. Future acquisitions may involve the expenditure of significant funds and management time. Depending upon the nature, size, and timing of future acquisitions, we may be required to raise additional financing, which may not be available to us on acceptable terms, or at all. Further, we may not be able to successfully integrate any acquired business with our existing businesses or recognize any expected advantages from any completed acquisition.

In addition, there may be liabilities that we fail, or are unable, to discover in the course of performing due diligence investigations on the assets or companies we have already acquired or may acquire in the future. We cannot assure that rights to indemnification by the sellers of these assets or companies to us, even if obtained, or applicable representation and warranty insurance, will be enforceable, collectible, or sufficient in amount, scope, or duration to fully offset the possible liabilities associated with the business or property acquired. Any such liabilities, individually or in the aggregate, could have a materially adverse effect on our business, financial condition, and results of operations.

##### ***Our products are deployed in complex applications and may have errors or defects that we find only after deployment.***

Our products are highly complex, designed to be deployed in complicated applications, and may contain undetected defects, errors, or failures. Although our products are generally tested during manufacturing, prior to deployment, they can only be fully tested when deployed in specific applications. For example, we sell beryllium-copper alloy strip products in a coil form to some customers, who then stamp the alloy for its specific purpose. On occasion, it is not until such customer stamps the alloy that a defect in the alloy is detected. Consequently, our customers may discover errors after the products have been deployed. The occurrence of any defects, errors, or failures could result in installation delays, product returns, termination of contracts with our customers, diversion of our resources, increased service and warranty costs, and other losses to our customers, end users, or to us. Any of these occurrences could also result in the loss of, or delay in, market acceptance of our products, and could damage our reputation, which could reduce our sales.

In addition to the risk of unanticipated warranty or recall expenses, our customer contracts may contain provisions that could cause us to incur penalties, be liable for damages, including liquidated damages, or incur other expenses, if we experience difficulties with respect to the functionality, deployment, operation, and availability of our products and services. In the event of late deliveries, late or improper installations or operations, failure to meet product or performance specifications or other product defects, or interruptions or delays in our managed service offerings, our customer contracts may expose us to penalties, liquidated damages, and other liabilities. In the event we were to incur contractual penalties, such as liquidated damages or other related costs that exceed our expectations, our business, financial condition, and operating results could be materially and adversely affected.

##### ***Our restructuring efforts may not have the intended effects.***

We have implemented restructuring and other actions to reduce structural costs, improve operational efficiency and position the Company for long-term profitable growth. However, there is no assurance that these efforts, or that any other actions that we have taken or may take in the future, will be sufficient to counter any future economic or industry disruptions. We cannot provide assurance that we will not incur future restructuring charges or impairment charges, or that we will achieve all of the anticipated benefits from the restructuring actions we have taken or plan to take in the future.

##### ***If we are unable to retain our qualified management and employees, our business may be negatively affected.***

Our ability to provide high quality products and services depends in part on our ability to retain our skilled personnel in the areas of management, product engineering, servicing and sales. Competition for such personnel is intense, and our competitors can be expected to attempt to hire our management and skilled employees from time to time. In addition, our restructuring activities and strategies for growth have placed, and are expected to continue to place, increased demands on our management's skills and resources. If we are unable to retain our management team and professional personnel, our customer relationships and level of technical expertise could be negatively affected, which may materially and adversely affect our business.

Any interruption of our workforce, including interruptions due to our restructuring initiatives, unionization efforts, changes in labor relations or shortages of appropriately skilled individuals could affect our business.

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

None.

#### **Item 1C. CYBERSECURITY**

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

We maintain a cybersecurity program designed to protect our company, company data, customer data and personal data within information systems used by the Company. In order to respond to potential cybersecurity threats, we maintain policies, procedures and systems that provide for controls on detecting and addressing cybersecurity threats, including a formal incident response plan. We also maintain business continuity and disaster recovery capabilities, which we test regularly.

We have a process designed to address cybersecurity threats at third parties, including service providers, that handle, possess, process and store our information.

The oversight of our cybersecurity risk is integrated into our enterprise-wide risk management process. We have a dedicated global cybersecurity team that monitors potential cyber threats and leads our business continuity risk management. We have business continuity plans that identify our critical business systems, establish recovery objectives and create methods for implementing such plans within our business. Our business continuity plans encompass disaster recovery at our data centers such that business operations continue with no or minimal impact. Our business continuity plans will continue to evolve, with the goal of enabling us to operate and maintain our essential functions in the event of a crisis.

In addition, we engage third-party assessors, consultants and other third parties from time to time to assist us with assessing, enhancing, implementing, and monitoring our cyber security risk-management programs. We review the results of the assessments and reviews of these third-parties and determined whether to adjust our cybersecurity policies and processes based on their recommendations.

We detect frequent attempts by third parties to gain access to our systems and networks, and the frequency of such attempts could increase in the future. As of the date of the filing of this Form 10-K, we are not aware of and do not believe that any such attempts that have occurred since the beginning of 2024 that have had a material effect, or are reasonably likely to have a material effect, on our business, operations, or financial condition. However, there can be no assurance that our protection efforts will be successful. See *"Risks Relating to Our Business and Operations – A cybersecurity incident impacting customer, employee, supplier, or Company information, or Company systems or infrastructure, may have a material adverse effect on our business, financial condition, and results of operations."* in "Risk Factors" on page 10 of this Form 10-K.

##### **Governance**

While our Board has the ultimate oversight responsibility for the risk management process, the responsibilities of the Audit and Risk Committee of our Board include overseeing cybersecurity. As part of its program of regular oversight, all members of the Audit and Risk Committee are responsible for overseeing cyber, information security, and information technology risk, including management's actions to identify, assess, mitigate, and remediate material cyber issues and risks.

The Audit and Risk Committee receives at least quarterly reports from our Chief Information Officer on our information technology and cyber risk profile, enterprise cyber program, key enterprise cyber initiatives, and significant updates on external audits of our information security program.

The full Board attends two of the Audit and Risk Committee meetings at which information technology and cyber risk are discussed. Additionally, at least annually, the full Board attends a cybersecurity training from external experts and reviews and discusses our technology strategy with the Chief Information Officer and approves our technology strategic plan.



Our senior leadership is responsible for identifying, assessing and managing our exposure to risk, including cybersecurity risks. Our cybersecurity program is led by our Chief Information Officer, who is responsible for assessing and managing material risks from cybersecurity threats, including monitoring the prevention, detection, mitigation and remediation of cybersecurity threats. Our Chief Information Officer reports directly to our Chief Executive Officer.

Pursuant to our formal incident response plan, suspected cybersecurity incidents are first evaluated by our “Initial Incident Response Team” led by our Chief Information Officer and comprised of representatives from our information technology, human resources, safety, legal, finance and communications departments, who jointly determine if the incident may result in a business interruption, require reporting to regulators, employees and/or business partners, have a material financial impact or cause reputational harm and should be escalated to our executive incident response team, which includes our Chief Executive Officer, Chief Financial Officer and General Counsel. For all matters that have been escalated, the responsible team executes specified procedures to contain the incident, implement incident response procedures and implement and document remediation measures.

Steve Holt is our Chief Information Officer, a role he has had since he joined Materion in November 2017. Mr. Holt has 40 years of experience in the information technology industry. Prior to joining Materion, Mr. Holt served as Chief Information Officer at Chart Industries as well as other IT-focused positions at TechnOptics, Accuride Corporation and Navistar.

## Item 2. PROPERTIES

We operate manufacturing plants, service and distribution centers, and other facilities throughout the world. During 2024, we made effective use of our productive capacities at our principal facilities. We believe that the quality and production capacity of our facilities is sufficient to maintain our competitive position for the foreseeable future. Information as of December 31, 2024, with respect to our facilities that are owned or leased, and the respective segments in which they are included, is set forth below:

| <u>Location</u>                                 | <u>Owned or Leased</u> | <u>Approximate Number of<br/>Square Feet</u> |
|-------------------------------------------------|------------------------|----------------------------------------------|
| <b>Corporate and Administrative Offices</b>     |                        |                                              |
| Mayfield Heights, Ohio <sup>(1)(2)</sup>        | Leased                 | 79,100                                       |
| <b>Manufacturing Facilities</b>                 |                        |                                              |
| Albuquerque, New Mexico <sup>(2)</sup>          | Owned/Leased           | 13,000/23,460                                |
| Alzenau, Germany <sup>(2)</sup>                 | Leased                 | 136,400                                      |
| Balzers, Lichtenstein <sup>(3)</sup>            | Leased                 | 83,400                                       |
| Brewster, New York <sup>(2)</sup>               | Leased                 | 75,000                                       |
| Buffalo, New York <sup>(2)</sup>                | Owned                  | 110,000                                      |
| Delta, Utah <sup>(1)</sup>                      | Owned                  | 100,800                                      |
| Elmore, Ohio <sup>(1)</sup>                     | Owned/Leased           | 681,000/191,000                              |
| Farnborough, England <sup>(1)</sup>             | Leased                 | 10,000                                       |
| Jena, Germany <sup>(3)</sup>                    | Owned                  | 102,700                                      |
| Limerick, Ireland <sup>(2)</sup>                | Leased                 | 23,000                                       |
| Lincoln, Rhode Island <sup>(1)</sup>            | Owned/Leased           | 166,500/27,100                               |
| Lorain, Ohio <sup>(1)</sup>                     | Owned                  | 55,000                                       |
| Milwaukee, Wisconsin <sup>(2)</sup>             | Owned/Leased           | 106,000/150,000                              |
| Newton, MA <sup>(1,2)</sup>                     | Owned/Leased           | 125,000/110,800                              |
| Penang, Malaysia <sup>(3)</sup>                 | Leased                 | 68,000                                       |
| Reading, Pennsylvania <sup>(1)</sup>            | Owned/Leased           | 128,800/287,000                              |
| Santa Clara, California <sup>(2)</sup>          | Leased                 | 5,800                                        |
| Shanghai, China <sup>(3)</sup>                  | Leased                 | 101,400                                      |
| Singapore <sup>(1)(2)</sup>                     | Leased                 | 24,500                                       |
| Subic Bay, Philippines <sup>(2)</sup>           | Leased                 | 5,000                                        |
| Taoyuan City, Taiwan <sup>(2)</sup>             | Leased                 | 32,500                                       |
| Tucson, Arizona <sup>(1)</sup>                  | Owned                  | 53,000                                       |
| Tyngsboro, Massachusetts <sup>(3)</sup>         | Leased                 | 38,000                                       |
| Westford, Massachusetts <sup>(3)</sup>          | Leased                 | 78,000                                       |
| Wheatfield, New York <sup>(2)</sup>             | Owned                  | 35,000                                       |
| <b>Service, Sales, and Distribution Centers</b> |                        |                                              |
| Elmhurst, Illinois <sup>(1)</sup>               | Leased                 | 28,000                                       |
| Eschborn, Germany <sup>(3)</sup>                | Leased                 | 500                                          |
| Seoul, Korea <sup>(2)</sup>                     | Leased                 | 2,200                                        |
| Shanghai, China <sup>(1)</sup>                  | Leased                 | 5,000                                        |
| Stuttgart, Germany <sup>(1)</sup>               | Leased                 | 49,000                                       |
| Tokyo, Japan <sup>(1)</sup>                     | Leased                 | 5,400                                        |

<sup>(1)</sup> Performance Materials

<sup>(2)</sup> Electronic Materials

<sup>(3)</sup> Precision Optics

## **Mine Property**

The Company holds certain mineral rights on 7,443.5 acres at the Spor Mountain Mining Properties in Juab County, Utah, from which the beryllium-bearing ore, bertrandite, is mined by the open pit method. The Spor Mountain Mining Properties are a part of the Spor Mountain Mine that is owned by Materion. The Spor Mountain Mining Properties are in Juab County, Utah, west of the Thomas Mountain Range, approximately 47 miles northwest of the Spor Mountain Mill, which is 11.5 miles northeast of Delta, Utah, in Millard County. The land surface of the mining areas is owned by Materion. The mineral rights, exclusive of oil and gas, are held by Materion and the State of Utah through the School and Institutional Trust Lands Administration (TLA). TLA beryllium rights are leased by Materion in nine leasing arrangements with varying acreage and expiration dates ranging from 2025 through 2046. The leases have historically been renewed prior to the expiration dates. Several former owners are paid royalties as part of legacy agreements.

Ore resource and reserve data for the Spor Mountain Mine can be found in Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations". In addition, a Technical Report Summary (TRS) for the Spor Mountain Mine was prepared in 2021, in accordance with Items 1300-1305 of Regulations S-K by qualified persons who have no affiliation with the Company. The TRS, which was filed as Exhibit 96 to our Annual Report on Form 10-K for the year ended December 31, 2021, provides additional details regarding the Spor Mountain Mine, including the technical information and assumptions to support the estimates of mineral resources and mineral reserves.

In accordance with Item 1302 of Regulation S-K, a registrant is required to file a TRS as an exhibit to its Annual Report on Form 10-K when disclosing for the first time ore reserves or resources or when ore reserves or resources have changed materially since the last TRS was filed for the property. Because there have been no material changes to the Company's reserves or resources in 2024, it is not filing a TRS as an exhibit to this Form 10-K.

## **Mine Exploration Status**

The Spor Mountain Mine has been in production since 1968. Over the years, seven different mining areas have been identified. Development drilling was performed across the site for over 30 years and completed in 2000. Additional details can be found in the TRS.

## **Item 3. LEGAL PROCEEDINGS**

Our subsidiaries and our holding company are subject, from time to time, to a variety of civil and administrative proceedings arising out of our normal operations, including, without limitation, product liability claims, health, safety, and environmental claims, and employment-related actions. Among such proceedings are cases alleging that plaintiffs have contracted, or have been placed at risk of contracting, beryllium sensitization or CBD or other lung conditions as a result of exposure to beryllium (beryllium cases). The plaintiffs in beryllium cases seek recovery under negligence and various other legal theories and demand compensatory and often punitive damages, in many cases of an unspecified sum. Spouses of some plaintiffs claim loss of consortium.

### **Beryllium Claims**

As of December 31, 2024 there were no pending beryllium cases.

The Company has insurance coverage, which may respond, subject to an annual deductible.

## **Item 4. MINE SAFETY DISCLOSURES**

Information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.104) is included in Exhibit 95 to this Form 10-K.

## PART II

### Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

#### Market Information

The Company's common shares are listed on the New York Stock Exchange under the symbol "MTRN". As of January 31, 2025, there were 592 shareholders of record.

#### Share Repurchases

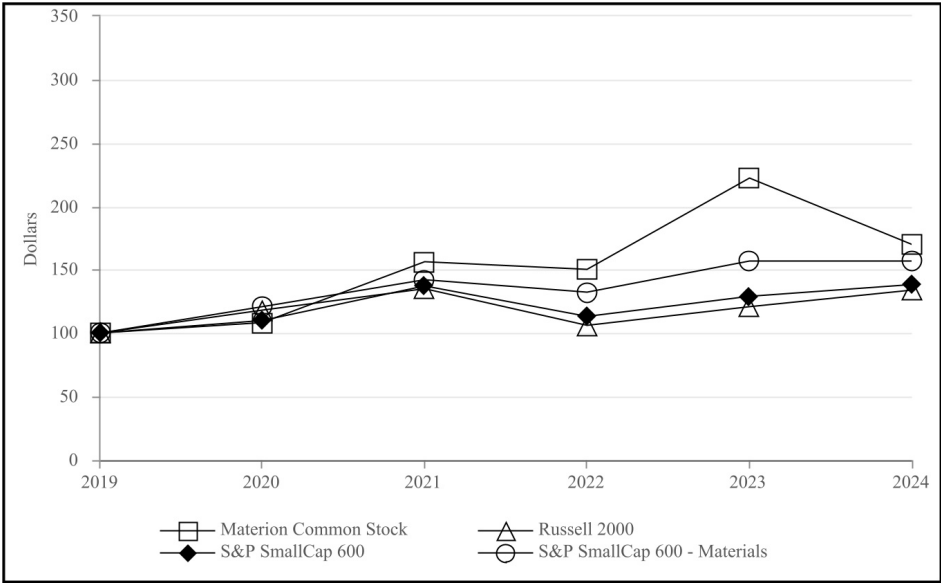
The following table presents information with respect to repurchases of common stock made by us during the three months ended December 31, 2024.

| Period                                | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1) | Maximum Dollar Value that May Yet Be Purchased Under the Plans or Programs (1) |
|---------------------------------------|----------------------------------|------------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| September 28 through November 1, 2024 | —                                | \$ —                         | —                                                                                    | \$ 8,316,239                                                                   |
| November 2 through November 29, 2024  | —                                | \$ —                         | —                                                                                    | 8,316,239                                                                      |
| November 30 through December 31, 2024 | —                                | \$ —                         | —                                                                                    | 8,316,239                                                                      |
| Total                                 | —                                | \$ —                         | —                                                                                    | \$ 8,316,239                                                                   |

- (1) On January 14, 2014, we announced that our Board of Directors authorized the repurchase of up to \$50.0 million of our common stock; this Board authorization does not have an expiration date. During the three months ended December 31, 2024, we did not repurchase any shares under this program.

Performance Graph

The following graph sets forth the cumulative shareholder return on our common shares as compared to the cumulative total return of the Russell 2000 Index, the S&P SmallCap 600 Index, and the S&P SmallCap 600 Materials Index, as Materion Corporation is a component of these indices.



|                              | 2020   | 2021   | 2022   | 2023   | 2024   |
|------------------------------|--------|--------|--------|--------|--------|
| Materion Corporation         | \$ 108 | \$ 156 | \$ 150 | \$ 222 | \$ 170 |
| Russell 2000                 | 118    | 135    | 106    | 121    | 134    |
| S&P SmallCap 600             | 110    | 137    | 113    | 129    | 138    |
| S&P SmallCap 600 - Materials | 121    | 142    | 132    | 157    | 157    |

The above graph assumes that the value of our common shares and each index was \$100 on December 31, 2019 and that all applicable dividends were reinvested.

**Item 6. [RESERVED]**

Reserved.

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

### OVERVIEW

We are an integrated producer of high-performance advanced engineered materials used in a variety of electrical, electronic, thermal, and structural applications. Our products are sold into numerous end markets, including semiconductor, industrial, aerospace and defense, automotive, energy, consumer electronics, and life sciences.

### RESULTS OF OPERATIONS

| (Thousands except per share data)                   | 2024         | 2023         | 2022         |
|-----------------------------------------------------|--------------|--------------|--------------|
| Net sales                                           | \$ 1,684,739 | \$ 1,665,187 | \$ 1,757,109 |
| Value-added sales                                   | 1,097,577    | 1,127,071    | 1,114,411    |
| Gross margin                                        | 325,985      | 349,042      | 343,880      |
| Gross margin as a % of Net sales                    | 19 %         | 21 %         | 20 %         |
| Gross margin as a % of Value-added sales            | 30 %         | 31 %         | 31 %         |
| Selling, general, and administrative (SG&A) expense | 145,588      | 157,911      | 169,338      |
| SG&A expense as a % of Net sales                    | 9 %          | 9 %          | 10 %         |
| SG&A expense as a % of Value-added sales            | 13 %         | 14 %         | 15 %         |
| Research and development (R&D) expense              | 29,028       | 27,540       | 28,977       |
| R&D expense as a % of Net sales                     | 2 %          | 2 %          | 2 %          |
| R&D expense as a % of Value-added sales             | 3 %          | 2 %          | 3 %          |
| Restructuring expense                               | 6,848        | 3,824        | 1,573        |
| Goodwill impairment                                 | 56,067       | —            | —            |
| Long-lived asset impairment                         | 17,134       | —            | —            |
| Loss on asset disposal                              | 6,412        | —            | —            |
| Other — net                                         | 17,685       | 23,323       | 24,237       |
| Operating profit                                    | 47,223       | 136,444      | 119,755      |
| Other non-operating (income) expense — net          | (2,443)      | (2,710)      | (5,250)      |
| Interest expense — net                              | 34,764       | 31,323       | 21,905       |
| Income before income taxes                          | 14,902       | 107,831      | 103,100      |
| Income tax expense (benefit)                        | 9,014        | 12,129       | 17,110       |
| Net income                                          | 5,888        | 95,702       | 85,990       |
| Diluted earnings per share                          | 0.28         | 4.58         | 4.14         |

### 2024 Compared to 2023

**Net sales** of \$1,684.7 million in 2024 increased \$19.5 million from \$1,665.2 million in 2023. An increase in net sales in the Electronic Materials was partially offset by decreased net sales in the Performance Materials and Precision Optics segments. The increase in the Electronic Materials segment was primarily due to higher precious metal pass through costs, increasing net sales by approximately \$79.5 million when compared to the prior year. Additionally, volume decreases in the energy (21%), industrial (11%) and automotive (16%) end markets were partially offset by a volume increase in the aerospace and defense (25%) end market.

**Value-added sales** is a non-GAAP financial measure that removes the impact of pass-through metal costs and allows for analysis without the distortion of the movement or volatility in metal prices and changes in mix due to customer-supplied material. Internally, we manage our business on this basis, and a reconciliation of net sales, the most directly comparable GAAP financial measure, to value-added sales is included herein. Value-added sales of \$1,097.6 million in 2024 decreased \$29.5

million compared to \$1,127.1 million in 2023. Volume decreases in the industrial (16%), energy (23%) and automotive (19%) end markets were partially offset by an increase in the aerospace and defense (28%) end market.

**Gross margin** was \$326.0 million in 2024, a 7% decrease from \$349.0 million in 2023. Gross margin expressed as a percentage of net sales was 19% in 2024 and 21% in 2023. Gross margin expressed as a percentage of value-added sales was 30% in 2024 and 31% in 2023. Gross margin decreased from the prior year primarily due to impact of lower volumes and related unabsorbed costs in the first half of 2024. Additionally, gross margin was unfavorably impacted by higher costs associated with the production ramp of the precision clad strip facility.

**SG&A expense** totaled \$145.6 million in 2024 as compared to \$157.9 million in 2023. The decrease in SG&A expense for 2024 was primarily due to various cost savings initiatives throughout 2024.

**R&D expense** consists primarily of direct personnel costs for pre-production evaluation and testing of new products, prototypes, and applications. R&D expense was \$29.0 million in 2024, an increase of 5% compared to 2023. R&D costs as a percentage of net sales remained flat at 2% in 2024 and 2023 but as a percent of value-added sales increased from 2% in 2023 to 3% in 2024.

**Restructuring expense** consists primarily of cost reduction actions taken in order to reduce our fixed cost structure. In 2024, we recorded a combined total of \$6.8 million of restructuring charges across all segments compared to \$3.8 million in 2023. See Note D of the Consolidated Financial Statements for further details of restructuring activities.

**Goodwill impairment** was \$56.1 million in 2024. There were no goodwill impairments recorded in 2023. The impairment charges were recorded in the Precision Optics reporting unit in the fourth quarter of 2024 as a result of the Company's annual goodwill impairment testing. Refer to Note A to the Consolidated Financial Statements for additional discussion.

**Long-lived asset impairment** was \$17.1 million in 2024 related to the Company's Malaysia facility in the Precision Optics segment. There were no long-lived asset impairments recorded in 2023. Refer to Note A to the Consolidated Financial Statements for additional discussion.

**Loss on asset disposal** was \$6.4 million in 2024 due to the sale of the Company's Large Area Target business at its Albuquerque, New Mexico facility and wind-down of the related refinery in the fourth quarter of 2024. There were no material asset disposals in 2023.

**Other-net** totaled expense of \$17.7 million and \$23.3 million in 2024 and 2023, respectively. The decrease Other-net was primarily driven by a decrease in metal consignment fees. Refer to Note E to the Consolidated Financial Statements for the major components within Other-net.

**Other non-operating (income) expense-net** includes components of pension and post-retirement income other than service costs. Refer to Note O of the Consolidated Financial Statements for details of the components of net periodic benefit costs.

**Interest expense - net** was \$34.8 million in 2024 and \$31.3 million in 2023. The increase in interest expense in 2024 compared to 2023 was primarily due to an increase in borrowings compared to the prior year.

**Income tax expense (benefit)** for 2024 was \$9.0 million of expense compared to \$12.1 million of expense in 2023. The decrease in income tax expense in 2024 compared to 2023 was primarily due to lower pre-tax income and more favorable impacts of the production credit and depletion in 2024. Refer to Note G to the Consolidated Financial Statements for further details on income taxes.

See the Management Discussion and Analysis section of our Annual Report on Form 10-K for the year ended December 31, 2023 for a discussion of our results for 2023 compared to 2022.

**Segment Disclosures**

The Company has four reportable segments: Performance Materials, Electronic Materials, Precision Optics, and Other. The Other reportable segment includes unallocated corporate costs.

**Performance Materials**

| (Thousands)       | 2024 |         | 2023 |         | 2022 |         |
|-------------------|------|---------|------|---------|------|---------|
| Net sales         | \$   | 744,503 | \$   | 755,547 | \$   | 671,525 |
| Value-added sales |      | 688,030 |      | 688,553 |      | 589,531 |
| EBITDA            |      | 169,276 |      | 174,471 |      | 125,227 |

**2024 Compared to 2023**



Net sales from the Performance Materials segment of \$744.5 million in 2024 decreased 1% compared to 2023. The decrease in sales was due to lower sales volumes in the industrial (13%) and automotive (16%) end markets. These decreases were partially offset by increased volumes in the aerospace and defense (33%) end market.

Value-added sales of \$688.0 million in 2024 decreased slightly from value-added sales of \$688.6 million in 2023, consistent with the decrease in net sales. The decrease in value-added sales was driven by the same factors driving the decrease in net sales.

EBITDA for the Performance Materials segment was \$169.3 million in 2024 compared to \$174.5 million in 2023. The decrease in EBITDA was primarily driven by the impact unfavorable price/mix as well as the impact of lower volumes and related unabsorbed costs in the first half of 2024. Additionally, EBITDA was unfavorably impacted in 2024 by higher costs associated with the production ramp of the precision clad strip facility. This was partially offset by incremental benefit from the Advanced Manufacturing Production Credit (production credit) recorded in 2024 compared to 2023. See Note G of the Consolidated Financial Statements for further discussion regarding the accounting for the production credit.

#### Electronic Materials

| (Thousands)       | 2024       | 2023       | 2022       |
|-------------------|------------|------------|------------|
| Net sales         | \$ 845,746 | \$ 805,751 | \$ 971,902 |
| Value-added sales | 315,252    | 334,730    | 412,783    |
| EBITDA            | 47,443     | 45,747     | 67,806     |

#### 2024 Compared to 2023

Net sales from the Electronic Materials segment of \$845.7 million in 2024 was 5% higher than net sales of \$805.8 million in 2023. The increase in net sales was primarily due to higher precious metal pass through costs, increasing net sales by approximately \$79.5 million when compared to the prior year. This increase was partially offset by a decrease in sales volumes in the energy end market (24%).

Value-added sales of \$315.3 million decreased 6% compared to value-added sales of \$334.7 million in 2023. The decrease in value-added sales was due to the sales volume decrease noted above.

EBITDA for the Electronic Materials segment was \$47.4 million in 2024 compared to \$45.7 million in 2023. Despite the decrease in value-added sales and the \$6.4 million loss on disposal recorded in 2024 related to the sale of the Target business at the Company's Albuquerque facility, EBITDA increased due to the impact of various targeted cost control initiatives implemented in 2023 and throughout 2024. See Note A of the Consolidated Financial Statements for further discussion of the sale of the Target business.

#### Precision Optics

| (Thousands)       | 2024      | 2023       | 2022       |
|-------------------|-----------|------------|------------|
| Net sales         | \$ 94,490 | \$ 103,889 | \$ 113,682 |
| Value-added sales | 94,295    | 103,788    | 113,580    |
| EBITDA            | (73,297)  | 9,860      | 13,753     |

#### 2024 Compared to 2023

Net sales from the Precision Optics segment were \$94.5 million in 2024, a decrease of 9% compared to net sales of \$103.9 million in 2023. The decrease was primarily due to lower sales volumes in the industrial (13%), automotive (27%) and aerospace and defense (10%) end markets.

Value-added sales of \$94.3 million in 2024 decreased 9% compared to value-added sales of \$103.8 million in 2023. The decrease in value-added sales was due to the same factors driving the decrease in net sales.

EBITDA for the Precision Optics segment was a loss of \$73.3 million in 2024 compared to income of \$9.9 million in 2023. The decrease in EBITDA was driven by impairments recorded in 2024 for the Precision Optics reporting unit and Malaysia of \$73.2

million as well as decreased sales volumes, partially offset by targeted cost control initiatives implemented in 2024. See Note A of the Consolidated Financial Statements for further discussion of the impairment charges recorded during 2024.

#### Other

| (Thousands)       | 2024     | 2023     | 2022     |
|-------------------|----------|----------|----------|
| Net sales         | \$ —     | \$ —     | \$ —     |
| Value-added sales | —        | —        | (1,483)  |
| EBITDA            | (25,080) | (29,280) | (28,345) |

#### 2024 Compared to 2023

The Other reportable segment in total includes unallocated corporate costs. Corporate costs of \$25.1 million in 2024 decreased from \$29.3 million in 2023. Corporate costs were 2 and 3% of total Company value-added sales in 2024 and 2023, respectively.

#### Value-Added Sales - Reconciliation of Non-GAAP Financial Measure

A reconciliation of net sales to value-added sales, a non-GAAP financial measure, for each reportable segment and for the Company in total for 2024, 2023, and 2022 is as follows:

| (Thousands)                           | 2024                | 2023                | 2022                |
|---------------------------------------|---------------------|---------------------|---------------------|
| <b>Net sales</b>                      |                     |                     |                     |
| Performance Materials                 | \$ 744,503          | \$ 755,547          | \$ 671,525          |
| Electronic Materials                  | 845,746             | 805,751             | 971,902             |
| Precision Optics                      | 94,490              | 103,889             | 113,682             |
| Other                                 | —                   | —                   | —                   |
| Total                                 | \$ 1,684,739        | \$ 1,665,187        | \$ 1,757,109        |
| <b>Less: pass-through metal costs</b> |                     |                     |                     |
| Performance Materials                 | \$ 56,473           | \$ 66,994           | \$ 81,994           |
| Electronic Materials                  | 530,494             | 471,021             | 559,119             |
| Precision Optics                      | 195                 | 101                 | 102                 |
| Other                                 | —                   | —                   | 1,483               |
| Total                                 | \$ 587,162          | \$ 538,116          | \$ 642,698          |
| <b>Value-added sales</b>              |                     |                     |                     |
| Performance Materials                 | \$ 688,030          | \$ 688,553          | \$ 589,531          |
| Electronic Materials                  | 315,252             | 334,730             | 412,783             |
| Precision Optics                      | 94,295              | 103,788             | 113,580             |
| Other                                 | —                   | —                   | (1,483)             |
| Total                                 | <u>\$ 1,097,577</u> | <u>\$ 1,127,071</u> | <u>\$ 1,114,411</u> |

The cost of gold, silver, platinum, palladium, copper, ruthenium, iridium, rhodium, rhenium, and osmium can be quite volatile. Our pricing policy is to directly pass the cost of these metals on to the customer in order to mitigate the impact of metal price volatility on our results from operations. Trends and comparisons of net sales are affected by movements in the market prices of these metals, but changes in net sales due to metal price movements may not have a proportionate impact on our profitability.

Internally, management reviews net sales on a value-added basis. Value-added sales is a non-GAAP financial measure that deducts the value of the pass-through metal costs from net sales. Value-added sales allow management to assess the impact of differences in net sales between periods, segments, or markets, and analyze the resulting margins and profitability without the distortion of movements in pass-through metal costs. The dollar amount of gross margin and operating profit is not affected by the value-added sales calculation. We sell other metals and materials that are not considered direct pass-throughs, and these costs are not deducted from net sales when calculating value-added sales.

Our net sales are also affected by changes in the use of customer-supplied metal. When we manufacture a precious metal product, the customer may purchase metal from us or may elect to provide its own metal, in which case we process the metal on a toll basis, and the metal value does not flow through net sales or cost of sales. In either case, we generally earn our margin based upon our fabrication efforts. The relationship of this margin to net sales can change depending upon whether or not the product was made from our metal or the customer's metal. The use of value-added sales removes the potential distortion in the comparison of net sales caused by changes in the level of customer-supplied metal.

By presenting information on net sales and value-added sales, it is our intention to allow users of our financial statements to review our net sales with and without the impact of the pass-through metals.

## FINANCIAL POSITION

### Cash Flow

A summary of cash flows provided by (used in) operating, investing, and financing activities is as follows:

| (Thousands)                                         | 2024      | 2023       | 2022       |
|-----------------------------------------------------|-----------|------------|------------|
| Net cash provided by operating activities           | \$ 87,817 | \$ 144,414 | \$ 115,958 |
| Net cash (used in) investing activities             | (79,605)  | (119,222)  | (79,729)   |
| Net cash provided by (used in) financing activities | (4,186)   | (24,850)   | (35,558)   |
| Effects of exchange rate changes                    | (607)     | (149)      | (2,032)    |
| Net change in cash and cash equivalents             | \$ 3,419  | \$ 193     | \$ (1,361) |

*Net cash provided by operating activities* totaled \$87.8 million in 2024 versus \$144.4 million in 2023. The decrease in net cash provided by operating activities was primarily driven by working capital outflows in 2024 compared to 2023. Continued focus on working capital resulted in flat inventory and relatively flat accounts receivable balances as of December 31, 2024 compared to the December 31, 2023, as opposed to a net cash inflow in 2023 of \$4.7 million in the prior year when these efforts began. Additionally, in line with the Company's cost savings initiatives, accounts payable and accruals decreased in 2024 compared to an increase in accounts payable in 2023, creating an unfavorable impact to operating cash flows of \$22.4 million. In addition, there was a \$16.7 million decrease in operating cash flow due to lower unearned income for customer prepayments related to the agreements with a customer as discussed in Note K. Lastly, the decrease in unearned revenue due to an increase in shipments for customers which prepaid had an unfavorable impact to operating cash flow \$7.3 million when compared to the prior year.

*Net cash used in investing activities* was \$79.6 million in 2024 compared to \$119.2 million in 2023. The decrease in cash used in investing activities is due to decreased capital expenditures concurrent with the decrease in cash flow provided by operating activities.

*Net cash used in financing activities* decreased \$20.7 million from 2023. The decrease in 2024 compared to 2023 is a result of an increase in draws on our credit facilities, offset by increased repayments of our long-term debt in 2024.

Dividends per common share increased 4% to \$0.535 per share in 2024. Total dividend payments to common shareholders were \$11.1 million in 2024 and \$10.6 million in 2023. In May 2024, the Board of Directors declared an increase in our quarterly dividend from \$0.13 to \$0.135 per share. We intend to pay a quarterly dividend on an ongoing basis, subject to a continuing strong capital structure and a determination that the dividend remains in the best interest of our shareholders.

### Liquidity

We believe that cash flow from operations plus available borrowing capacity and our current cash balance are adequate to support operating requirements, capital expenditures, projected pension plan contributions, the current dividend and share repurchase programs, environmental remediation projects, and strategic acquisitions for at least the next 12 months and the foreseeable future thereafter. At December 31, 2024, cash and cash equivalents held by our foreign operations totaled \$15.7 million. We do not expect restrictions on repatriation of cash held outside of the United States to have a material effect on our overall liquidity, financial condition, or the results of operations for the foreseeable future.

A summary of key data relative to our liquidity, including the outstanding debt, cash balances, and available borrowing capacity, as of December 31, 2024 and December 31, 2023 is as follows:

| (Thousands)                  | December 31, |            |
|------------------------------|--------------|------------|
|                              | 2024         | 2023       |
| Cash and cash equivalents    | \$ 16,713    | \$ 13,294  |
| Total outstanding debt       | 442,008      | 426,173    |
| Net (debt) cash              | (425,295)    | (412,879)  |
| Available borrowing capacity | \$ 168,997   | \$ 178,734 |

Net (debt) cash is a non-GAAP financial measure. We are providing this information because we believe it is more indicative of our overall financial position. It is also a measure our management uses to assess financing and other decisions. We believe that based on our typical cash flow generated from operations, we can support a higher leverage ratio in future periods.

The available borrowing capacity in the table above represents the additional amounts that could be borrowed under our revolving credit facility and other secured lines existing as of the end of each year depicted. The applicable debt covenants have been taken into account when determining the available borrowing capacity, including the covenant that restricts

borrowing capacity to a multiple of the twelve-month trailing adjusted earnings before interest, income taxes, depreciation and amortization, and other adjustments.

In January 2023, we amended the agreement governing our \$375.0 million revolving credit facility and term loan facility (Credit Agreement).

Pursuant to the amendment, we transitioned U.S. dollar denominated borrowings from LIBOR to SOFR for both the revolving credit agreement and the term loan and increased the cap on precious metals consignment line from \$550 million to \$615 million.

The Company had previously amended and restated the Credit Agreement in connection with the HCS-Electronic Materials acquisition in November 2021. A \$300 million delayed draw term loan facility was added to the Credit Agreement and the maturity date of the Credit Agreement was extended from 2024 to 2026. Moreover, the Credit Agreement also provides for an uncommitted incremental facility whereby, under certain conditions, the Company may be able to borrow additional term loans in an aggregate amount not to exceed \$150.0 million. The Credit Agreement provides the Company and its subsidiaries with additional capacity to enter into facilities for the consignment of precious metals and copper, and provides enhanced flexibility to finance acquisitions and other strategic initiatives. Borrowings under the Credit Agreement are secured by substantially all of the assets of the Company and its direct subsidiaries, with the exception of non-mining real property, precious metal, copper and certain other assets.

The Credit Agreement allows the Company to borrow money at a premium over SOFR, following the January 2023 amendment, or prime rate and at varying maturities. The premium resets quarterly according to the terms and conditions stipulated in the agreement. The Credit Agreement includes restrictive covenants relating to restrictions on additional indebtedness, acquisitions, dividends, and stock repurchases. In addition, the Credit Agreement includes covenants that limit the Company to a maximum leverage ratio and a minimum interest coverage ratio. We were in compliance with all of our debt covenants as of December 31, 2024 and December 31, 2023. Cash on hand up to \$25 million can benefit the covenants and may benefit the borrowing capacity under the Credit Agreement.

In November 2021, we completed the acquisition of HCS-Electronic Materials. The Company financed the purchase price for the HCS-Electronic Materials acquisition with a new \$300 million five-year term loan pursuant to its delayed draw term loan facility under the Credit Agreement and \$103 million of borrowings under its amended revolving credit facility. The interest rate for the term loan is based on SOFR, following the January 2023 amendment, plus a tiered rate determined by the Company's quarterly leverage ratio.

Portions of our business utilize off-balance sheet consignment arrangements allowing us to use metal owned by precious metal consignors as we manufacture product for our customers. Metal is purchased from the precious metal consignor and sold to our customer at the time of product shipment. Expansion of business volumes and/or higher metal prices can put pressure on the consignment line limitations from time to time. In August 2022, we entered into a precious metals consignment agreement, maturing on August 31, 2025, which replaced the consignment agreements that would have matured on August 27, 2022. The available and unused capacity under the metal consignment agreements expiring in August 2025 totaled approximately \$233.4 million as of December 31, 2024, compared to \$263.5 million as of December 31, 2023. The availability is determined by Board approved levels and actual capacity.

In January 2014, our Board of Directors approved a plan to repurchase up to \$50.0 million of our common stock. The timing of the share repurchases will depend on several factors, including market and business conditions, our cash flow, debt levels, and other investment opportunities. There is no minimum number of common shares required to be repurchased in a given year, and the repurchases may be discontinued at any time. We did not repurchase any shares in 2023 or 2024. Since the approval of the repurchase plan, we have purchased 1,254,264 shares at a total cost of \$41.7 million, or an average of \$33.23 per share.

#### Material Future Cash Obligations

The following table summarizes our material future obligations with respect to debt and associated interest as of December 31, 2024. In addition to the amounts below, the Company anticipates incurring costs related to its finance lease obligations and non-cancelable lease payments for operating leases with an initial lease term in excess of one year. These obligations are further detailed in Note L.

| (Millions)                               | 2025    | 2026     | 2027   | 2028   | 2029   | There-<br>after | Total    |
|------------------------------------------|---------|----------|--------|--------|--------|-----------------|----------|
| Debt <sup>(1)</sup>                      | \$ 34.3 | \$ 409.2 | \$ 0.2 | \$ 0.2 | \$ 0.1 | \$ —            | \$ 444.0 |
| Interest payments on debt <sup>(2)</sup> | \$ 13.8 | \$ 9.7   | \$ —   | \$ —   | \$ —   | \$ —            | \$ 23.5  |
| Total                                    | \$ 48.1 | \$ 418.9 | \$ 0.2 | \$ 0.2 | \$ 0.1 | \$ —            | \$ 467.5 |

- (1) Refer to Note N to the Consolidated Financial Statements.
- (2) These amounts represent future interest payments related to our total debt, excluding any interest payments to be made on borrowings under our Credit Agreement.

#### **Off-balance Sheet Obligations**

We maintain the majority of the precious metals and copper we use in production on a consignment basis in order to reduce our exposure to metal price movements and to reduce our working capital investment. Refer to Item 7A “Quantitative and Qualitative Disclosures about Market Risk.” The notional value of off-balance sheet precious metals and copper was \$381.6 million as of December 31, 2024 versus \$351.5 million as of December 31, 2023. We were in compliance with all of the covenants contained in the consignment agreements as of December 31, 2024 and December 31, 2023. Refer to Note I for additional information.

#### **ORE RESERVES**

The following information concerning our mining properties has been prepared in accordance with the requirements of subpart 1300 of Regulation S-K, which first became applicable to us for the year ended December 31, 2021. These requirements differ significantly from the previously applicable disclosure requirements of SEC Industry Guide 7. Among other differences, subpart 1300 of Regulation S-K requires us to disclose our mineral resources, in addition to our mineral reserves, as of the end of our most recently completed fiscal year.

As used in this Form 10-K, the terms “mineral resource,” “measured mineral resource,” “indicated mineral resource,” “inferred mineral resource,” “mineral reserve,” “proven mineral reserve” and “probable mineral reserve” are defined and used in accordance with subpart 1300 of Regulation S-K. Under subpart 1300 of Regulation S-K, mineral resources may not be classified as “mineral reserves” unless the determination has been made by a qualified person that the mineral resources can be the basis of an economically viable project. You are specifically cautioned not to assume that any part or all of the mineral resources in these categories will ever be converted into mineral reserves, as defined by the SEC. We rely on estimates of our ore resources and recoverable reserves, which estimation is complex due to geological characteristics of the properties and the number of assumptions made.

You are cautioned that, except for that portion of mineral resources classified as mineral reserves, mineral resources do not have to demonstrate economic value. Inferred mineral resources are estimates based on limited geological evidence and sampling and have a too high of a degree of uncertainty as to their existence to apply relevant technical and economic factors likely to influence the prospects of economic extraction in a manner useful for evaluation of economic viability. Estimates of inferred mineral resources may not be converted to a mineral reserve. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. A significant amount of additional work must be completed in order to determine whether an inferred mineral resource may be upgraded to a higher category. Therefore, you are cautioned not to assume that all or any part of an inferred mineral resource exists, that it can be the basis of an economically viable project, or that it will ever be upgraded to a higher category. Likewise, you are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted to mineral reserves.

The information that follows relating to the Spor Mountain Mine is derived, for the most part, from the TRS, which was prepared in compliance with Item 601(b)(96) and subpart 1300 of Regulation S-K. Portions of the following information are based on assumptions, qualifications and procedures that are not fully described herein. Reference should be made to the full text of the TRS, which was filed as Exhibit 96 to our Annual Report on Form 10-K for the year-ended December 31, 2021 and is incorporated by reference herein.

#### **Mineral Resources**

A mineral resource is a concentration or occurrence of material of economic interest in or on the Earth’s crust in such form, grade or quality, and quantity that there are reasonable prospects for economic extraction. A mineral resource is a reasonable estimate of mineralization, taking into account relevant factors such as cut-off grade, likely mining dimensions, location or continuity, that, with the assumed justifiable technical and economic conditions, is likely to, in whole or part, become economically extractable.

The term “measured mineral resource” is that part of a mineral resource for which quantity and grade or quality are estimated on the basis of conclusive geological evidence and sampling.

The term “indicated resources” means resources for which quantity and grade or quality can be estimated on the basis of adequate geological evidence and sampling.

The term “inferred resources” means resources for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling.

The following represents our indicated and inferred ore mineral resources, exclusive of mineral reserves, as of December 31, 2024 and December 31, 2023:

|                                | Indicated | Inferred |
|--------------------------------|-----------|----------|
| <b>As of December 31, 2024</b> |           |          |
| Tonnage (in thousands)         | 1,504     | 2,630    |
| Grade (% beryllium)            | 0.128 %   | 0.345 %  |
| Beryllium pounds (in millions) | 38.38     | 18.12    |
| <b>As of December 31, 2023</b> |           |          |
| Tonnage (in thousands)         | 1,504     | 2,630    |
| Grade (% beryllium)            | 0.128 %   | 0.345 %  |
| Beryllium pounds (in millions) | 38.38     | 18.12    |

#### Mineral Reserves

A mineral reserve is an estimate of tonnage and grade, or quality, of indicated and measured mineral resources that, in the opinion of a qualified person, can be the basis of an economically viable project. More specifically, it is the economically mineable part of a measured or Indicated mineral resource, which includes diluting materials and allowances for losses that may occur when the material is mined or extracted.

Proven mineral reserves are the economically mineable part of a measured mineral resource and can only result from conversion of a measured mineral resource. Probable mineral reserves are the economically mineable part of an indicated and, in some cases, a measured mineral resource. All mineral reserves are classified as proven or probable and are supported by life-of-mine plans. All mineral reserve estimates were reviewed and validated by the Qualified Persons.

The following represents our ore mineral reserves:

|                                | Proven  | Probable | Total   |
|--------------------------------|---------|----------|---------|
| <b>As of December 31, 2024</b> |         |          |         |
| Tonnage (in thousands)         | 7,475   | 962      | 8,437   |
| Grade (% beryllium)            | 0.245 % | 0.258 %  | 0.246 % |
| Beryllium pounds (in millions) | 36.58   | 4.97     | 41.55   |
| <b>As of December 31, 2023</b> |         |          |         |
| Tonnage (in thousands)         | 7,598   | 962      | 8,560   |
| Grade (% beryllium)            | 0.245 % | 0.258 %  | 0.246 % |
| Beryllium pounds (in millions) | 37.21   | 4.97     | 42.18   |

#### Internal Controls Disclosure

Under subpart 1305 of Regulation S-K, management has included information regarding the internal controls that the Company used in determining the mineral resource and reserve estimation efforts. There is no disclosure required regarding exploration procedures as the Company completed development drilling on all areas at the Spor Mountain Mine in 2000, and no future exploration is planned at this time. As it relates to estimating mineral resources and reserves, the Company incorporates the following items into the control process:

- All samples are tested with a berylometer.
- The berylometer calibration procedures are verified through comparison with the beryllium production from the mill for the same ores.
- The lab and field berylometers are calibrated on site each shift.

- d. Materion follows industry standard procedures for calibrating its field and laboratory beryllometers each shift that they are utilized.
- e. Resource models are reconciled to production data regularly.
- f. Materion has been producing ore at the Spor Mountain Mine for over 45 years and has mined and processed materials from a range of pits from the property. It is considered that Materion has adequate data to support its milling practices.

The Qualified Persons have assessed that the Company's control procedures, including redundant testing at various operational points, the quality control and quality assurance measures, the calibration measures, the extensive cataloging of sample duplicates, and the reconciliation with recovered beryllium, are sufficient.

Based upon average production levels in recent years and our near-term production forecasts, proven reserves would last a minimum of seventy-five years. The table below details our production of beryllium at our Utah location.

| <u>(Thousands of Pounds of Beryllium)</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|-------------------------------------------|-------------|-------------|-------------|
| Domestic ore                              | 507         | 405         | 382         |
| Non-domestic ore                          | —           | —           | —           |
| Unyielded total                           | 507         | 405         | 382         |
| Annual yield                              | 82 %        | 89 %        | 90 %        |
| Beryllium produced                        | 418         | 362         | 344         |
| % of mill capacity                        | 65 %        | 56 %        | 53 %        |

## CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the inherent use of estimates and management's judgment in establishing those estimates. The following policies are considered by management to be critical because adherence to these policies relies significantly upon our judgment.

### Revenue Recognition

Net sales consist primarily of revenue from the sale of precious and non-precious specialty metals, beryllium and copper-based alloys, beryllium composites, and other products into numerous end markets. The Company requires an agreement with a customer that creates enforceable rights and performance obligations. We recognize revenue, in an amount that reflects the consideration to which the Company expects to be entitled, when we satisfy a performance obligation by transferring control of a product to the customer. The core principle of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606 is supported by five steps which are outlined below with management's judgment in applying each.

#### 1) Identify the contract with a customer

A contract with a customer exists when the Company enters into an enforceable contract with a customer that identifies each party's rights regarding the products to be transferred or services to be rendered and the related payment terms, the contract has commercial substance, and the Company determines that collection of substantially all consideration for products that are transferred is probable based on the customer's intent and ability to pay.

Management exercises judgment in its assessment that it is probable that the Company will collect substantially all of the payments attributed to products or services that will be transferred to our customers. We regularly review the creditworthiness of our customers considering such factors as the macroeconomic environment, current market conditions, geographic considerations, historical collection experience, a customer's current credit standing, and the age of outstanding accounts receivable balances that may affect a customer's ability to pay. If, after we have recognized revenue, the collectability of an account receivable becomes doubtful, we establish appropriate allowances and reserves against accounts receivable with respect to the previously recognized revenue that remains uncollected. Allowances and reserves against accounts receivable are maintained for estimated probable losses and are sufficient enough to ensure that accounts receivable are stated at amounts that are considered collectible.

If management forms a judgment that a particular customer's financial condition has deteriorated but decides to deliver products or services to the customer, we will defer recognizing revenue relating to products sold to that customer until it is probable that we will collect substantially all of the consideration to which we are entitled, which typically coincides with the collection of cash.

#### 2) Identify the performance obligations in the contract

Performance obligations promised in a contract are identified based on the products that will be transferred to the customer that are both capable of being distinct, whereby the customer can benefit from the product either on its own or together with other



resources that are readily available from third parties or from the Company, and are distinct in the context of the contract, whereby the transfer of the product is separately identifiable from other promises in the contract.

Certain of the Company's contracts with customers may contain multiple performance obligations. As a result, management utilizes judgment to determine the appropriate accounting, including whether multiple promised products or services in a contract should be accounted for separately or as a group, how the consideration should be allocated among the performance obligations, and when to recognize revenue upon satisfaction of the performance obligations.

### 3) Determine the transaction price

The transaction price is determined based on the consideration to which the Company will be entitled in exchange for transferring products or services to the customer. The vast majority of our contracts contain fixed consideration terms. However, the Company also has contracts with customers that include variable consideration. Volume discounts and rebates are offered as an incentive to encourage additional purchases and customer loyalty. Volume discounts and rebates typically require a customer to purchase a specified quantity of products, after which the price of additional products decreases. These contracts include variable consideration because the total amount to be paid by the customer is not known at contract inception and is affected by the quantity of products ultimately purchased. As a result, management applies judgment to estimate the volume discounts based on experience with similar contracts, customers, and current sales forecasts. Also, the Company has contracts, primarily relating to its precious metal products, where the transaction price includes variable consideration at contract inception because it is calculated based on a commodity index at a specified date. Management exercises judgment to determine the minimum amount to be included in the transaction price. Variable consideration is included in the transaction price if, in the Company's judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur.

### 4) Allocate the transaction price to performance obligations in the contract

If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on the relative standalone selling price. The Company typically determines standalone selling price based on the price at which the performance obligation is sold separately. If the standalone selling price is not observable through past transactions, management uses judgment to estimate the standalone selling price taking into account available information such as market conditions and internally approved pricing guidelines related to the performance obligations.

### 5) Recognize revenue when or as the Company satisfies a performance obligation

Management applies the principle of control to determine whether the customer obtains control of a product as it is created and if revenue should be recognized over time. The vast majority of the Company's performance obligations are satisfied at a point in time when control of the product transfers to the customer. Control of the product is generally transferred to the customer when the Company has a present right to payment, the customer has legal title, the customer has physical possession, the customer has the significant risks and rewards of ownership, and the customer has accepted the product.

However, for certain contracts, particularly relating to the U.S. government and relating to specialized products with no alternative use, we generally recognize revenue over time as we procure the product because of continuous transfer of control to the customer. This continuous transfer of control to the customer is supported by a termination for convenience clause in the contract that allows the customer to unilaterally terminate the contract, pay the Company for costs incurred plus a reasonable profit, and take control of any work in process. We generally use the cost-to-cost measure of progress for these contracts because it best depicts the transfer of control to the customer which occurs as we incur costs on the related contracts. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Therefore, revenue is recognized proportionally as costs are incurred for these contracts.

The Company recognizes revenue net of reserves for price adjustments, returns, and prompt payment discounts. Management generally estimates these amounts using the expected value method. The Company has sufficient historical experience with our customers that provides predictive value to support that the reserves recorded are appropriate.

### Other considerations

We receive payment from customers equal to the invoice price for most of our sales transactions.

Returned products are generally not accepted unless the customer notifies the Company in writing, and we authorize the product return by the customer.

Unearned revenue is recorded cash consideration from customers in advance of the shipment of the goods, which is a liability on our Consolidated Balance Sheets. This contract liability is subsequently reversed and the revenue, cost of sales, and gross margin are recorded when the Company has transferred control of the product to the customer. The related inventory also remains on our balance sheet until the revenue recognition criteria are met. Advanced billings are typically made in association with products with long manufacturing times and/or products relating to contracts with the government. Billings in advance of

the shipments allow us to collect cash earlier than billing at the time of the shipment and, therefore, the collected cash can be used to reduce our investment in working capital. Refer to Note C of the Consolidated Financial Statements for additional details on our contract balances.

#### **Precious Metal Physical Inventory Counts**

We take and record the results of a physical inventory count of our precious metals on a periodic basis. Our precious metal operations include a refinery that processes precious metal-containing scrap and other materials from our customers, as well as our own internally generated scrap. We also outsource portions of our refining requirements to other vendors, particularly for those materials with longer processing times. The precious metal content within these various refine streams may be in solutions, sludges, and other non-homogeneous forms and can vary over time based upon the input materials, yield rates, and other process parameters. The determination of the weight of the precious metal content within the refine streams as part of a physical inventory count requires the use of estimates and calculations based upon assays, assumed recovery percentages developed from actual historical data and other analyses, the total estimated volumes of solutions and other materials within the refinery, data from our refine vendors, and other factors. The resulting calculated weight of the precious metals in our refine operations may differ, in either direction, from what our records indicate that we should have on hand, which would then result in an adjustment to our pre-tax income in the period when the physical inventory was taken, and the related estimates were made.

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

We use the acquisition method of accounting to allocate costs of acquired businesses to the assets acquired and liabilities assumed based on their estimated fair values at the dates of acquisition. The excess costs of acquired businesses over the fair values of the assets acquired and liabilities assumed are recognized as goodwill. The valuations of the acquired assets and liabilities will impact the determination of future operating results. Determining the fair value of assets acquired and liabilities assumed requires management's judgment and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, revenue growth rates, discount rates, customer attrition rates, royalty rates, asset lives, contributory asset charges, and market multiples, among other items. We determine the fair values of intangible assets acquired generally in consultation with third-party valuation advisors.

Intangible assets other than goodwill are recognized if the benefit of the intangible asset is obtained through contractual or other legal rights, or if the intangible asset can be sold, transferred, licensed or exchanged, regardless of the Company's intent to do so. Goodwill represents the excess purchase price over the fair value of the tangible net assets and intangible assets acquired in a business combination and is reviewed annually for impairment or more frequently if impairment indicators arise. Finite-lived intangible assets are reviewed for impairment if facts and circumstances warrant. There were no indicators during interim periods that required the performance of an interim impairment assessment. The Company conducted its annual impairment assessment as of the first day of the fourth quarter.

Goodwill is assigned to the reporting unit, which is the operating segment level or one level below the operating segment. Goodwill within the Electronic Materials segment totaled \$206.3 million as of December 31, 2024. Within the Precision Optics segment, goodwill totaled \$31.3 million. The remaining \$26.2 million is related to the Performance Materials segment.

For the purpose of the annual goodwill impairment assessment, we have the option to perform a qualitative assessment (commonly referred to as "step zero") to determine whether further quantitative analysis for impairment of goodwill is necessary. In performing step zero for our impairment test, we are required to make assumptions and judgments including, but not limited to, macroeconomic conditions as related to our business, current and future financial performance of our reporting units, industry and market considerations, and cost factors such as changes in raw materials, labor, or other costs. If the step zero analysis indicates that it is more likely than not that the fair value of a reporting unit is less than its respective carrying value including goodwill, then we would perform an additional quantitative analysis. The next step compares the fair value of the reporting unit to its carrying value, including goodwill. An impairment charge is recognized for the amount the carrying value of the reporting unit exceeds its fair value.

Due to the slower than expected semiconductor market recovery impacting the Electronic Materials reporting unit and recent results for the Precision Optics reporting unit, the Company elected to perform a quantitative annual impairment assessment for the Electronic Materials and Precision Optics reporting units' goodwill as of October 1, 2024 and a qualitative impairment test for the Performance Materials reporting unit.

The quantitative analysis compares estimated fair value of the reporting unit, using an income approach (a discounted cash flow model), as well as a market approach, with its carrying value. The income approach and market approach are weighted in arriving at fair value based on the relative merits of the methods used and the quantity and quality of collected data to arrive at the indicated fair value.

The income approach requires several assumptions including future sales growth, EBITDA margins and capital expenditures. The Company's reporting units each provide their forecast of results for the next five years. These forecasts form the basis for

the information used in the discounted cash flow model. The discounted cash flow model also requires the use of a discount rate and a terminal revenue growth rate (the revenue growth rate for the period beyond the five years forecast by the reporting units), as well as projections of future operating margins (for the period beyond the forecast five years). The Company used a discount rate in the mid-teens and a terminal growth rate of low single digits.

The market approach requires several assumptions including sales and EBITDA multiples for comparable companies that operate in the same markets as the reporting unit. During the fourth quarter of 2024, the Company considered sales multiples in the low single digits and EBITDA multiples in the range high single digits to mid double digits.

As discussed in Note A, the Company's annual goodwill impairment test indicated the carrying value of the Precision Optics reporting unit exceeded its estimated fair value as of the measurement date of October 1, 2024. As a result, the Company recognized a goodwill impairment charge in the fourth quarter of fiscal 2024 of \$56.1 million which was recorded in "Goodwill Impairment" in the accompanying Consolidated Statements of Income in the Precision Optics segment.

As of October 1, 2024, based on the quantitative assessments for the Electronic Materials reporting unit, the estimated fair value was substantially in excess of the carrying value. Additionally, for the Performance Materials reporting unit, there were no indicators of impairment based on the qualitative analysis performed.

Management believes the future sales growth and EBITDA margins in the long range plan, terminal growth rate and the discount rate used in the valuations requires significant use of judgment. If any of our reporting units do not meet our long range plan estimates or our discount rate increase significantly, we could be required to perform an interim goodwill impairment analysis or recognize charges in future periods. Any impairment charges that the Company may take in the future could be material to its consolidated results of operations and financial condition. The assumptions used for the reporting units and indefinite-lived intangibles with fair values exceeding carrying values of less than 10% are more sensitive to future performance and will be monitored accordingly.

We also compared our market capitalization as of October 1, 2024 to the carrying value of our equity and considering an implied control premium, we noted no other impairment indicators or triggering events.

#### **Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are exposed to precious metal and commodity price, interest rate, foreign exchange rate, and utility cost differences. While the degree of exposure varies from year to year, our methods and policies designed to manage these exposures have remained fairly consistent over time. Generally, we attempt to minimize the effects of these exposures on our pre-tax income and cash flows through the use of natural hedges, which include pricing strategies, borrowings denominated in the same terms as the exposed asset, off-balance sheet financing arrangements, and other methods. Where we cannot use a natural hedge, we may use derivative financial instruments to minimize the effects of these exposures when practical and cost efficient. The use of off-balance sheet financing arrangements and derivative financial instruments is subject to policies approved by the Audit Committee of the Board of Directors with oversight provided by a group of senior financial managers at our corporate office.

**Precious metals.** We use gold and other precious metals in manufacturing various products. To reduce the exposure to market price changes, the majority of our precious metal requirements are maintained on a consigned inventory basis. We purchase the metal out of consignment from our suppliers when it is ready to ship to a customer as a finished product. Our purchase price forms the basis for the price charged to the customer for the precious metal content and, therefore, the current cost is matched to the selling price, and the price exposure is minimized.

We are charged a consignment fee by the precious metal consignors that own the precious metals. This fee is a function of the market price of the metal, the quantity of metal we have on hand, and the rate charged by the institution. Because of market forces and competition, the fee can only be charged to customers in a limited case-by-case basis. Should the market price of precious metals that we have on consignment increase by 20% from the prices on December 31, 2024, the additional pre-tax cost to us as a result of an increase in the consignment fee would be approximately \$0.8 million on an annual basis. This calculation assumes no changes in the quantity of metal held on consignment or the underlying fee and that none of the additional fees are charged to customers.

To further limit price and financing rate exposures, under some circumstances, we will require customers to furnish their own metal for processing. Customers may also elect to provide their own material for us to process on a toll basis as opposed to purchasing our material.

The available capacity of our existing consignment lines to consign precious metals is a function of the quantity and price of the metals on hand. As prices increase, a given quantity of metal will utilize a larger proportion of the existing consignment lines. A significant prolonged increase in metal prices could result in our consignment lines being fully utilized, and, absent securing additional consignment line capacity from precious metal consignors, could require us to purchase precious metals rather than consign them, require customers to supply their own metal, and/or force us to turn down additional business opportunities. If

we were in a significant precious metal ownership position, we might elect to use derivative financial instruments to hedge the potential price exposure. The cost to finance and potentially hedge the purchased inventory may also be higher than the consignment fee. The financial statement impact of the risk from rising metal prices impacting our consignment availability cannot be estimated at the present time.

In certain circumstances, we may elect to fix the price of precious metals for a customer for a stated quantity over a specified period of time. In those cases, we may secure hedge contracts with terms that match the terms in the agreement with our customer so that the gain or loss on the contract with the customer due to subsequent movements in the precious metal price will generally be offset by a gain or loss on the hedge contract. At December 31, 2024, we did not have a material amount of such hedge contracts outstanding.

**Copper.** We also use copper in our production processes. When possible, fluctuations in the purchase price of copper are passed on to customers in the form of price adders or reductions. While over time our price exposure to copper is generally in balance, there can be a lag between the change in our cost and the pass-through to our customers, resulting in higher or lower margins in a given period.

We consign the majority of our copper inventory requirements. As with precious metals, the available capacity under the existing lines is a function of the quantity and price of metal on hand. Should the market cost of copper increase by 20% from the price as of December 31, 2024, the additional pre-tax cost to us as a result of an increase in the consignment fee would be approximately \$0.4 million on an annual basis. This calculation assumes no changes in the quantity of inventory or the underlying fee and that none of the additional fees are charged to customers.

**Lower of cost or net realizable value.** In our manufacturing processes, we use various metals that are not widely used by others or actively traded and, therefore, there is no established efficient market for derivative financial instruments that could be used to effectively hedge the related price exposures. For certain applications, our pricing practice with respect to these metals is to establish the selling price based upon our cost to purchase the material, limiting our price exposure. However, the inventory carrying value may be exposed to market fluctuations. The inventory value is maintained at the lower of cost or net realizable value and if the market value were to drop below the carrying value, the inventory would have to be reduced accordingly and a charge recorded against cost of sales. This risk is mainly associated with long manufacturing lead-time items and with sludges and scrap materials, which generally have longer processing times to be refined or processed into a usable form for further manufacturing and are typically not covered by specific sales orders from customers. We did not record any material lower of cost or net realizable value charges in 2024, 2023, or 2022 as a result of market price fluctuations of metals in our inventories.

**Interest rates.** We are exposed to changes in interest rates on our cash balances and borrowings under our Credit Agreement. We may manage this interest rate exposure by maintaining a combination of short-term and long-term debt and variable and fixed rate instruments. We may also use interest rate swaps to fix the interest rate on variable rate obligations, as we deem appropriate. As of December 31, 2024 the net fair value of our interest rate swaps were \$4.6 million. In February 2023 we amended the terms of the interest rate swap to hedge the change in 1-month USD-SOFR. See Note R for further discussion. Excess cash is typically invested in high quality instruments that mature in 90 days or less. Investments are made in compliance with policies approved by the Board of Directors.

**Foreign currencies.** Portions of our international operations sell products priced in foreign currencies, mainly the euro and yen, while the majority of these products' costs are incurred in U.S. dollars. We are exposed to currency movements in that if the U.S. dollar strengthens, the translated value of the foreign currency sale and the resulting margin on that sale will be reduced. To minimize this exposure, we may purchase foreign currency forward contracts, options, and collars in compliance with approved policies. If the dollar strengthened, the decline in the translated value of our margins would be at least partially offset by a gain on the hedge contract. A decrease in the value of the dollar would result in larger margins but potentially a loss on the contract, depending upon the method used to hedge the exposure. Our current policy limits our hedges to 80% or less of the forecasted exposure.

The notional value of outstanding currency contracts was \$77.6 million as of December 31, 2024. If the dollar weakened 10% against the currencies we have hedged from the December 31, 2024 exchange rates, the reduced gain and/or increased loss on the outstanding contracts as of December 31, 2024 would reduce 2025 pre-tax profits by approximately \$3.3 million. This reduction in profits would be primarily offset with the foreign currency gain from the 10% movement in the exchange rates with effective hedges.

**Utilities.** The cost of natural gas and electricity used in our operations may vary from year to year and from season to season. We attempt to minimize these fluctuations and the exposure to higher costs by utilizing fixed price agreements of set durations, when deemed appropriate, obtaining competitive bidding between regional energy suppliers, and other methods.

**Economy.** We are exposed to changes in global economic conditions and the potential impact those changes may have on various facets of our business. We have a program in place to closely monitor the credit worthiness and financial condition of our key providers of financial services, including our bank group and insurance carriers, as well as the credit worthiness of customers and vendors, and have various contingency plans in place.

Our bank lines are established with a number of different banks in order to mitigate our exposure to any one financial institution. All of the banks in our bank group had credit in good standing as of December 31, 2024. The financial statement impact from the risk of one or more of the banks in our bank group reducing our lines due to their insolvency or other causes cannot be estimated at the present time.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

| Financial Statements                                                                                  | Page |
|-------------------------------------------------------------------------------------------------------|------|
| Management’s Report on Internal Control over Financial Reporting                                      | 39   |
| Reports of Independent Registered Public Accounting Firm (PCAOB ID: 42)                               | 40   |
| Consolidated Statements of Income for the Years Ended December 31, 2024, 2023, and 2022               | 44   |
| Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2024, 2023, and 2022 | 45   |
| Consolidated Statements of Cash Flows for the Years Ended December 31, 2024, 2023, and 2022           | 46   |
| Consolidated Balance Sheets as of December 31, 2024 and 2023                                          | 47   |
| Consolidated Statements of Shareholders’ Equity for the Years Ended December 31, 2024, 2023, and 2022 | 48   |
| Notes to Consolidated Financial Statements                                                            | 49   |
| Schedule II - Valuation and Qualifying Accounts                                                       | 90   |

### **Management's Report on Internal Control over Financial Reporting**

The management of Materion Corporation and subsidiaries is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Materion Corporation and subsidiaries' internal control system was designed to provide reasonable assurance to the Company's management and Board of Directors regarding the preparation and fair presentation of published financial statements. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Materion Corporation and subsidiaries' management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2024. In making this assessment, it used the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria) in Internal Control - Integrated Framework (2013).

Based on our assessment we believe that, as of December 31, 2024, the Company's internal control over financial reporting is effective.

The effectiveness of our internal control over financial reporting as of December 31, 2024 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report.

## Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Materion Corporation

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Materion Corporation and subsidiaries (the Company) as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 19, 2025 expressed an unqualified opinion thereon.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.



|                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Description of the Matter</i>                | <p><b>Reconciliation of Precious Metals Consignment Inventory</b></p> <p>At December 31, 2024, the notional value of the Company's off-balance sheet precious metals was \$381.6 million. As discussed in Note I to the consolidated financial statements, the Company uses estimates to measure the precious metal content within various refinement streams which can vary over time based upon the input materials, yield rates, and other process parameters.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <i>How we addressed the matter in our audit</i> | <p>Auditing the reconciliation of precious metals consignment inventory is complex due to the highly detailed nature of the inventory reconciliation and the amount of information that is obtained from third parties. The Company performs physical inventory procedures to verify the existence of inventory. The precious metals inventory reconciliation includes estimates based on assays, assumed recovery percentages developed from actual historical data and other analyses, the total estimated volume of solutions and other materials within the refinery, data from refine vendors, and other factors. The reconciliation of precious metals consignment inventory presents the resulting calculated weight of the precious metals generated from these estimates within the Company's refine operations. This calculated weight may differ from what the Company's records indicate should be on hand, which would then result in an adjustment to pre-tax income.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's reconciliation of the precious metals consignment inventory process. This included controls over management's review of the significant inputs into and underlying the reconciliation.</p> |
|                                                 | <p>To test the Company's reconciliation of the precious metals physical consignment inventory, our procedures included, among others, evaluating the significant assumptions and data used to estimate the total value of the precious metal, which was identified through the physical inventory. We observed the physical inventory process, tested inventory activity from the date of observation through December 31, 2024, evaluated the underlying data used in the reconciliation, and confirmed certain consigned inventory held with the third parties. We assessed the historical accuracy of management's estimates, which are based on assays, assumed recovery percentages developed from actual historical data and other analyses, the total estimated volume of solutions and other materials within the refinery, data from their refine vendors, and other factors and assessed the historical accuracy of management's analysis to evaluate the assumptions that were most significant to the calculated weight of the precious metal inventory.</p>                                                                                                                                                                                                                                       |

***Precision Optics Goodwill Impairment Evaluation***

*Description of the matter*

As discussed in Notes A and M to the consolidated financial statements, during 2024, the Company recorded a \$56.1 million impairment charge attributable to its Precision Optics reporting unit. The Company performed a quantitative impairment assessment of its Precision Optics reporting unit's goodwill as of October 1, 2024, and concluded that the reporting unit's carrying value exceeded its estimated fair value and, therefore, goodwill was impaired. Significant assumptions used in the Company's fair value estimate included revenue growth rates, EBITDA margins, terminal growth rate and the discount rate.

Auditing the Company's Precision Optics reporting unit's goodwill impairment assessment was complex and highly judgmental due to the significant estimation required in determining the fair value of the reporting unit. In particular, the fair value estimate was sensitive to the significant assumptions named above, which are affected by expectations about future market or economic conditions.

*How we addressed the matter in our audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's Precision Optics reporting unit goodwill impairment process, including controls over the significant assumptions discussed above. We also tested management's controls over the completeness and accuracy of the underlying data used in its analysis.

To test the estimated fair value of the Company's Precision Optics reporting unit, our audit procedures included, among others, assessing fair value methodologies and testing the significant assumptions discussed above and the underlying data used by the Company in its analysis. For example, we compared the significant assumptions used by management to current industry and economic trends, recent historical performance, and other relevant factors. We also assessed the historical accuracy of management's estimates and performed sensitivity analyses of significant assumptions to evaluate the changes in fair value that would result from changes in the assumptions. In addition, we involved our valuation specialists to assist with our evaluation of the methodology and significant assumptions used by the Company in the determination of the fair value for the Company's Precision Optics reporting unit.

/s/ Ernst & Young LLP

We have served as the Company's auditor since at least 1958, but we are unable to determine the specific year.

Cleveland, Ohio

February 19, 2025

## **Report of Independent Registered Public Accounting Firm**

To the Shareholders and the Board of Directors of Materion Corporation

### **Opinion on Internal Control Over Financial Reporting**

We have audited Materion Corporation and subsidiaries' internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Materion Corporation and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes and financial statement schedule listed in the Index at Item 15(a) and our report dated February 19, 2025 expressed an unqualified opinion thereon.

### **Basis for Opinion**

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### **Definition and Limitations of Internal Control Over Financial Reporting**

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Cleveland, Ohio

February 19, 2025

**Materion Corporation and Subsidiaries**  
**Years Ended December 31, 2024, 2023, & 2022**

**Consolidated Statements of Income**

| (Thousands except per share amounts)                                  | 2024         | 2023         | 2022         |
|-----------------------------------------------------------------------|--------------|--------------|--------------|
| Net sales                                                             | \$ 1,684,739 | \$ 1,665,187 | \$ 1,757,109 |
| Cost of sales                                                         | 1,358,754    | 1,316,145    | 1,413,229    |
| Gross margin                                                          | 325,985      | 349,042      | 343,880      |
| Selling, general, and administrative expense                          | 145,588      | 157,911      | 169,338      |
| Research and development expense                                      | 29,028       | 27,540       | 28,977       |
| Goodwill impairment                                                   | 56,067       | —            | —            |
| Long-lived asset impairment                                           | 17,134       | —            | —            |
| Loss on asset disposal                                                | 6,412        | —            | —            |
| Restructuring expense (Note D)                                        | 6,848        | 3,824        | 1,573        |
| Other — net (Note E)                                                  | 17,685       | 23,323       | 24,237       |
| Operating profit                                                      | 47,223       | 136,444      | 119,755      |
| Other non-operating (income) expense — net (Note O)                   | (2,443)      | (2,710)      | (5,250)      |
| Interest expense — net (Note F)                                       | 34,764       | 31,323       | 21,905       |
| Income before income taxes                                            | 14,902       | 107,831      | 103,100      |
| Income tax expense (benefit) (Note G)                                 | 9,014        | 12,129       | 17,110       |
| Net income                                                            | \$ 5,888     | \$ 95,702    | \$ 85,990    |
| <b>Basic earnings per share:</b>                                      |              |              |              |
| Net income per share of common stock                                  | \$ 0.28      | \$ 4.64      | \$ 4.19      |
| <b>Diluted earnings per share:</b>                                    |              |              |              |
| Net income per share of common stock                                  | \$ 0.28      | \$ 4.58      | \$ 4.14      |
| <b>Weighted-average number of shares of common stock outstanding:</b> |              |              |              |
| Basic                                                                 | 20,732       | 20,619       | 20,511       |
| Diluted                                                               | 20,928       | 20,911       | 20,760       |

The accompanying notes are an integral part of the consolidated financial statements.

**Materion Corporation and Subsidiaries**  
**Years Ended December 31, 2024, 2023, and 2022**  
**Consolidated Statements of Comprehensive Income**

| (Thousands)                                                                                                                 | 2024              | 2023             | 2022             |
|-----------------------------------------------------------------------------------------------------------------------------|-------------------|------------------|------------------|
| <b>Net income</b>                                                                                                           | <b>\$ 5,888</b>   | <b>\$ 95,702</b> | <b>\$ 85,990</b> |
| Other comprehensive income:                                                                                                 |                   |                  |                  |
| Foreign currency translation adjustment                                                                                     | (7,981)           | 5,208            | (5,869)          |
| Derivative and hedging activity, net of tax expense (benefit) of \$(21), \$(543), and \$1,387, respectively                 | (73)              | (1,817)          | 4,655            |
| Pension and post-employment benefit adjustment, net of tax expense (benefit) of \$(876), \$(1,208), and \$518, respectively | (6,044)           | (8,430)          | (526)            |
| Other comprehensive income (loss)                                                                                           | (14,098)          | (5,039)          | (1,740)          |
| <b>Comprehensive income</b>                                                                                                 | <b>\$ (8,210)</b> | <b>\$ 90,663</b> | <b>\$ 84,250</b> |

The accompanying notes are an integral part of the consolidated financial statements.

**Materion Corporation and Subsidiaries**  
**Years Ended December 31, 2024, 2023, and 2022**

**Consolidated Statements of Cash Flows**

| (Thousands)                                                                       | 2024             | 2023             | 2022             |
|-----------------------------------------------------------------------------------|------------------|------------------|------------------|
| Cash flows from operating activities:                                             |                  |                  |                  |
| Net income                                                                        | \$ 5,888         | \$ 95,702        | \$ 85,990        |
| Adjustments to reconcile net income to net cash provided by operating activities: |                  |                  |                  |
| Depreciation, depletion, and amortization                                         | 68,676           | 61,644           | 53,436           |
| Amortization of deferred financing costs in interest expense                      | 1,714            | 1,712            | 1,734            |
| Stock-based compensation expense (non-cash)                                       | 10,560           | 10,092           | 8,813            |
| Amortization of pension and post-retirement costs                                 | (307)            | (1,318)          | (146)            |
| Loss on sale of property, plant, and equipment                                    | 1,201            | 20               | 14               |
| Deferred income tax (benefit) expense                                             | (16,598)         | (7,005)          | 1,733            |
| Impairment charges                                                                | 73,201           | —                | —                |
| Loss on asset disposal                                                            | 6,412            |                  |                  |
| Net pension curtailments and settlements                                          | —                | 142              | (551)            |
| Changes in assets and liabilities, net of acquired assets and liabilities:        |                  |                  |                  |
| Decrease (increase) in accounts receivable                                        | (3,723)          | 23,359           | (4,377)          |
| Decrease (increase) in inventory                                                  | (468)            | (18,700)         | (63,986)         |
| Decrease (increase) in prepaid and other current assets                           | (11,345)         | (22,663)         | (1,604)          |
| Increase (decrease) in accounts payable and accrued expenses                      | (15,757)         | 6,631            | 12,860           |
| Increase (decrease) in unearned revenue                                           | (24,692)         | (17,361)         | 207              |
| Increase (decrease) in interest and taxes payable                                 | (2,619)          | 3,771            | 154              |
| Increase (decrease) in unearned income due to customer prepayments                | —                | 16,676           | 21,942           |
| Other — net                                                                       | (4,326)          | (8,288)          | (261)            |
| <b>Net cash provided by operating activities</b>                                  | <b>87,817</b>    | <b>144,414</b>   | <b>115,958</b>   |
| Cash flows from investing activities:                                             |                  |                  |                  |
| Payments for acquisition, net of cash acquired                                    | —                | —                | (2,971)          |
| Payments for purchase of property, plant, and equipment                           | (68,649)         | (110,550)        | (77,608)         |
| Payments for mine development                                                     | (12,159)         | (9,326)          | —                |
| Proceeds from sale of property, plant, and equipment                              | 1,203            | 654              | 850              |
| <b>Net cash used in investing activities</b>                                      | <b>(79,605)</b>  | <b>(119,222)</b> | <b>(79,729)</b>  |
| Cash flows from financing activities:                                             |                  |                  |                  |
| Proceeds from (repayments of) borrowings under credit facilities, net             | 45,692           | 8,065            | 230              |
| Repayment of debt                                                                 | (30,342)         | (15,415)         | (19,299)         |
| Principal payments under finance lease obligations                                | (683)            | (1,645)          | (2,736)          |
| Cash dividends paid                                                               | (11,087)         | (10,621)         | (10,160)         |
| Deferred financing costs                                                          | (156)            | —                | —                |
| Payments of withholding taxes for stock-based compensation awards                 | (7,610)          | (5,234)          | (3,593)          |
| <b>Net cash used in financing activities</b>                                      | <b>(4,186)</b>   | <b>(24,850)</b>  | <b>(35,558)</b>  |
| Effects of exchange rate changes                                                  | (607)            | (149)            | (2,032)          |
| <b>Net change in cash and cash equivalents</b>                                    | <b>3,419</b>     | <b>193</b>       | <b>(1,361)</b>   |
| <b>Cash and cash equivalents at beginning of period</b>                           | <b>13,294</b>    | <b>13,101</b>    | <b>14,462</b>    |
| <b>Cash and cash equivalents at end of period</b>                                 | <b>\$ 16,713</b> | <b>\$ 13,294</b> | <b>\$ 13,101</b> |

The accompanying notes are an integral part of the consolidated financial statements.

**Materion Corporation and Subsidiaries**  
**December 31, 2024 and 2023**

**Consolidated Balance Sheets**

| (Thousands)                                                                                           | 2024                | 2023                |
|-------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Assets</b>                                                                                         |                     |                     |
| Current assets                                                                                        |                     |                     |
| Cash and cash equivalents (Note A)                                                                    | \$ 16,713           | \$ 13,294           |
| Accounts receivable (Note A)                                                                          | 193,793             | 192,747             |
| Inventories, net (Notes A and I)                                                                      | 441,299             | 441,597             |
| Prepaid and other current assets                                                                      | 72,419              | 61,744              |
| Total current assets                                                                                  | 724,224             | 709,382             |
| Deferred income taxes (Notes A and G)                                                                 | 2,964               | 4,908               |
| Property, plant, and equipment (Notes A and J)                                                        | 1,315,586           | 1,281,622           |
| Less allowances for depreciation, depletion, and amortization                                         | (804,781)           | (766,939)           |
| Property, plant, and equipment — net                                                                  | 510,805             | 514,683             |
| Operating lease, right-of-use asset (Note L)                                                          | 64,449              | 57,645              |
| Intangible assets (Notes A and M)                                                                     | 109,312             | 133,571             |
| Other assets (Note O)                                                                                 | 22,140              | 21,664              |
| Goodwill (Notes A and M)                                                                              | 263,738             | 320,873             |
| <b>Total Assets</b>                                                                                   | <b>\$ 1,697,632</b> | <b>\$ 1,762,726</b> |
| <b>Liabilities and Shareholders' Equity</b>                                                           |                     |                     |
| Current liabilities                                                                                   |                     |                     |
| Short-term debt (Note N)                                                                              | \$ 34,274           | \$ 38,597           |
| Accounts payable                                                                                      | 105,901             | 125,663             |
| Salaries and wages                                                                                    | 20,939              | 25,912              |
| Other liabilities and accrued items                                                                   | 47,523              | 45,773              |
| Income taxes (Notes A and G)                                                                          | 4,906               | 5,207               |
| Unearned revenue (Note C)                                                                             | 13,191              | 13,843              |
| Total current liabilities                                                                             | 226,734             | 254,995             |
| Other long-term liabilities                                                                           | 12,013              | 13,300              |
| Operating lease liabilities (Note L)                                                                  | 62,626              | 53,817              |
| Finance lease liabilities (Note L)                                                                    | 12,404              | 13,744              |
| Retirement and post-employment benefits (Note O)                                                      | 26,411              | 26,334              |
| Unearned income (Notes A and K)                                                                       | 75,769              | 103,983             |
| Long-term income taxes (Notes A and G)                                                                | 1,818               | 3,815               |
| Deferred income taxes (Notes A and G)                                                                 | 3,242               | 20,109              |
| Long-term debt (Note N)                                                                               | 407,734             | 387,576             |
| Shareholders' equity                                                                                  |                     |                     |
| Serial preferred stock (no par value; 5,000 authorized shares, none issued)                           | —                   | —                   |
| Common stock (no par value; 60,000 authorized shares, issued shares of 27,148 for both 2024 and 2023) | 336,136             | 309,492             |
| Retained earnings                                                                                     | 849,111             | 854,334             |
| Common stock in treasury (6,384 shares for 2024 and 6,502 shares for 2023)                            | (261,880)           | (237,746)           |
| Accumulated other comprehensive loss (Note P)                                                         | (61,046)            | (46,948)            |
| Other equity                                                                                          | 6,560               | 5,921               |
| Total shareholders' equity                                                                            | 868,881             | 885,053             |
| <b>Total Liabilities and Shareholders' Equity</b>                                                     | <b>\$ 1,697,632</b> | <b>\$ 1,762,726</b> |

The accompanying notes are an integral part of the consolidated financial statements.

**Materion Corporation and Subsidiaries**  
**Years Ended December 31, 2024, 2023, and 2022**  
**Consolidated Statements of Shareholders' Equity**

| (Thousands)                                                        | Common Shares |                                | Shareholders' Equity |                   |                          |                                               |                 |                   |
|--------------------------------------------------------------------|---------------|--------------------------------|----------------------|-------------------|--------------------------|-----------------------------------------------|-----------------|-------------------|
|                                                                    | Common Shares | Common Shares Held in Treasury | Common Stock         | Retained Earnings | Common Stock In Treasury | Accumulated Other Comprehensive Income (Loss) | Other Equity    | Total             |
| <b>Balance at December 31, 2021</b>                                | <b>20,448</b> | <b>6,700</b>                   | <b>\$ 271,978</b>    | <b>\$ 693,756</b> | <b>\$ (209,920)</b>      | <b>\$ (40,169)</b>                            | <b>\$ 4,795</b> | <b>\$ 720,440</b> |
| Net income                                                         | —             | —                              | —                    | 85,990            | —                        | —                                             | —               | 85,990            |
| Other comprehensive income                                         | —             | —                              | —                    | —                 | —                        | (1,740)                                       | —               | (1,740)           |
| Cash dividends declared (\$0.495 per share)                        | —             | —                              | —                    | (10,160)          | —                        | —                                             | —               | (10,160)          |
| Stock-based compensation activity                                  | 135           | (135)                          | 15,977               | (168)             | (6,996)                  | —                                             | —               | 8,813             |
| Payments for withholding taxes for stock-based compensation awards | (43)          | 43                             | —                    | —                 | (3,593)                  | —                                             | —               | (3,593)           |
| Directors' deferred compensation                                   | 3             | (3)                            | 145                  | —                 | (355)                    | —                                             | 450             | 240               |
| <b>Balance at December 31, 2022</b>                                | <b>20,543</b> | <b>6,605</b>                   | <b>\$ 288,100</b>    | <b>\$ 769,418</b> | <b>\$ (220,864)</b>      | <b>\$ (41,909)</b>                            | <b>\$ 5,245</b> | <b>\$ 799,990</b> |
| Net income                                                         | —             | —                              | —                    | 95,702            | —                        | —                                             | —               | 95,702            |
| Other comprehensive income                                         | —             | —                              | —                    | —                 | —                        | (5,039)                                       | —               | (5,039)           |
| Cash dividends declared (\$0.515 per share)                        | —             | —                              | —                    | (10,621)          | —                        | —                                             | —               | (10,621)          |
| Stock-based compensation activity                                  | 150           | (150)                          | 21,289               | (165)             | (11,032)                 | —                                             | —               | 10,092            |
| Payments for withholding taxes for stock-based compensation awards | (49)          | 49                             | —                    | —                 | (5,234)                  | —                                             | —               | (5,234)           |
| Directors' deferred compensation                                   | 2             | (2)                            | 103                  | —                 | (616)                    | —                                             | 676             | 163               |
| <b>Balance at December 31, 2023</b>                                | <b>20,646</b> | <b>6,502</b>                   | <b>\$ 309,492</b>    | <b>\$ 854,334</b> | <b>\$ (237,746)</b>      | <b>\$ (46,948)</b>                            | <b>\$ 5,921</b> | <b>\$ 885,053</b> |
| Net income                                                         | —             | —                              | —                    | 5,888             | —                        | —                                             | —               | 5,888             |
| Other comprehensive income                                         | —             | —                              | —                    | —                 | —                        | (14,098)                                      | —               | (14,098)          |
| Cash dividends declared (\$0.535 per share)                        | —             | —                              | —                    | (11,087)          | —                        | —                                             | —               | (11,087)          |
| Stock-based compensation activity                                  | 175           | (175)                          | 26,519               | (24)              | (15,935)                 | —                                             | —               | 10,560            |
| Payments for withholding taxes for stock-based compensation awards | (59)          | 59                             | —                    | —                 | (7,610)                  | —                                             | —               | (7,610)           |
| Directors' deferred compensation                                   | 2             | (2)                            | 125                  | —                 | (589)                    | —                                             | 639             | 175               |
| <b>Balance at December 31, 2024</b>                                | <b>20,764</b> | <b>6,384</b>                   | <b>\$ 336,136</b>    | <b>\$ 849,111</b> | <b>\$ (261,880)</b>      | <b>\$ (61,046)</b>                            | <b>\$ 6,560</b> | <b>\$ 868,881</b> |

The accompanying notes are an integral part of the consolidated financial statements.



**Materion Corporation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

**Note A — Significant Accounting Policies**

**Organization:** Materion Corporation (the Company) is a holding company with subsidiaries that have operations in the United States, Europe, and Asia. These operations manufacture advanced engineered materials used in a variety of end markets, including semiconductor, industrial, aerospace and defense, automotive, energy, consumer electronics, and life sciences. The Company has four reportable segments: Performance Materials, Electronic Materials, Precision Optics, and Other. Other includes unallocated corporate costs.

Refer to Note B for additional segment details. The Company distributes its products through a combination of company-owned facilities and independent distributors and agents.

**Business Combinations:** The Company records assets acquired and liabilities assumed at the date of acquisition at their respective fair values. Intangible assets acquired in a business combination are recognized and reported apart from goodwill. Goodwill represents the excess purchase price over the fair value of the tangible net assets and intangible assets acquired in a business combination. Acquisition-related expenses are recognized separately from the business combination and are expensed as incurred.

**Use of Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Consolidation:** The Consolidated Financial Statements include the accounts of Materion Corporation and its subsidiaries. All of the Company's subsidiaries were wholly owned as of December 31, 2024. Intercompany accounts and transactions are eliminated in consolidation.

**Cash Equivalents:** All highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

**Accounts Receivable:** An allowance for doubtful accounts is maintained for the expected losses resulting from the inability of customers to pay amounts due. The Company considers the current market conditions and credit losses related to the Company's trade receivables based on the macroeconomic environment, geographic considerations, and other expected market trends. Additionally, the allowance is based upon identified delinquent accounts, customer payment patterns, and other analyses of historical data and trends. Accounts receivable were net of an allowance for credit losses of \$0.8 million and \$0.6 million at December 31, 2024 and December 31, 2023, respectively. The change in the allowance for credit losses includes expense and net write-offs, neither of which were material. The Company extends credit to customers based upon their financial condition, and collateral is not generally required.

During 2024, the Company entered into a factoring agreement to sell certain receivables to a third-party financial institution. The transfer of the receivables constitute purchases and sales of receivables resulting in a reduction of trade receivables on the consolidated balance sheets and the proceeds are included in the cash flows from operating activities in the consolidated statements of cash flows. The Company sold \$48.9 million of receivables in 2024 and recorded a loss on sale of \$0.7 million.

**Inventories:** Inventories are stated at net realizable value. The associated inventory reserve was \$0.1 million and \$0.2 million at December 31, 2024 and 2023, respectively. All of the Company's inventories, including raw materials, manufacturing supplies inventory as well as international (outside the U.S.) inventories, have been valued using the first-in, first-out (FIFO) method as of December 31, 2024 and 2023, except for its bertrandite ore mine which values inventory using a weighted average cost method.

**Property, Plant, and Equipment:** Property, plant, and equipment is stated on the basis of cost. Depreciation is computed -principally by the straight-line method. The depreciable lives that are used in computing the annual provision for depreciation by class of asset are primarily as follows:

|                         | <u>Years</u>  |
|-------------------------|---------------|
| Land improvements       | 10 to 20      |
| Buildings               | 20 to 40      |
| Leasehold improvements  | Life of lease |
| Machinery and equipment | 3 to 15       |
| Furniture and fixtures  | 4 to 10       |
| Automobiles and trucks  | 3 to 8        |
| Research equipment      | 3 to 10       |
| Computer hardware       | 3 to 10       |
| Computer software       | 3 to 10       |

An asset acquired under a finance lease will be recorded at the lesser of the present value of the projected lease payments or the fair value of the asset and will be depreciated in accordance with the above schedule. Leasehold improvements will be depreciated over the life of the improvement if it is shorter than the life of the lease. Repair and maintenance costs are expensed as incurred.

On October 20, 2024, the Company entered into an agreement to sell the assets of the large area target manufacturing operations at the Company's Albuquerque facility ("Target assets") as a part of its portfolio management strategy. The transaction subsequently closed on October 25, 2024. In addition, the Company began the wind down of its refinery operations at the Albuquerque facility. This resulted in a loss on asset disposal of \$6.4 million, which was recorded in the fourth quarter of 2024. These assets were a part of the Electronic Materials segment.

**Mineral Resources and Mine Development:** Property acquisition costs are capitalized as mineral resources on the balance sheet and are depleted using the units-of-production method based upon total estimated recoverable proven reserves of the beryllium-bearing bertrandite ore body. The Company uses beryllium pounds as the unit of accounting measure, and depletion expense is recorded on a pro-rata basis based upon the amount of beryllium pounds extracted as a percentage of total estimated beryllium pounds contained in all ore bodies.

Mine development costs at our open pit surface mines include drilling, infrastructure, other related costs to delineate an ore body and the removal of overburden to initially expose an ore body. Costs incurred before mineralization is classified as proven and probable reserves are expensed and classified as Exploration expense. Capitalization of mine development project costs, that meet the definition of an asset, begins once mineralization is classified as proven and probable reserves.

All other drilling and related costs are expensed as incurred. Drilling costs incurred during the production phase for operational ore control are allocated to inventory costs and then included as a component of costs applicable to sales.

The cost of removing overburden and waste materials to access the ore body at an open-pit mine prior to the production phase are referred to as "development costs." Development costs are capitalized during the development of an open-pit mine and are capitalized at each pit. These costs are amortized as the ore is extracted using the units-of-production method based upon total estimated recoverable proven reserves for the individual pit. The Company uses beryllium pounds as the unit of accounting measure for recording amortization.

To the extent that the aforementioned costs benefit an entire ore body, the costs are amortized over the estimated useful life of the ore body. Costs incurred to access specific ore blocks or areas that only provide benefit over the life of that area are amortized over the estimated life of that specific ore block area.

**Goodwill and Other Intangible Assets:** Goodwill is reviewed annually for impairment or more frequently if impairment indicators arise. The Company conducts its annual goodwill impairment assessment as of the first day of the fourth quarter, or more frequently under certain circumstances. For the purpose of the goodwill impairment assessment, the Company has the option to perform a qualitative assessment (commonly referred to as "step zero") to determine whether further quantitative analysis of impairment of goodwill is necessary or a quantitative assessment ("step one") where the Company estimates the fair value of each reporting unit using a discounted cash flow method (income approach) as well as a market approach. Goodwill is assigned to the reporting unit, which is the operating segment level or one level below the operating segment. Intangible assets with finite lives are amortized using the straight-line method or effective interest method, as applicable, over the periods estimated to be benefited, which is generally 20 years or less. Finite-lived intangible assets are also reviewed for impairment if facts and circumstances warrant.

During the fourth quarter of fiscal 2024, the Company's annual goodwill impairment test indicated the carrying value of the Precision Optics reporting unit exceeded its estimated fair value as of the measurement date of October 1, 2024. As a result, the Company recognized a goodwill impairment charge in the fourth quarter of fiscal 2024 of \$56.1 million, which was recorded in "Goodwill Impairment" in the accompanying Consolidated Statements of Income in the Precision Optics segment. As previously disclosed, on September 25, 2024, the Company announced the appointment of a new President of its Precision Optics reporting unit. As a part of the transition into this role, the new president undertook an extensive review of the business and its short-term and long-term strategic initiatives, concurrent with the Company's annual strategic planning process. These changes combined with current operating results resulted in adjustments to the forecast for the Precision Optics reporting unit based on more conservative views of business with key strategic partners.

**Long-Lived Asset Impairment:** Management performs impairment tests of long-lived assets, including property and equipment, whenever an event occurs or circumstances change that indicate that the carrying value may not be recoverable or the useful life of the asset has changed. Upon indications of impairment, assets and liabilities are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. The asset group would be considered impaired when the estimated future undiscounted cash flows generated by the asset group are less than its carrying value. If such undiscounted cash flows indicate that the carrying value of the asset group is not recoverable, impairment losses are measured by comparing the estimated fair value of the asset group to its carrying amount.

Given the continued losses at the Company's Malaysia facility and the change in leadership in the Precision Optics segment as discussed above, the Company determined that there were indicators of impairment in the fourth quarter of 2024. Accordingly, the Company performed a recoverability analysis that indicated the Malaysia asset group was not recoverable. The Company estimated the fair value of the asset group using the discounted cash flow method (income approach) and compared the estimated fair value to the current carrying value. As a result of this analysis, the Company fully impaired \$10.1 million of its customer related intangible asset and recorded a partial impairment of \$7.0 million related to the facility's property plant and equipment. These long-lived asset impairments are presented within the "Long-lived Asset Impairment" line item within the accompanying Consolidated Statements of Income in the Precision Optics segment.

**Derivatives:** The Company recognizes all derivatives on the balance sheet at fair value. If the derivative is designated and effective as a cash flow hedge, changes in the fair value of the derivative are recognized in other comprehensive income, a component of shareholders' equity, until the hedged item is recognized in earnings. If the derivative is designated as a fair value hedge, changes in fair value are offset against the change in the fair value of the hedged asset, liability, or commitment through earnings. The ineffective portion of a derivative's change in fair value, if any, is recognized in earnings immediately. If a derivative is not a hedge, changes in its fair value are adjusted through the income statement.

**Asset Retirement Obligation:** The Company records a liability to recognize the legal obligation to remove an asset at the time the asset is acquired or when the legal liability arises. The liability is recorded for the present value of the ultimate obligation by discounting the estimated future cash flows using a credit-adjusted risk-free interest rate. The liability is accreted over time, with the accretion charged to expense. An asset equal to the fair value of the liability is recorded concurrent with the liability and depreciated over the life of the underlying asset.

**Unearned Income:** Expenditures for capital equipment to be reimbursed under government contracts are recorded in property, plant, and equipment, while the reimbursements for those expenditures are recorded in unearned income, a liability on the balance sheet. When the assets subject to reimbursement are placed in service, the total cost is depreciated over the useful lives, and the unearned income liability is reduced and credited to cost of sales on the Consolidated Statements of Income ratably with the annual depreciation expense.

Also included in Unearned Income as of December 31, 2024 and 2023, are \$60.9 million and \$84.7 million, respectively, of customer prepayments. See Note K for additional discussion.

**Advertising Costs:** The Company expenses all advertising costs as incurred. Advertising costs were \$0.1 million in 2024 and \$0.3 million in 2023 and 2022, respectively.

**Stock-based Compensation:** The Company recognizes stock-based compensation expense based on the grant date fair value of the award over the period during which an employee is required to provide service in exchange for the award. Stock-based awards include performance-based restricted stock units (PRSUs), restricted stock units (RSUs), and stock appreciation rights (SARs). The fair value of PRSUs and RSUs is primarily based on the closing market price of a share of the Company's common stock on the date of grant, modified as appropriate to take into account the features of such grants. SARs are granted with an exercise price equal to the closing price of the Company's common shares on the date of grant. The fair value of SARs is determined using a Black-Scholes option-pricing model, which incorporates assumptions regarding the expected volatility, the expected option life, the risk-free interest rate, and the expected dividend yield. The portion of the PRSU awards that are valued based on the Company's total shareholder return as compared to peers is valued using Monte Carlo simulations, which

incorporates assumptions regarding the expected volatility, the expected correlation, and the risk-free interest rate. See Note Q for additional information about stock-based compensation.

**Capitalized Interest:** Interest expense associated with active capital asset construction and mine development projects is capitalized and amortized over the future useful lives of the related assets.

**Income Taxes:** The Company uses the liability method in measuring the provision for income taxes and recognizing deferred tax assets and liabilities on the balance sheet. The Company will record a valuation allowance to reduce the deferred tax assets to the amount that is more likely than not to be realized, as warranted by current facts and circumstances. The Company applies a more-likely-than-not recognition threshold for all tax uncertainties and will record a liability for those tax benefits that have a less than 50% likelihood of being sustained upon examination by the taxing authorities.

**Net Income Per Share:** Basic earnings per share (EPS) is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted EPS reflects the assumed conversion of all dilutive common stock equivalents as appropriate using the treasury stock method.

**New Pronouncements Adopted:** In November 2023, the Financial Accounting Standards Board (FASB) issued ASU No. 2023-07 “*Improvements to Reportable Segment Disclosures (Topic 280)*”. This ASU updates current reportable segment disclosure requirements to require disclosures of significant reportable segment expenses that are regularly provided to the Chief Operating Decision Maker (CODM) and included within each reported measure of a segment's profit or loss. This ASU also requires disclosure of the title and position of the individual identified as the CODM and an explanation of how the CODM uses the reported measures of a segment's profit or loss in assessing segment performance and deciding how to allocate resources. The Company adopted the new guidance and has included the additional required disclosures in Note B. The adoption of this ASU did not impact the Company's consolidated financial position, results of operations or cash flows.

**New Accounting Guidance Issued and Not Yet Adopted:** In December 2023, the FASB issued ASU No. 2023-09 “*Improvements to Income Tax Disclosures (Topic 740)*”. This ASU updates current income tax disclosure requirements to require disclosures of specific categories of information within the effective tax rate reconciliation, as well as disclosure of income taxes paid disaggregated by jurisdiction. This ASU will be effective for the annual period ending December 31, 2025. Adoption of this ASU will result in additional disclosure, but it will not impact the Company's consolidated financial position, results of operations or cash flows.

In November 2024, the FASB issued amended guidance related to disclosure of disaggregated expenses (“ASU 2024-03”). This amendment requires public business entities to provide detailed disclosures in the notes to financial statements disaggregating specific expense categories, including employee compensation, depreciation, and intangible asset amortization, as well as certain other disclosures to provide enhanced transparency into the nature and function of expenses. This new guidance is effective for annual periods beginning in the Company's fiscal 2027 and interim periods following annual adoption, with early adoption permitted. This guidance will be applied on a prospective basis with retrospective application permitted. Management is currently evaluating this ASU to determine its impact on the Company's disclosures.

**Reclassifications:** Certain prior year amounts have been reclassified to conform with the current year presentation. These reclassifications had no effect on the reported results of operations, cash flows or financial position. Specifically, the net sales related to the previously disclosed precision clad strip project have been reclassified from the other end market to the consumer electronics end market within Note B. Additionally, net sales related to the life sciences end market have been reclassified out of the other line item within Note B.

#### **Note B — Segment Reporting and Geographic Information**

The Company has the following operating segments: Performance Materials, Electronic Materials, Precision Optics, and Other. The Company's operating segments represent components of the Company for which separate financial information is available that is utilized on a regular basis by the Chief Executive Officer, the Company's Chief Operating Decision Maker (CODM), in determining how to allocate the Company's resources and evaluate performance. The segments are determined based on several factors, including the availability of discrete financial information and the Company's organizational and management structure.

Performance Materials provides advanced engineered solutions comprised of beryllium and non-beryllium containing alloy systems and custom engineered parts in strip, bulk, rod, plate, bar, tube, and other customized shapes.

Electronic Materials produces advanced chemicals, microelectronics packaging, precious metal, non-precious metal, and specialty metal products, including vapor deposition targets, frame lid assemblies, clad and precious metal preforms, and high temperature braze materials.

Precision Optics produces thin film coatings, optical filter materials, sputter-coated, and precision-converted thin film materials.

The Other reportable segment includes unallocated corporate costs and assets.

The primary measure used by the CODM in evaluating segment performance is EBITDA. The below table presents financial information for each segment and a reconciliation of EBITDA to Net Income (the most directly comparable GAAP financial measure) for 2024, 2023 and 2022:

| Year Ended December 31, 2024                     |                          |                      |                    |                    |                   |  |
|--------------------------------------------------|--------------------------|----------------------|--------------------|--------------------|-------------------|--|
|                                                  | Performance<br>Materials | Electronic Materials | Precision Optics   | Other              | Consolidated      |  |
| Net sales <sup>(1)</sup>                         | \$ 744,503               | \$ 845,746           | \$ 94,490          | \$ —               | \$ 1,684,739      |  |
| Less:                                            |                          |                      |                    |                    |                   |  |
| Cost of sales                                    | 541,346                  | 746,187              | 71,199             | 22                 | 1,358,754         |  |
| Selling, general and administrative expense      | 57,368                   | 40,623               | 20,662             | 26,935             | 145,588           |  |
| Goodwill impairment                              | —                        | —                    | 56,067             | —                  | 56,067            |  |
| Long-lived asset impairment                      | —                        | —                    | 17,134             | —                  | 17,134            |  |
| Loss on asset disposal                           | —                        | 6,412                | —                  | —                  | 6,412             |  |
| Other segment items <sup>(2)</sup>               | 14,192                   | 23,125               | 13,742             | 59                 | 51,118            |  |
| Plus:                                            |                          |                      |                    |                    |                   |  |
| Segment depreciation, depletion and amortization | 37,679                   | 18,044               | 11,017             | 1,936              | 68,676            |  |
| <b>Segment EBITDA</b>                            | <b>\$ 169,276</b>        | <b>\$ 47,443</b>     | <b>\$ (73,297)</b> | <b>\$ (25,080)</b> | <b>\$ 118,342</b> |  |
| Income tax expense                               |                          |                      |                    |                    | 9,014             |  |
| Interest expense - net                           |                          |                      |                    |                    | 34,764            |  |
| Depreciation, depletion and amortization         |                          |                      |                    |                    | 68,676            |  |
| <b>Net Income</b>                                |                          |                      |                    |                    | <b>\$ 5,888</b>   |  |

| Year Ended December 31, 2023                     |                          |                      |                  |                    |                   |  |
|--------------------------------------------------|--------------------------|----------------------|------------------|--------------------|-------------------|--|
|                                                  | Performance<br>Materials | Electronic Materials | Precision Optics | Other              | Consolidated      |  |
| Net sales <sup>(1)</sup>                         | \$ 755,547               | \$ 805,751           | \$ 103,889       | \$ —               | \$ 1,665,187      |  |
| Less:                                            |                          |                      |                  |                    |                   |  |
| Cost of sales                                    | 539,007                  | 705,301              | 71,804           | 33                 | 1,316,145         |  |
| Selling, general and administrative expense      | 59,624                   | 45,346               | 20,510           | 32,431             | 157,911           |  |
| Other segment items <sup>(2)</sup>               | 13,592                   | 26,397               | 12,999           | (1,011)            | 51,977            |  |
| Plus:                                            |                          |                      |                  |                    |                   |  |
| Segment depreciation, depletion and amortization | 31,147                   | 17,040               | 11,284           | 2,173              | 61,644            |  |
| <b>Segment EBITDA</b>                            | <b>\$ 174,471</b>        | <b>\$ 45,747</b>     | <b>\$ 9,860</b>  | <b>\$ (29,280)</b> | <b>\$ 200,798</b> |  |
| Income tax expense                               |                          |                      |                  |                    | 12,129            |  |
| Interest expense - net                           |                          |                      |                  |                    | 31,323            |  |
| Depreciation, depletion and amortization         |                          |                      |                  |                    | 61,644            |  |
| <b>Net Income</b>                                |                          |                      |                  |                    | <b>\$ 95,702</b>  |  |

| Year Ended December 31, 2022                     |                       |                      |                  |                    |                   |
|--------------------------------------------------|-----------------------|----------------------|------------------|--------------------|-------------------|
|                                                  | Performance Materials | Electronic Materials | Precision Optics | Other              | Consolidated      |
| Net sales <sup>(1)</sup>                         | \$ 671,525            | \$ 971,902           | \$ 113,682       | \$ —               | \$ 1,757,109      |
| Less:                                            |                       |                      |                  |                    |                   |
| Cost of sales                                    | 496,411               | 840,384              | 76,410           | 24                 | 1,413,229         |
| Selling, general and administrative expense      | 61,235                | 51,656               | 21,941           | 34,506             | 169,338           |
| Other segment items <sup>(2)</sup>               | 12,988                | 28,564               | 12,119           | (4,134)            | 49,537            |
| Plus:                                            |                       |                      |                  |                    |                   |
| Segment depreciation, depletion and amortization | 24,336                | 16,508               | 10,541           | 2,051              | 53,436            |
| <b>Segment EBITDA</b>                            | <b>\$ 125,227</b>     | <b>\$ 67,806</b>     | <b>\$ 13,753</b> | <b>\$ (28,345)</b> | <b>\$ 178,441</b> |
| Income tax expense                               |                       |                      |                  |                    | 17,110            |
| Interest expense - net                           |                       |                      |                  |                    | 21,905            |
| Depreciation, depletion and amortization         |                       |                      |                  |                    | 53,436            |
| <b>Net Income</b>                                |                       |                      |                  |                    | <b>\$ 85,990</b>  |

<sup>(1)</sup> Excludes inter-segment sales of \$5.9 million, \$9.2 million and \$14.0 million for Electronic Materials for 2024, 2023 and 2022, respectively. Inter-segment sales for Performance Materials were less than \$0.1 million in 2024 and 2023. Excludes inter-segment sales of \$0.7 million for Performance Materials for 2022. Inter-segment sales are eliminated in consolidation.

<sup>(2)</sup> Other segment items for each reportable segment include:

- Research and development expense
- Restructuring expense
- Other operating expense - primarily comprised of metal consignment fees, intangible amortization and foreign currency (gains)/losses as further detailed in Note E
- Non-operating expenses primarily related to pension costs

Other geographic information includes the following:

| (Thousands)                                             | 2024                | 2023                | 2022                |
|---------------------------------------------------------|---------------------|---------------------|---------------------|
| Net sales                                               |                     |                     |                     |
| United States                                           | \$ 720,449          | \$ 815,408          | \$ 867,053          |
| Asia                                                    | 508,332             | 406,123             | 519,395             |
| Europe                                                  | 431,315             | 422,018             | 355,691             |
| All other                                               | 24,643              | 21,638              | 14,970              |
| Total                                                   | <u>\$ 1,684,739</u> | <u>\$ 1,665,187</u> | <u>\$ 1,757,109</u> |
| Property, plant, and equipment, net by country deployed |                     |                     |                     |
| United States                                           | \$ 444,751          | \$ 435,296          | \$ 372,779          |
| All other                                               | 66,054              | 79,387              | 75,986              |
| Total                                                   | <u>\$ 510,805</u>   | <u>\$ 514,683</u>   | <u>\$ 448,765</u>   |

International sales include sales from international operations and direct exports from our U.S. operations. No individual country, other than the United States, accounted for 10% or more of the Company's net sales for the years presented.

In fiscal year 2024 and 2023, one customer in our Performance Materials segment accounted for approximately ten percent of our net sales. Prior to this, no single customer accounted for ten percent or more of our net sales.

No individual country other than the United States accounted for 10% or more of the Company's net property, plant and equipment as of December 31, 2024 or December 31, 2023.

The CODM does not regularly review segment assets to make decisions regarding the allocation of resources, and as such the Company has not included assets for each reportable segment.

The following table disaggregates revenue for each segment by end market for 2024, 2023 and 2022:

| (Thousands)           | Performance Materials | Electronic Materials | Precision Optics  | Other       | Total               |
|-----------------------|-----------------------|----------------------|-------------------|-------------|---------------------|
| <b>2024</b>           |                       |                      |                   |             |                     |
| <b>End Market</b>     |                       |                      |                   |             |                     |
| Semiconductor         | \$ 8,342              | \$ 705,625           | \$ 2,794          | \$ —        | \$ 716,761          |
| Industrial            | 127,743               | 33,521               | 25,439            | —           | 186,703             |
| Aerospace and Defense | 192,074               | 5,240                | 22,643            | —           | 219,957             |
| Consumer Electronics  | 227,595               | 397                  | 14,635            | —           | 242,627             |
| Automotive            | 71,471                | 6,668                | 6,740             | —           | 84,879              |
| Energy                | 41,649                | 68,830               | —                 | —           | 110,479             |
| Life Sciences         | 10,243                | 17,937               | 21,886            | —           | 50,066              |
| Other                 | 65,386                | 7,528                | 353               | —           | 73,267              |
| Total                 | <u>\$ 744,503</u>     | <u>\$ 845,746</u>    | <u>\$ 94,490</u>  | <u>\$ —</u> | <u>\$ 1,684,739</u> |
| <b>2023</b>           |                       |                      |                   |             |                     |
| <b>End Market</b>     |                       |                      |                   |             |                     |
| Semiconductor         | \$ 13,734             | \$ 645,113           | \$ 2,529          | \$ —        | \$ 661,376          |
| Industrial            | 147,321               | 33,915               | 29,277            | —           | 210,513             |
| Aerospace and Defense | 144,708               | 6,198                | 25,039            | —           | 175,945             |
| Consumer Electronics  | 220,898               | 944                  | 15,296            | —           | 237,138             |
| Automotive            | 85,178                | 6,653                | 9,189             | —           | 101,020             |
| Energy                | 49,055                | 91,140               | —                 | —           | 140,195             |
| Life Sciences         | 8,798                 | 15,265               | 22,199            | —           | 46,262              |
| Other                 | 85,855                | 6,523                | 360               | —           | 92,738              |
| Total                 | <u>\$ 755,547</u>     | <u>\$ 805,751</u>    | <u>\$ 103,889</u> | <u>\$ —</u> | <u>\$ 1,665,187</u> |
| <b>2022</b>           |                       |                      |                   |             |                     |
| <b>End Market</b>     |                       |                      |                   |             |                     |
| Semiconductor         | \$ 8,666              | \$ 784,517           | \$ 5,107          | \$ —        | \$ 798,290          |
| Industrial            | 168,012               | 47,407               | 31,948            | —           | 247,367             |
| Aerospace and Defense | 110,884               | 5,882                | 16,988            | —           | 133,754             |
| Consumer Electronics  | 138,193               | 1,144                | 22,666            | —           | 162,003             |
| Automotive            | 93,581                | 7,590                | 9,922             | —           | 111,093             |
| Energy                | 50,021                | 98,844               | —                 | —           | 148,865             |
| Life Sciences         | 11,520                | 16,960               | 27,051            | —           | 55,531              |
| Other                 | 90,648                | 9,558                | —                 | —           | 100,206             |
| Total                 | <u>\$ 671,525</u>     | <u>\$ 971,902</u>    | <u>\$ 113,682</u> | <u>\$ —</u> | <u>\$ 1,757,109</u> |

#### Note C — Revenue Recognition

Net sales consist primarily of revenue from the sale of precious and non-precious specialty metals, beryllium and copper-based alloys, beryllium composites, and other products into numerous end markets. The Company requires an agreement with a customer that creates enforceable rights and performance obligations. The Company generally recognizes revenue, in an amount that reflects the consideration to which it expects to be entitled, upon satisfaction of a performance obligation by transferring control over a product to the customer. Control over the product is generally transferred to the customer when the

Company has a present right to payment, the customer has legal title, the customer has physical possession, the customer has the significant risks and rewards of ownership, and/or the customer has accepted the product.

**Shipping and Handling Costs:** The Company accounts for shipping and handling activities related to contracts with customers as costs to fulfill its promise to transfer the associated products. Accordingly, customer payments for shipping and handling costs are recorded as a component of net sales, and related costs are recorded as a component of cost of sales.

**Taxes Collected from Customers and Remitted to Governmental Authorities:** Revenue is recorded net of taxes collected from customers that are remitted to governmental authorities, with the collected taxes recorded as current liabilities until remitted to the relevant government authority.

**Product Warranty:** Substantially all of the Company’s customer contracts contain a warranty that provides assurance that the purchased product will function as expected and in accordance with certain specifications. The warranty is intended to safeguard the customer against existing defects and does not provide any incremental service to the customer.

**Transaction Price Allocated to Future Performance Obligations:** ASC 606 requires that the Company disclose the aggregate amount of transaction price that is allocated to performance obligations that have not yet been satisfied at December 31, 2024. Remaining performance obligations include non-cancelable purchase orders and customer contracts. The guidance provides certain practical expedients that limit this requirement. As such, the Company does not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less. After considering the practical expedient, at December 31, 2024, the aggregate amount of the transaction price allocated to remaining performance obligations was approximately \$39.3 million.

**Contract Costs:** The Company recognizes the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that the Company otherwise would have recognized is one year or less. These costs primarily relate to sales commissions, which are included in selling, general, and administrative expenses.

**Contract Balances:** The timing of revenue recognition, billings, and cash collections resulted in the following contract assets and contract liabilities:

| (Thousands)                | December 31, 2024 | December 31, 2023 | \$ change | % change |
|----------------------------|-------------------|-------------------|-----------|----------|
| Accounts receivable, trade | \$ 194,562        | \$ 193,345        | \$ 1,217  | 1 %      |
| Unbilled receivables       | 34,950            | 29,524            | 5,426     | 18 %     |
| Unearned revenue           | 13,191            | 13,843            | (652)     | (5)%     |

Accounts receivable, trade represents payments due from customers relating to the transfer of the Company’s products and services. The Company believes that its receivables are collectible and appropriate allowances for doubtful accounts have been recorded. Impairment losses (bad debt) incurred relating to our receivables were immaterial during 2024.

Unbilled receivables represent expenditures on contracts, plus applicable profit margin, not yet billed. Unbilled receivables are normally billed and collected within one year. Billings made on contracts are recorded as a reduction of unbilled receivables.

Unearned revenue is recorded for consideration received from customers in advance of satisfaction of the related performance obligations. The Company recognized approximately \$11.3 million of the December 31, 2023 unearned amounts as revenue during 2024. The Company recognized approximately \$12.4 million of the December 31, 2022 unearned amounts as revenue during 2023.

As a practical expedient, the Company does not adjust the promised amount of consideration for the effects of a significant financing component because the period between the transfer of a product or service to a customer and when the customer pays for that product or service will be one year or less. The Company does not include extended payment terms in its contracts with customers.



**Note D — Restructuring**

*Summary of Restructuring Plans.* In fiscal years 2024 and 2023, we announced restructuring plans that were both designed to reduce costs and expenses in response to macroeconomic conditions and current operating performance. These actions impact all three of our business segments as well as Corporate. When completed, the restructuring programs are expected to result in the reduction in annual cost of sales and operating expenses.

**Fiscal Year 2024 Plan**

In 2024, we initiated a new restructuring plan designed to further reduce costs and expenses in response to current macroeconomic conditions and to right size the cost structure within our business segments as well as eliminate excess corporate costs.

In connection with the 2024 Plan, we have recorded restructuring expenses of \$6.8 million in fiscal year 2024. Of these charges, \$6.7 million were associated with workforce reduction, including severance and other personnel-related costs. While the majority of the workforce reduction was completed in fiscal year 2024, we expect to substantially complete the remaining restructuring activities by the end of the second quarter of fiscal year 2025.

**Fiscal Year 2023 Plan**

In the fourth quarter of fiscal year 2023, we initiated the restructuring plan designed to reduce costs and expenses in response to the macroeconomic conditions. The plan primarily related to a reduction in force across the three business segments. Of the \$3.8 million in charges, \$3.4 million related to workforce reduction actions.

The activity in the accrued balances incurred in relation to restructuring during the years ended December 31, 2023, and December 31, 2024, were as follows:

| (Thousands)                         | Reduction in Force    |                      |                  |               |               |
|-------------------------------------|-----------------------|----------------------|------------------|---------------|---------------|
|                                     | Performance Materials | Electronic Materials | Precision Optics | Other         | Consolidated  |
| <b>Balance at December 31, 2022</b> | <b>\$ —</b>           | <b>\$ —</b>          | <b>\$ —</b>      | <b>\$ —</b>   | <b>\$ —</b>   |
| Additional Charges                  | 375                   | 2,199                | 745              | 76            | 3,395         |
| Cash Payments                       | (373)                 | (1,811)              | (745)            | (76)          | (3,005)       |
| <b>Balance at December 31, 2023</b> | <b>\$ 2</b>           | <b>\$ 388</b>        | <b>\$ —</b>      | <b>\$ —</b>   | <b>\$ 390</b> |
| Additional Charges                  | 1,549                 | 2,034                | 1,258            | 1,905         | 6,746         |
| Cash Payments                       | (1,495)               | (2,129)              | (1,198)          | (1,497)       | (6,319)       |
| <b>Balance at December 31, 2024</b> | <b>\$ 56</b>          | <b>\$ 293</b>        | <b>\$ 60</b>     | <b>\$ 408</b> | <b>\$ 817</b> |

**Note E — Other-net**

Other-net is summarized for 2024, 2023, and 2022 as follows:

| (Thousands)                       | (Income) Expense |                  |                  |
|-----------------------------------|------------------|------------------|------------------|
|                                   | 2024             | 2023             | 2022             |
| Metal consignment fees            | \$ 7,865         | \$ 10,596        | \$ 12,212        |
| Amortization of intangible assets | 12,134           | 12,876           | 12,400           |
| Foreign currency loss (gain)      | (26)             | 218              | (679)            |
| Other items                       | (2,288)          | (367)            | 304              |
| <b>Total other-net</b>            | <b>\$ 17,685</b> | <b>\$ 23,323</b> | <b>\$ 24,237</b> |

**Note F — Interest Expense-net**

The following chart summarizes the interest incurred, capitalized, and paid in 2024, 2023, and 2022:

| (Thousands)                | 2024      | 2023      | 2022      |
|----------------------------|-----------|-----------|-----------|
| Interest incurred, net     | \$ 37,751 | \$ 34,366 | \$ 23,014 |
| Less: Capitalized interest | 2,987     | 3,043     | 1,109     |
| Total net expense          | \$ 34,764 | \$ 31,323 | \$ 21,905 |
| Interest paid              | \$ 35,922 | \$ 32,044 | \$ 21,190 |

The increase in interest expense in 2024 versus 2023 was primarily driven by increased borrowings. Amortization of deferred financing costs within interest expense was \$1.7 million in 2024, 2023, and 2022, respectively.

**Note G — Income Taxes**

Income (loss) before income taxes and income tax expense (benefit) are comprised of the following:

| (Thousands)                             | 2024        | 2023       | 2022       |
|-----------------------------------------|-------------|------------|------------|
| Income (loss) before income taxes:      |             |            |            |
| Domestic                                | \$ 75,963   | \$ 94,589  | \$ 90,403  |
| Foreign                                 | (61,061)    | 13,242     | 12,697     |
| Total income (loss) before income taxes | \$ 14,902   | \$ 107,831 | \$ 103,100 |
| Income tax expense:                     |             |            |            |
| Current income tax expense (benefit):   |             |            |            |
| Domestic                                | \$ 19,258   | \$ 12,962  | \$ 12,571  |
| Foreign                                 | 6,354       | 6,172      | 2,806      |
| Total current                           | \$ 25,612   | \$ 19,134  | \$ 15,377  |
| Deferred income tax (benefit) expense:  |             |            |            |
| Domestic                                | \$ (14,107) | \$ (4,926) | \$ 588     |
| Foreign                                 | (2,491)     | (2,079)    | 1,145      |
| Total deferred                          | \$ (16,598) | \$ (7,005) | \$ 1,733   |
| Total income tax expense (benefit)      | \$ 9,014    | \$ 12,129  | \$ 17,110  |

A reconciliation of the U.S. federal statutory income tax rate to the Company's effective income tax rate is as follows:

|                                                              | 2024   | 2023   | 2022   |
|--------------------------------------------------------------|--------|--------|--------|
| U.S. federal statutory rate                                  | 21.0 % | 21.0 % | 21.0 % |
| State and local income taxes, net of federal tax effect      | 6.3    | 0.7    | 1.7    |
| Effect of excess of percentage depletion over cost depletion | (26.6) | (3.4)  | (3.1)  |
| Foreign derived intangible income deduction                  | (35.3) | (8.6)  | (1.7)  |
| Research and development tax credit                          | (5.6)  | (0.8)  | (2.0)  |
| Impact of foreign operations                                 | (4.8)  | (0.4)  | 0.6    |
| Adjustment to unrecognized tax benefits                      | 5.4    | 2.7    | (0.5)  |
| Equity compensation                                          | (13.0) | (1.8)  | (0.9)  |
| Non-deductible officers' compensation                        | 14.7   | 2.0    | 1.2    |
| Valuation allowance                                          | 19.7   | 0.8    | 0.6    |
| Impact of refundable credits                                 | (17.5) | (1.6)  | —      |
| Goodwill impairment                                          | 97.1   | —      | —      |
| Other items                                                  | (0.9)  | 0.7    | (0.3)  |
| Effective tax rate                                           | 60.5 % | 11.3 % | 16.6 % |

The Company's income tax expense was \$9.0 million, \$12.1 million and \$17.1 million and the Company's effective tax rate was 60.5%, 11.3% and 16.6% for the years ended December 31, 2024, December 31, 2023 and December 31, 2022,

respectively. In 2024, the effective tax rate is higher than the U.S. statutory tax rate primarily due to the impairment of non-deductible goodwill in the Precision Optics reporting unit. In 2023, the effective tax rate is lower than the U.S. statutory tax rate primarily due to a foreign-derived intangible income deduction optimization project completed, percentage depletion and excess tax benefits for stock compensation. In 2022, the effective tax rate is below the U.S. statutory tax rate primarily due to percentage depletion, the research and development tax credit and the foreign-derived intangible income deduction.

Deferred tax assets and (liabilities) are determined based on temporary differences between the financial reporting and tax basis of assets and liabilities. Deferred tax assets and (liabilities) recorded in the Consolidated Balance Sheets consist of the following:

| (Thousands)                                               | December 31, |             |
|-----------------------------------------------------------|--------------|-------------|
|                                                           | 2024         | 2023        |
| Asset (liability)                                         |              |             |
| Post-employment benefits other than pensions              | \$ 1,339     | \$ 1,288    |
| Other reserves                                            | 1,812        | 831         |
| Deferred compensation                                     | 4,626        | 4,328       |
| Environmental reserves                                    | 1,418        | 1,371       |
| Inventory                                                 | 8,191        | 4,868       |
| Research expenditures                                     | 14,182       | 11,025      |
| Revenue recognition                                       | 19,937       | 13,086      |
| Lease liabilities                                         | 13,637       | 11,334      |
| Interest expense carryforward                             | 11,668       | 12,923      |
| Pensions                                                  | 1,762        | 2,442       |
| Accrued compensation expense                              | 2,144        | 3,317       |
| Net operating loss, capital loss and credit carryforwards | 10,822       | 13,729      |
| Subtotal                                                  | 91,538       | 80,542      |
| Valuation allowance                                       | (8,892)      | (5,971)     |
| Total deferred tax assets                                 | 82,646       | 74,571      |
| Depreciation                                              | (43,390)     | (47,946)    |
| Lease assets                                              | (12,877)     | (9,933)     |
| Amortization                                              | (25,220)     | (30,829)    |
| Unrealized gains                                          | (1,437)      | (1,063)     |
| Total deferred tax liabilities                            | (82,924)     | (89,771)    |
| Net deferred tax (liabilities)/assets                     | \$ (278)     | \$ (15,200) |

The Company had deferred income tax assets offset with a valuation allowance for certain foreign net operating losses, a domestic capital loss carryforward, state investment and research and development tax credit carryforwards, and deferred tax assets that are not likely to be realized for certain of the Company's controlled foreign corporations. The Company intends to maintain a valuation allowance on these deferred tax assets until a realization event occurs to support reversal of all or a portion of the allowance.

At December 31, 2024, for income tax purposes, the Company had foreign net operating loss carryforwards of \$35.6 million that do not expire, and \$14.8 million that expire in calendar years 2026 through 2031. The Company had state net operating loss carryforwards of \$14.5 million that expire in calendar years 2025 through 2041 and state tax credits of \$3.6 million that expire in calendar years 2025 through 2039. The Company also has capital loss carryforwards of \$7.6 million that expire in calendar years 2026 through 2028. A valuation allowance of \$8.6 million has been provided against certain foreign net operating loss carryforwards, a U.S. capital loss carryforward, and state tax credits due to uncertainty of their realization.

The Company files income tax returns in the U.S. federal jurisdiction, and in various state, local, and foreign jurisdictions. With limited exceptions, the Company is no longer subject to U.S. federal examinations for years before 2019, state and local examinations for years before 2020, and foreign examinations for tax years before 2019.

We operate under a tax holiday in Malaysia, which is effective through July 31, 2027. The tax holiday is conditional upon our meeting certain employment, sales, and investment thresholds. The Company did not have a tax benefit from the tax holiday in 2024.

A reconciliation of the Company's unrecognized tax benefits for the year-to-date periods ended December 31, 2024 and 2023 is as follows:

| (Thousands)                                             | 2024            | 2023            |
|---------------------------------------------------------|-----------------|-----------------|
| Balance at January 1                                    | \$ 3,763        | \$ 652          |
| Additions to tax provisions related to the current year | 292             | —               |
| Additions to tax positions related to prior years       | 535             | 3,111           |
| Reduction to tax positions related to prior years       | (165)           | —               |
| Lapses on statutes of limitations                       | (105)           | —               |
| Balance at December 31                                  | <u>\$ 4,320</u> | <u>\$ 3,763</u> |

Included in the balance of unrecognized tax benefits, including interest and penalties, as of December 31, 2024 and December 31, 2023 are \$4.3 million and \$3.8 million, respectively, of tax benefits that would affect the Company's effective tax rate if recognized. It is reasonably possible that the amount of unrecognized tax benefits will change in the next twelve months; however, we do not expect the change to have a material impact on the Consolidated Statements of Income or the Consolidated Balance Sheets.

The Company recognizes interest and penalties related to unrecognized tax benefits on the income tax expense line in the accompanying Consolidated Statements of Income. Accrued interest and penalties are included on the related tax liability line in the Consolidated Balance Sheets. The amount of interest and penalties, net of the related tax benefit, recognized in earnings was immaterial during 2024, 2023, and 2022. As of December 31, 2024, and 2023, accrued interest and penalties, net of the related tax benefit, were immaterial.

Income taxes paid during 2024, 2023, and 2022, were approximately \$11.5 million, \$7.5 million, and \$14.5 million, respectively.

No additional income taxes have been provided for any remaining undistributed foreign earnings not subject to the transition tax, or any additional outside basis difference inherent in these entities as these amounts continue to be indefinitely reinvested in foreign operations as of December 31, 2024. The amount of such unrepatriated earnings totaled \$91.6 million as of December 31, 2024. It is not practicable to estimate the additional income taxes and applicable withholding taxes that would be payable on the remittance of such undistributed earnings.

#### *Government Tax Credits*

Pursuant to The Inflation Reduction Act of 2022 (IRA), the Company is eligible for the Advanced Manufacturing Production Credit (production credit) beginning in 2023. The production credit provides an annual cash benefit for a portion of the production costs for the sale of certain critical minerals produced in the U.S. and sold during the year. On October 24, 2024, the U.S. Treasury Department published final regulations on the production credit that provided clarifying guidance that the definition of production costs for purposes of computing the production credit includes material costs and extraction costs. The production credit recognized in 2024 was based on the Company's analysis of the eligible production costs that qualify for the production credit under the final regulations.

The Company records the production credit as a reduction in cost of goods sold as the applicable items are produced and sold. U.S. GAAP does not address the accounting for government grants received by a business entity that are outside the scope of ASC 740. Our accounting policy is to analogize to IAS 20, Accounting for Government Grants and Disclosure of Government Assistance, under IFRS Accounting Standards. We recognize the benefit of the production credit by applying IAS 20 in pretax income on a systematic basis in line with its recognition of the expenses that the grant is intended to compensate.

#### *Pillar Two*

The Organization for Economic Co-operation and Development (OECD) introduced rules to establish a global minimum corporate tax rate, commonly referred to as Pillar Two. Numerous foreign countries have enacted legislation to implement the Pillar Two rules, effective beginning in 2024, or are expected to enact similar legislation. Pillar Two legislation enacted in jurisdictions the Company operates in did not have an impact on its effective tax rate or consolidated results of operations, financial position, or cash flows in 2024. We will continue to evaluate the impact of Pillar Two legislation on future reporting periods.

**Note H — Earnings Per Share**

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

| (Thousands except per share amounts)         | 2024     | 2023      | 2022      |
|----------------------------------------------|----------|-----------|-----------|
| Numerator for basic and diluted EPS:         |          |           |           |
| Net income                                   | \$ 5,888 | \$ 95,702 | \$ 85,990 |
| Denominator:                                 |          |           |           |
| Denominator for basic EPS:                   |          |           |           |
| Weighted-average shares outstanding          | 20,732   | 20,619    | 20,511    |
| Effect of dilutive securities:               |          |           |           |
| Stock appreciation rights                    | 78       | 85        | 81        |
| Restricted stock units                       | 58       | 92        | 102       |
| Performance-based restricted stock units     | 60       | 115       | 66        |
| Diluted potential common shares              | 196      | 292       | 249       |
| Denominator for diluted EPS:                 |          |           |           |
| Adjusted weighted-average shares outstanding | 20,928   | 20,911    | 20,760    |
| Basic EPS                                    | \$ 0.28  | \$ 4.64   | \$ 4.19   |
| Diluted EPS                                  | \$ 0.28  | \$ 4.58   | \$ 4.14   |

Equity awards covering shares of common stock totaling 107,370 in 2024, 39,473 in 2023, and 56,636 in 2022 were excluded from the diluted EPS calculation as their effect would have been anti-dilutive.

**Note I — Inventories, net**

Inventories in the Consolidated Balance Sheets are summarized as follows:

| (Thousands)                | December 31, |            |
|----------------------------|--------------|------------|
|                            | 2024         | 2023       |
| Raw materials and supplies | \$ 100,208   | \$ 117,693 |
| Work in process            | 278,065      | 268,717    |
| Finished goods             | 63,026       | 55,187     |
| Inventories, net           | \$ 441,299   | \$ 441,597 |

Inventory balances are presented net of an excess and obsolete reserve totaling \$19.7 million and \$16.8 million at December 31, 2024 and December 31, 2023, respectively.

The Company maintains the majority of the precious metals and copper used in production on a consignment basis in order to reduce our exposure to metal price movements and to reduce our working capital investment. The notional value of off-balance sheet precious metals and copper was \$381.6 million as of December 31, 2024 versus \$351.5 million as of December 31, 2023.

The Company takes and records the results of a physical inventory count of its precious metals on a periodic basis. The Company's precious metal operations include a refinery that processes precious metal-containing scrap and other materials from its customers, as well as its own internally generated scrap. The Company also outsources portions of its refining requirements to other vendors, particularly those materials with longer processing times. The precious metal content within these various refine streams may be in solutions, sludges, and other non-homogeneous forms and can vary over time based upon the input materials, yield rates, and other process parameters. The determination of the weight of the precious metal content within the refine streams as part of a physical inventory count requires the use of estimates and calculations based upon assays, assumed recovery percentages developed from actual historical data and other analyses, the total estimated volumes of solutions and other materials within the refinery, data from the Company's refine vendors, and other factors. The resulting calculated weight of the precious metals in the Company's refine operations may differ, in either direction, from what its records indicate that the Company should have on hand, which would then result in an adjustment to its pre-tax income in the period when the physical inventory was taken, and the related estimates were made.

**Note J — Property, Plant, and Equipment**

Property, plant, and equipment on the Consolidated Balance Sheets is summarized as follows:

| (Thousands)                               | December 31, |            |
|-------------------------------------------|--------------|------------|
|                                           | 2024         | 2023       |
| Land                                      | \$ 26,566    | \$ 26,607  |
| Buildings                                 | 237,820      | 215,137    |
| Machinery and equipment                   | 832,932      | 799,551    |
| Software                                  | 46,268       | 46,094     |
| Construction in progress                  | 123,625      | 147,303    |
| Allowances for depreciation               | (782,244)    | (749,622)  |
| Subtotal                                  | 484,967      | 485,070    |
| Finance leases                            | 31,292       | 32,624     |
| Allowances for depreciation               | (10,036)     | (9,006)    |
| Subtotal                                  | 21,256       | 23,618     |
| Mineral resources                         | 4,979        | 4,980      |
| Mine development                          | 12,104       | 9,326      |
| Allowances for amortization and depletion | (12,501)     | (8,311)    |
| Subtotal                                  | 4,582        | 5,995      |
| Property, plant, and equipment — net      | \$ 510,805   | \$ 514,683 |

The Company received \$63.5 million from the U.S. Department of Defense (DoD), in previous periods, for reimbursement of the DoD's share of the cost of equipment. This amount was recorded in property, plant, and equipment and the reimbursements are reflected in Unearned income on the Consolidated Balance Sheets. The equipment was placed in service during 2012, and its full cost is being depreciated in accordance with Company policy. The unearned income liability is being reduced ratably with the depreciation expense recorded over the life of the equipment. Unearned income was reduced by \$4.4 million in 2024, 2023 and 2022 and credited to cost of sales in the Consolidated Statements of Income, offsetting the impact of the depreciation expense on the associated equipment on the Company's cost of sales and gross margin. The unamortized unearned income balance was \$6.3 million and \$10.7 million at December 31, 2024 and December 31, 2023, respectively.

We recorded depreciation and depletion expense of \$45.1 million in 2024, \$41.6 million in 2023, and \$35.2 million in 2022. Depreciation, depletion, and amortization as shown on the Consolidated Statement of Cash Flows is net of the reduction in the unearned income liability in 2024, 2023, and 2022. The net carrying value of capitalized software was \$2.8 million and \$4.0 million at December 31, 2024 and December 31, 2023, respectively. Depreciation expense related to software was \$1.6 million in 2024, \$1.8 million in 2023 and 2022, respectively.

As of December 31, 2024 and December 31, 2023 capital expenditures in accounts payable were \$3.0 million and \$7.0 million, respectively.

**Note K — Customer Prepayments**

In 2020, the Company entered into an investment agreement and a master supply agreement with a customer to procure equipment to manufacture product for the customer. The customer provided prepayments to the Company to fund the necessary infrastructure improvements and procure the equipment necessary to supply the customer with the desired product. The Company owns, operates and maintains the equipment that is being used to manufacture product for the customer.

Revenue will be recognized as the Company fulfills purchase orders and ships the commercial product to the customer, as product delivery is considered the satisfaction of the performance obligation.

Additionally, during the second quarter of 2022, the Company entered into an amendment to the investment agreement with the same customer to procure additional equipment to manufacture product for the customer. As of December 31, 2024, the Company has received approximately \$38.6 million in prepayments under the terms of this amended agreement.

As of December 31, 2024 and 2023, \$60.9 million and \$84.7 million, respectively, of prepayments are classified as Unearned income on the Consolidated Balance Sheet. The prepayments will remain in Unearned income until commercial purchase orders are received for product serviced out of the equipment, at which time a portion of the purchase order value related to prepayments will be reclassified to Unearned revenue. As of December 31, 2024 and 2023, \$4.3 million and \$5.8 million, respectively, of prepayments are classified as Unearned revenue.

**Note L — Leasing Arrangements**

The Company leases warehouse and manufacturing real estate, and manufacturing and computer equipment under operating leases with lease terms ranging up to 25 years. Several operating lease agreements contain options to extend the lease term and/or options for early termination. The lease term consists of the non-cancelable period of the lease, periods covered by options to extend the lease if the Company is reasonably certain to exercise the option, and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise the option. As of December 31, 2024, we had no material leases that had yet to commence.

The discount rate implicit within the leases is generally not determinable, and, therefore, the Company determines the discount rate based on its incremental borrowing rate. The incremental borrowing rate for leases is determined based on the lease term over which lease payments are made, adjusted for the impact of collateral.

The components of operating and finance lease cost for 2024 and 2023 were as follows:

| (Thousands)                         | 2024             | 2023             |
|-------------------------------------|------------------|------------------|
| <b>Components of lease expense</b>  |                  |                  |
| Operating lease cost                | \$ 14,588        | \$ 14,648        |
| Finance lease cost                  |                  |                  |
| Amortization of right-of-use assets | 1,162            | 1,495            |
| Interest on lease liabilities       | 685              | 760              |
| Total lease cost                    | <u>\$ 16,435</u> | <u>\$ 16,903</u> |

The Company straight-lines its expense of fixed payments for operating leases over the lease term and expenses the variable lease payments in the period incurred. These variable lease payments are not included in the calculation of right-of-use assets or lease liabilities.

Supplemental balance sheet information related to the Company's operating and finance leases as of December 31, 2024 and 2023 is as follows:

| (Thousands, except lease term and discount rate)         | 2024             | 2023             |
|----------------------------------------------------------|------------------|------------------|
| <b>Supplemental balance sheet information</b>            |                  |                  |
| <b>Operating Leases</b>                                  |                  |                  |
| Operating lease right-of-use assets                      | \$ 64,449        | \$ 57,645        |
| Other liabilities and accrued items                      | 7,249            | 6,933            |
| Operating lease liabilities                              | 62,626           | 53,817           |
| <b>Finance Leases</b>                                    |                  |                  |
| Property, plant, and equipment                           | \$ 31,292        | \$ 32,624        |
| Allowances for depreciation, depletion, and amortization | (10,036)         | (9,006)          |
| Finance lease assets, net                                | <u>\$ 21,256</u> | <u>\$ 23,618</u> |
| Other liabilities and accrued items                      | \$ 552           | \$ 626           |
| Finance lease liabilities                                | 12,404           | 13,744           |
| Total principal payable on finance leases                | <u>\$ 12,956</u> | <u>\$ 14,370</u> |
| <b>Weighted Average Remaining Lease Term</b>             |                  |                  |
| Operating leases                                         | 11.83            | 11.47            |
| Finance leases                                           | 17.54            | 18.34            |
| <b>Weighted Average Discount Rate</b>                    |                  |                  |
| Operating leases                                         | 6.34%            | 6.15%            |
| Finance leases                                           | 5.25%            | 5.20%            |

Future maturities of the Company's lease liabilities as of December 31, 2024 are as follows:

| (Thousands)                                        | Finance<br>Leases | Operating<br>Leases |
|----------------------------------------------------|-------------------|---------------------|
| 2025                                               | 1,209             | 11,432              |
| 2026                                               | 1,183             | 9,678               |
| 2027                                               | 1,183             | 7,928               |
| 2028                                               | 1,141             | 7,863               |
| 2029                                               | 1,082             | 7,653               |
| 2030 and thereafter                                | 14,066            | 55,746              |
| Total lease payments                               | 19,864            | 100,300             |
| Less amount of lease payment representing interest | 6,908             | 30,425              |
| Total present value of lease payments              | <u>\$ 12,956</u>  | <u>\$ 69,875</u>    |

Supplemental cash flow information related to leases was as follows:

| (Thousands)                                                             | 2024      | 2023      |
|-------------------------------------------------------------------------|-----------|-----------|
| <b>Supplemental cash flow information</b>                               |           |           |
| Cash paid for amounts included in the measurement of lease liabilities: |           |           |
| Operating cash flows from operating leases                              | \$ 19,842 | \$ 21,094 |
| Operating cash flows from finance leases                                | 685       | 760       |
| Financing cash flows from finance leases                                | 683       | 1,645     |
| Right-of-use assets obtained in exchange for lease obligations:         |           |           |
| Operating leases                                                        | 20,740    | 1,293     |
| Finance leases                                                          | —         | —         |

#### Note M — Intangible Assets and Goodwill

##### Intangible Assets

The cost and accumulated amortization of intangible assets subject to amortization as of December 31, 2024 and 2023, is as follows:

| (Thousands)            | 2024                     |                             |                   | 2023                     |                             |                   |
|------------------------|--------------------------|-----------------------------|-------------------|--------------------------|-----------------------------|-------------------|
|                        | Gross Carrying<br>Amount | Accumulated<br>Amortization | Net               | Gross Carrying<br>Amount | Accumulated<br>Amortization | Net               |
| Customer relationships | \$ 97,428                | \$ (37,960)                 | \$ 59,468         | \$ 112,682               | \$ (35,608)                 | \$ 77,074         |
| Technology             | 43,588                   | (16,415)                    | 27,173            | 45,154                   | (14,201)                    | 30,953            |
| Licenses and other     | 36,234                   | (15,182)                    | 21,052            | 36,573                   | (13,638)                    | 22,935            |
| Total                  | <u>\$ 177,250</u>        | <u>\$ (69,557)</u>          | <u>\$ 107,693</u> | <u>\$ 194,409</u>        | <u>\$ (63,447)</u>          | <u>\$ 130,962</u> |



As noted in Note A, the Company performed a recoverability analysis which indicated the Malaysia asset group was not recoverable. The Company estimated the fair value of the asset group utilizing using the discounted cash flow method (income approach) and compared the estimated fair value to the current carrying value. As a result of this analysis, the Company fully impaired \$10.1 million of intangible assets. This long-lived asset impairment is presented within the "Long-lived Asset Impairment" line item within the accompanying Consolidated Statements of Income.

Amortization expense for 2024, 2023, and 2022 was \$12.1 million, \$12.9 million, and \$12.4 million, respectively.

Estimated amortization expense for each of the five succeeding years is as follows:

| (Thousands) | Amortization<br>Expense |
|-------------|-------------------------|
| 2024        | 10,589                  |
| 2025        | 9,835                   |
| 2026        | 9,733                   |
| 2027        | 9,733                   |
| 2028        | 9,733                   |

Intangible assets also includes deferred costs relating to the Company's revolving credit and consignments lines of \$1.6 million and \$2.6 million at December 31, 2024 and 2023, respectively.

## Goodwill

The balance of goodwill at December 31, 2024 and 2023 was \$263.7 million and \$320.9 million, respectively.

A summary of changes in goodwill by reportable segment is as follows:

| (Thousands)                  | Performance Materials | Electronic Materials | Precision Optics | Total      |
|------------------------------|-----------------------|----------------------|------------------|------------|
| Balance at December 31, 2022 | \$ 26,157             | \$ 206,670           | \$ 86,671        | \$ 319,498 |
| Acquisition                  | —                     | —                    | —                | —          |
| Impairment charge            | —                     | —                    | —                | —          |
| Other                        | —                     | 3                    | 1,372            | 1,375      |
| Balance at December 31, 2023 | \$ 26,157             | \$ 206,673           | \$ 88,043        | \$ 320,873 |
| Acquisition                  | —                     | —                    | —                | —          |
| Impairment charge            | —                     | —                    | (56,067)         | (56,067)   |
| Other                        | —                     | (373)                | (695)            | (1,068)    |
| Balance at December 31, 2024 | \$ 26,157             | \$ 206,300           | \$ 31,281        | \$ 263,738 |

Due to the slower than expected semi-conductor market recovery impacting the Electronic Materials reporting unit and recent results for the Precision Optics reporting unit, the Company elected to perform a quantitative annual impairment assessment for the Electronic Materials and Precision Optics reporting units' goodwill as of October 1, 2024 and a qualitative impairment test for the Performance Materials reporting unit.

As discussed in Note A, the Company's annual goodwill impairment test indicated the carrying value of the Precision Optics reporting unit exceeded its estimated fair value as of the measurement date of October 1, 2024. As a result, the Company recognized a goodwill impairment charge in the fourth quarter of fiscal 2024 of \$56.1 million which was recorded in "Goodwill Impairment" in the accompanying Consolidated Statements of Income in the Precision Optics segment.

Based on the testing performed for the Electronic Materials reporting unit, the Company determined that the estimated fair value exceeded its carrying value; therefore no impairment charge was necessary.

Management believes the future sales growth and EBITDA margins in the long range plan, terminal growth rate and the discount rate used in the valuations requires significant use of judgment. If any of our reporting units do not meet our long range plan estimates or our discount rate increase significantly, we could be required to perform an interim goodwill impairment analysis or recognize charges in future periods. Any impairment charges that the Company may take in the future could be material to its consolidated results of operations and financial condition.

The Company's accumulated goodwill impairment losses were \$76.7 million as of December 31, 2024, and \$20.6 million as of December 31, 2023. Accumulated impairment losses were from the closure of the LAC reporting unit which was closed as of December 31, 2020 and the Precision Optics charge taken in the fourth quarter of 2024.

## Note N — Debt

Long-term debt in the Consolidated Balance Sheets is summarized as follows:

| (Thousands)                                                                                                               | December 31, |            |
|---------------------------------------------------------------------------------------------------------------------------|--------------|------------|
|                                                                                                                           | 2024         | 2023       |
| Borrowings under Credit Agreement with average interest rate of 6.27% at December 31, 2024 and 6.96% at December 31, 2023 | \$ 198,875   | \$ 149,250 |
| Borrowings under the Term Loan Facility                                                                                   | 240,000      | 270,000    |
| Overdraft Sweep Facility                                                                                                  | 123          | 3,825      |
| Foreign debt                                                                                                              | 4,901        | 5,918      |
| Total long-term debt outstanding                                                                                          | 443,899      | 428,993    |
| Current portion of long-term debt                                                                                         | (34,274)     | (38,597)   |
| Gross long-term debt                                                                                                      | \$ 409,625   | \$ 390,396 |
| Unamortized deferred financing fees                                                                                       | (1,891)      | (2,820)    |
| Long-term debt                                                                                                            | \$ 407,734   | \$ 387,576 |

Maturities on long-term debt instruments as of December 31, 2024 are as follows:

| (Thousands)         |            |
|---------------------|------------|
| 2025                | 34,274     |
| 2026                | 409,173    |
| 2027                | 201        |
| 2028                | 201        |
| 2029                | 50         |
| 2030 and thereafter | —          |
| Total               | \$ 443,899 |

In 2021, the Company amended and restated our \$375.0 million revolving credit facility (Credit Agreement) in connection with the HCS-Electronic Materials acquisition. A \$300 million delayed draw term loan facility was added to the Credit Agreement and the maturity date of the Credit Agreement was extended from 2024 to 2026. Moreover, the Credit Agreement also provides for an uncommitted incremental facility whereby, under certain conditions, the Company may be able to borrow additional term loans in an aggregate amount not to exceed \$150.0 million. On November 1, 2021, Materion borrowed the full \$300 million available under the delayed draw term loan facility and used the proceeds to pay a portion of the purchase price of the HCS-Electronic Materials acquisition.

The Credit Agreement provides the Company and its subsidiaries with additional capacity to enter into facilities for the consignment of precious metals and copper, and provides enhanced flexibility to finance acquisitions and other strategic initiatives. Borrowings under the Credit Agreement are secured by substantially all of the assets of the Company and its direct subsidiaries, with the exception of non-mining real property, precious metals, copper and certain other assets.

In January 2023, we amended the Credit Agreement to transition U.S. dollar denominated borrowings from LIBOR to the Secured Overnight Financial Rate (SOFR) for both the revolving credit agreement and the term loan and to increase the cap on precious metals facilities from \$550 million to \$615 million.

The Credit Agreement allows the Company to borrow money at a premium over SOFR, following the January 2023 amendment, or prime rate and at varying maturities. The premium resets quarterly according to the terms and conditions available under the agreement. The Credit Agreement includes restrictive covenants relating to restrictions on additional indebtedness, acquisitions, dividends, and stock repurchases. In addition, the Credit Agreement includes covenants subject to a maximum leverage ratio and a minimum interest coverage ratio. We were in compliance with all of our debt covenants as of December 31, 2024 and December 31, 2023. Cash on hand up to \$25 million can benefit the covenants and may benefit the

borrowing capacity under the Credit Agreement. At December 31, 2024 and 2023, there was \$438.9 million and \$419.3 million outstanding under the Credit Agreement, respectively.

At December 31, 2024 and 2023, there was \$7.1 million and \$47.0 million letters of credit outstanding against the credit sub-facility, respectively. The Company pays a variable commitment fee that may reset quarterly (0.275% as of December 31, 2024) on the available and unborrowed amounts under the revolving credit line.

The available borrowings under the individual existing credit lines totaled \$169.0 million as of December 31, 2024.

#### Note O — Pensions and Other Post-Employment Benefits

The obligation and funded status of the Company's pension and other post-employment benefit plans are shown below. The Pension Benefits column aggregates defined benefit pension plans in the U.S., Germany, Liechtenstein, England, and the U.S. supplemental retirement plans. The Other Benefits column includes the domestic retiree medical and life insurance plan.

| (Thousands)                                                              | Pension Benefits |             | Other Benefits |            |
|--------------------------------------------------------------------------|------------------|-------------|----------------|------------|
|                                                                          | 2024             | 2023        | 2024           | 2023       |
| <b>Change in benefit obligation</b>                                      |                  |             |                |            |
| Benefit obligation at beginning of year                                  | \$ 181,588       | \$ 168,032  | \$ 4,900       | \$ 5,505   |
| Service cost                                                             | 1,077            | 842         | 50             | 51         |
| Interest cost                                                            | 7,631            | 7,874       | 234            | 273        |
| Net pension curtailments and settlements                                 | —                | (4,350)     | —              | —          |
| Actuarial (gain) loss                                                    | (3,976)          | 11,307      | (113)          | (308)      |
| Benefit payments                                                         | (6,678)          | (5,501)     | (405)          | (621)      |
| Foreign currency exchange rate changes and other                         | (2,924)          | 3,384       | —              | —          |
| Benefit obligation at end of year                                        | 176,718          | 181,588     | 4,666          | 4,900      |
| <b>Change in plan assets</b>                                             |                  |             |                |            |
| Fair value of plan assets at beginning of year                           | 169,679          | 164,596     | —              | —          |
| Plan settlements                                                         | —                | (4,350)     | —              | —          |
| Actual return on plan assets                                             | (914)            | 10,946      | —              | —          |
| Employer contributions                                                   | 697              | 755         | —              | —          |
| Employee contributions                                                   | 750              | 812         | —              | —          |
| Benefit payments from fund                                               | (6,724)          | (5,605)     | —              | —          |
| Foreign currency exchange rate changes and other                         | (1,680)          | 2,525       | —              | —          |
| Fair value of plan assets at end of year                                 | 161,808          | 169,679     | —              | —          |
| Funded status at end of year                                             | \$ (14,910)      | \$ (11,909) | \$ (4,666)     | \$ (4,900) |
| <b>Amounts recognized in the Consolidated Balance Sheets consist of:</b> |                  |             |                |            |
| Other assets                                                             | \$ 7,258         | \$ 9,959    | \$ —           | \$ —       |
| Other liabilities and accrued items                                      | (554)            | (560)       | (575)          | (630)      |
| Retirement and post-employment benefits                                  | (21,614)         | (21,308)    | (4,091)        | (4,270)    |
| Net amount recognized                                                    | \$ (14,910)      | \$ (11,909) | \$ (4,666)     | \$ (4,900) |

The benefit obligation decreased in 2024 due to actuarial gains that were driven by decreases in the discount rate.

The following amounts are included within accumulated other comprehensive loss at December 31, 2024:

| (Thousands)                                                                      | Pension Benefits |           | Other Benefits |            |
|----------------------------------------------------------------------------------|------------------|-----------|----------------|------------|
|                                                                                  | 2024             | 2023      | 2024           | 2023       |
| <b>Amounts recognized in other comprehensive income (before tax) consist of:</b> |                  |           |                |            |
| Net actuarial loss (gain)                                                        | \$ 59,623        | \$ 53,024 | \$ (5,262)     | \$ (5,499) |
| Net prior service cost (credit)                                                  | (449)            | (533)     | —              | —          |
| Net transition obligation/(asset)                                                | —                | —         | —              | —          |
| Net amount recognized                                                            | \$ 59,174        | \$ 52,491 | \$ (5,262)     | \$ (5,499) |

The following table provides information regarding the accumulated benefit obligation:

| (Thousands)                                                                                      | Pension Benefits |            | Other Benefits |      |
|--------------------------------------------------------------------------------------------------|------------------|------------|----------------|------|
|                                                                                                  | 2024             | 2023       | 2024           | 2023 |
| <b>Additional information</b>                                                                    |                  |            |                |      |
| Accumulated benefit obligation for all defined benefit pension plans                             | \$ 175,818       | \$ 180,655 | \$ —           | \$ — |
| For defined benefit pension plans with benefit obligations in excess of plan assets:             |                  |            |                |      |
| Aggregate benefit obligation                                                                     | 48,979           | 48,056     | —              | —    |
| Aggregate fair value of plan assets                                                              | 26,827           | 26,212     | —              | —    |
| For defined benefit pension plans with accumulated benefit obligations in excess of plan assets: |                  |            |                |      |
| Aggregate accumulated benefit obligation                                                         | 48,106           | 47,150     | —              | —    |
| Aggregate fair value of plan assets                                                              | 26,827           | 26,212     | —              | —    |

The following table summarizes components of net benefit cost:

| (Thousands)                              | Pension Benefits |            |            | Other Benefits |          |            |
|------------------------------------------|------------------|------------|------------|----------------|----------|------------|
|                                          | 2024             | 2023       | 2022       | 2024           | 2023     | 2022       |
| <b>Net benefit cost</b>                  |                  |            |            |                |          |            |
| Service cost                             | \$ 1,077         | \$ 842     | \$ 1,231   | \$ 50          | \$ 51    | \$ 78      |
| Interest cost                            | 7,631            | 7,874      | 4,874      | 234            | 273      | 156        |
| Expected return on plan assets           | (10,127)         | (9,685)    | (9,570)    | —              | —        | —          |
| Amortization of prior service credit     | (85)             | (83)       | (78)       | —              | (556)    | (1,497)    |
| Recognized net actuarial loss (gain)     | 127              | (300)      | 1,701      | (349)          | (379)    | (272)      |
| Net periodic benefit (credit) cost       | (1,377)          | (1,352)    | (1,842)    | (65)           | (611)    | (1,535)    |
| Net pension curtailments and settlements | —                | 142        | (551)      | —              | —        | —          |
| Total net benefit (credit) cost          | \$ (1,377)       | \$ (1,210) | \$ (2,393) | \$ (65)        | \$ (611) | \$ (1,535) |

Components of net periodic benefit cost, other than service cost, are included in Other non-operating (income) expense in the Consolidated Statements of Income. Additionally, Pension Benefit Guaranty Corporation premiums are reported within expected return on plan assets.

The following table summarizes amounts recognized in other comprehensive income (OCI). Note any gains or losses and prior service costs or credits that have not been recognized as a component of net periodic benefit costs are recorded as a component of other comprehensive income, net of deferred taxes. The Company elects to recognize actuarial gains/(losses) using the corridor approach.

| (Thousands)                                           | Pension Benefits |                  |                  | Other Benefits    |                   |                   |
|-------------------------------------------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|
|                                                       | 2024             | 2023             | 2022             | 2024              | 2023              | 2022              |
| <b>Change in other comprehensive income</b>           |                  |                  |                  |                   |                   |                   |
| OCI at beginning of year                              | \$ 52,491        | \$ 42,422        | \$ 42,382        | \$ (5,499)        | \$ (6,129)        | \$ (6,098)        |
| Increase (decrease) in OCI:                           |                  |                  |                  |                   |                   |                   |
| Recognized during year — prior service cost (credit)  | 85               | 83               | 78               | —                 | 556               | 1,497             |
| Recognized during year — net actuarial (losses) gains | (127)            | 300              | (1,701)          | 349               | 379               | 272               |
| Occurring during year — prior service cost            | —                | —                | —                | —                 | —                 | —                 |
| Occurring during year — net actuarial losses (gains)  | 6,725            | 9,828            | 1,112            | (112)             | (305)             | (1,800)           |
| Other adjustments                                     | —                | (142)            | 551              | —                 | —                 | —                 |
| Foreign currency exchange rate changes                | —                | —                | —                | —                 | —                 | —                 |
| OCI at end of year                                    | <u>\$ 59,174</u> | <u>\$ 52,491</u> | <u>\$ 42,422</u> | <u>\$ (5,262)</u> | <u>\$ (5,499)</u> | <u>\$ (6,129)</u> |

In determining the projected benefit obligation and the net benefit cost, as of a December 31 measurement date, the Company used the following assumptions:

|                                                                             | Pension Benefits |               |               | Other Benefits |        |        |
|-----------------------------------------------------------------------------|------------------|---------------|---------------|----------------|--------|--------|
|                                                                             | 2024             | 2023          | 2022          | 2024           | 2023   | 2022   |
| <b>Assumptions used to determine benefit obligations at fiscal year end</b> |                  |               |               |                |        |        |
| Discount rate                                                               | 0.86% - 5.72%    | 1.31% - 5.19% | 2.16% - 5.54% | 5.65 %         | 5.20 % | 5.52 % |
| Rate of compensation increase                                               | 1.50% - 3.00%    | 1.75% - 3.00% | 1.75% - 3.00% | 3.50 %         | 3.50 % | 3.50 % |
| <b>Assumptions used to determine net cost for the fiscal year</b>           |                  |               |               |                |        |        |
| Discount rate                                                               | 1.31% - 5.19%    | 2.16% - 5.54% | 0.22% - 3.02% | 5.20 %         | 5.52 % | 2.90 % |
| Expected long-term return on plan assets                                    | 3.90% - 5.75%    | 1.90% - 5.25% | 1.20% - 5.25% | N/A            | N/A    | N/A    |
| Rate of compensation increase                                               | 1.75% - 3.00%    | 1.75% - 3.00% | 1.50% - 3.00% | 3.50 %         | 3.50 % | 3.00 % |

**Discount Rate.** The discount rate used to determine the present value of the projected and accumulated benefit obligation at the end of each year is established based upon the available market rates for high quality, fixed income investments whose maturities match the plan's projected cash flows.

The Company uses a spot-rate approach to estimate the service and interest cost components of net periodic benefit cost for its defined benefit pension plans. The spot-rate approach applies separate discount rates for each projected benefit payment in the calculation.

**Expected Long-Term Return on Plan Assets.** Management establishes the domestic expected long-term rate of return assumption by reviewing historical trends and analyzing the current and projected market conditions in relation to the plan's asset allocation and risk management objectives. Consideration is given to both recent plan asset performance as well as plan asset performance over various long-term periods of time, with an emphasis on the assumption being a prospective, long-term rate of return. Management consults with and considers the opinions of its outside investment advisers and actuaries when establishing the rate and reviews assumptions with the Audit Committee of the Board of Directors.

**Rate of Compensation Increase.** The rate of compensation increase assumption is no longer applicable for the domestic defined benefit due to the Company freezing the plan effective January 1, 2020. The rate of compensation assumption to determine the benefit obligation and net cost for the domestic retiree medical plan was 3.5% in both 2024 and 2023.

Assumptions for the defined benefit pension plans in Germany, Liechtenstein, and England are determined separately from the U.S. plan assumptions, based on historical trends and current and projected market conditions in each respective country. One plan in Germany is unfunded.

| Assumed health care trend rates at fiscal year end                   | 2024  | 2023  |
|----------------------------------------------------------------------|-------|-------|
| Health care trend rate assumed for next year                         | 6.75% | 6.00% |
| Rate that the trend rate gradually declines to (ultimate trend rate) | 5.00% | 5.00% |
| Year that the rate reaches the ultimate trend rate                   | 2032  | 2032  |

#### Plan Assets

The following tables present the fair values of the Company's defined benefit pension plan assets as of December 31, 2024 and 2023 by asset category. The Company has some investments that are valued using net asset value (NAV) as the practical expedient and have not been classified in the fair value hierarchy. Refer to Note R for definitions of the fair value hierarchy.

| (Thousands)                      | December 31, 2024 |          |         |         |
|----------------------------------|-------------------|----------|---------|---------|
|                                  | Total             | Level 1  | Level 2 | Level 3 |
| Cash                             | \$ 2,797          | \$ 2,797 | \$ —    | \$ —    |
| Equity securities (a)            | 28,212            | 28,212   | —       | —       |
| Fixed-income securities (b)      | 10,293            | 10,293   | —       | —       |
| Other types of investments:      |                   |          |         |         |
| Real estate fund (c)             | 4,187             | 4,187    | —       | —       |
| Total                            | 45,489            | 45,489   | —       | —       |
| Investments measured at NAV: (d) |                   |          |         |         |
| Pooled investment fund (e)       | 113,513           |          |         |         |
| Multi-strategy hedge funds (f)   | 101               |          |         |         |
| Alternatives                     | 2,687             |          |         |         |
| Private equity funds             | 18                |          |         |         |
| Total assets at fair value       | \$ 161,808        |          |         |         |

| (Thousands)                      | December 31, 2023 |         |         |         |
|----------------------------------|-------------------|---------|---------|---------|
|                                  | Total             | Level 1 | Level 2 | Level 3 |
| Cash                             | \$ 732            | \$ 732  | \$ —    | \$ —    |
| Equity securities (a)            | 28,118            | 28,118  | —       | —       |
| Fixed-income securities (b)      | 10,450            | 10,450  | —       | —       |
| Other types of investments:      |                   |         |         |         |
| Real estate fund (c)             | 3,782             | 3,782   | —       | —       |
| Total                            | 43,082            | 43,082  | —       | —       |
| Investments measured at NAV: (d) |                   |         |         |         |
| Pooled investment fund (e)       | 118,121           |         |         |         |
| Multi-strategy hedge funds (f)   | 4,845             |         |         |         |
| Alternatives                     | 3,553             |         |         |         |
| Private equity funds             | 78                |         |         |         |
| Total assets at fair value       | \$ 169,679        |         |         |         |

- (a) Equity securities are primarily comprised of corporate stock and mutual funds directly held by the plans. Equity securities are valued using the closing price reported on the active market on which the individual securities are traded.
- (b) Fixed income securities are primarily comprised of governmental and corporate bonds directly held by the plans. Governmental and corporate bonds are valued using both market observable inputs for similar assets that are traded on an active market and the closing price on the active market on which the individual securities are traded.

- (c) Includes a mutual fund that typically invests at least 80% of its assets in equity and debt securities of companies in the real estate industry or related industries or in companies which own significant real estate assets at the time of investment.
- (d) Certain assets that are measured at fair value using the NAV practical expedient have not been classified in the fair value hierarchy.
- (e) Pooled investment fund consists of various investment types including equity investments covering a range of geographies and including investment managers that hold long and short positions, property investments, and other multi-strategy funds which combine a range of different credit, equity, and macro-orientated ideas and dynamically allocate funds across asset classes.
- (f) Includes a fund that invests in a broad portfolio of hedge funds.

The Company's domestic defined benefit pension plan investment strategy, as approved by the Governance and Organization Committee of the Board of Directors, is to employ an allocation of investments that will generate returns equal to or better than the projected long-term growth of pension liabilities so that the plan will be self-funding. The return objective is to maximize investment return to achieve and maintain a 100% funded status over time, taking into consideration required cash contributions. The allocation of investments is designed to maximize the advantages of diversification while mitigating the risk and overall portfolio volatility to achieve the return objective. Risk is defined as the annual variability in value and is measured in terms of the standard deviation of investment return. Under the Company's investment policies, allowable investments include domestic equities, international equities, fixed income securities, cash equivalents, and alternative securities (which include real estate, private venture capital investments, hedge funds, and tactical asset allocation). Ranges, in terms of a percentage of the total assets, are established for each allowable class of security. Derivatives may be used to hedge an existing security or as a risk reduction strategy. Current asset allocation guidelines are to invest 0% to 40% in equity securities, 60% to 90% in fixed income securities and cash, and up to 20% in alternative securities. Management reviews the asset allocation on a quarterly or more frequent basis and makes revisions as deemed necessary.

None of the plan assets noted above are invested in the Company's common stock.

## Cash Flows

**Employer Contributions.** The Company does not expect to contribute to its domestic defined benefit pension plan in 2025.

All plan participants with an accrued benefit may elect an immediate payout in lieu of their future monthly annuity if the lump sum amount does not exceed \$100,000.

**Estimated Future Benefit Payments.** The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

| (Thousands)       | Pension Benefits | Other Benefits        |                                |
|-------------------|------------------|-----------------------|--------------------------------|
|                   |                  | Gross Benefit Payment | Net of Medicare Part D Subsidy |
| 2025              | 8,431            | 589                   | 589                            |
| 2026              | 9,297            | 537                   | 537                            |
| 2027              | 9,885            | 502                   | 502                            |
| 2028              | 11,028           | 460                   | 460                            |
| 2029              | 11,327           | 389                   | 389                            |
| 2030 through 2034 | 58,587           | 1,583                 | 1,583                          |

## Other Benefit Plans

In addition to the plans shown above, the Company also has certain foreign subsidiaries with accrued unfunded pension and other post-employment arrangements. The liability for these arrangements was \$0.4 million at December 31, 2024 and \$0.4 million at December 31, 2023, and was included in retirement and post-employment benefits on the Consolidated Balance Sheets.

The Company also sponsors defined contribution plans available to substantially all U.S. employees. The Company's annual defined contribution expense, including the expense for the enhanced defined contribution plan, was \$13.2 million in 2024, \$13.6 million in 2023, and \$13.1 million in 2022.

## Note P — Accumulated Other Comprehensive (Loss) Income

Changes in the components of accumulated other comprehensive (loss) income, including amounts reclassified out, for 2024, 2023, and 2022, and the balances in accumulated other comprehensive (loss) income as of December 31, 2024, 2023, and 2022 are as follows:

| (Thousands)                                                      | Gains and Losses<br>On Cash Flow Hedges |               |                 |          | Pension and Post-<br>Employment Benefits | Foreign Currency<br>Translation | Total       |
|------------------------------------------------------------------|-----------------------------------------|---------------|-----------------|----------|------------------------------------------|---------------------------------|-------------|
|                                                                  | Foreign<br>Currency                     | Interest Rate | Precious Metals | Total    |                                          |                                 |             |
| Balance at December 31, 2021                                     | \$ 2,348                                | \$ —          | \$ 72           | \$ 2,420 | \$ (39,702)                              | \$ (2,887)                      | \$ (40,169) |
| Other comprehensive income (loss) before reclassifications       | (1,260)                                 | 8,113         | (259)           | 6,594    | (394)                                    | (5,869)                         | 331         |
| Amounts reclassified from accumulated other comprehensive income | (176)                                   | (250)         | (126)           | (552)    | 386                                      | —                               | (166)       |
| Other comprehensive income (loss) before tax                     | (1,436)                                 | 7,863         | (385)           | 6,042    | (8)                                      | (5,869)                         | 165         |
| Deferred taxes on current period activity                        | (331)                                   | 1,808         | (90)            | 1,387    | 518                                      | —                               | 1,905       |
| Other comprehensive income (loss) after tax                      | (1,105)                                 | 6,055         | (295)           | 4,655    | (526)                                    | (5,869)                         | (1,740)     |
| Balance at December 31, 2022                                     | \$ 1,243                                | \$ 6,055      | \$ (223)        | \$ 7,075 | \$ (40,228)                              | \$ (8,756)                      | \$ (41,909) |
| Balance at December 31, 2022                                     | \$ 1,243                                | \$ 6,055      | \$ (223)        | \$ 7,075 | \$ (40,228)                              | \$ (8,756)                      | \$ (41,909) |
| Other comprehensive income (loss) before reclassifications       | (19)                                    | 2,046         | (140)           | 1,887    | (8,462)                                  | 5,208                           | (1,367)     |
| Amounts reclassified from accumulated other comprehensive income | (35)                                    | (4,513)       | 301             | (4,247)  | (1,176)                                  | —                               | (5,423)     |
| Other comprehensive income (loss) before tax                     | (54)                                    | (2,467)       | 161             | (2,360)  | (9,638)                                  | 5,208                           | (6,790)     |
| Deferred taxes on current period activity                        | (12)                                    | (568)         | 37              | (543)    | (1,208)                                  | —                               | (1,751)     |
| Other comprehensive income (loss) after tax                      | (42)                                    | (1,899)       | 124             | (1,817)  | (8,430)                                  | 5,208                           | (5,039)     |
| Balance at December 31, 2023                                     | \$ 1,201                                | \$ 4,156      | \$ (99)         | \$ 5,258 | \$ (48,658)                              | \$ (3,548)                      | \$ (46,948) |
| Balance at December 31, 2023                                     | \$ 1,201                                | \$ 4,156      | \$ (99)         | \$ 5,258 | \$ (48,658)                              | \$ (3,548)                      | \$ (46,948) |
| Other comprehensive income (loss) before reclassifications       | 840                                     | 4,093         | (808)           | 4,125    | (6,613)                                  | (7,981)                         | (10,469)    |
| Amounts reclassified from accumulated other comprehensive income | (273)                                   | (4,886)       | 940             | (4,219)  | (307)                                    | —                               | (4,526)     |
| Other comprehensive income (loss) before tax                     | 567                                     | (793)         | 132             | (94)     | (6,920)                                  | (7,981)                         | (14,995)    |
| Deferred taxes on current period activity                        | 130                                     | (182)         | 31              | (21)     | (876)                                    | —                               | (897)       |
| Other comprehensive income (loss) after tax                      | 437                                     | (611)         | 101             | (73)     | (6,044)                                  | (7,981)                         | (14,098)    |
| Balance at December 31, 2024                                     | \$ 1,638                                | \$ 3,545      | \$ 2            | \$ 5,185 | \$ (54,702)                              | \$ (11,529)                     | \$ (61,046) |

Reclassifications of gains and losses on foreign currency cash flow hedges from accumulated other comprehensive income are recorded in Net sales in the Consolidated Statements of Income while gains and losses on precious metal cash flow hedges are recorded in Cost of sales in the Consolidated Statements of Income. Refer to Note R for additional details on cash flow hedges.

Reclassifications from accumulated other comprehensive income for interest rate swaps are recorded in interest expense. Refer to Note F for additional details on interest expense.

Reclassifications from accumulated other comprehensive income for pension and post-employment benefits are included in the computation of the net periodic pension and post-employment benefit expense. Refer to Note O for additional details on pension and other post-employment expenses.



## Note Q — Stock-based Compensation

The Company maintains two stock incentive plans (the 2006 Stock Incentive Plan and the 2006 Non-employee Director Equity Plan) that have been approved by its shareholders. These plans authorize the granting of option rights, stock appreciation rights (SARs), performance-restricted shares, performance shares, performance units, restricted shares, and restricted stock units (RSUs).

Stock-based compensation expense, which includes awards settled in shares and in cash and is recognized as a component of selling, general, and administrative (SG&A) expenses, was \$10.6 million, \$10.5 million, and \$9.0 million in 2024, 2023, and 2022, respectively. The Company derives a tax deduction measured by the excess of the market value over the grant price at the date stock-based awards vest or are exercised. The Company recognized \$2.0 million, \$2.0 million, and \$1.0 million of tax benefits in 2024, 2023, and 2022, respectively, relating to the issuance of common stock for the exercise/vesting of equity awards.

The following sections provide information on awards settled in shares.

**SARs.** The Company grants SARs to certain employees. Upon exercise of vested SARs, the participant will receive a number of shares of common stock equal to the spread (the difference between the market price of the Company's common shares at the time of exercise and the strike price established on the grant date) divided by the common share price. The strike price of the SARs is equal to the market value of the Company's common shares on the day of the grant. The number of SARs available to be issued is established by plans approved by the shareholders. The vesting period and the life of the SARs are established at the time of grant. The exercise of the SARs is generally satisfied by the issuance of treasury shares. SARs vest in equal installments annually over three years. SARs expire in seven years.

The following table summarizes the Company's SARs activity during 2024:

| (Shares in thousands)                               | Number of SARs | Weighted-average Exercise Price Per Share | Aggregate Intrinsic Value (thousands) | Weighted-average Remaining Term (Years) |
|-----------------------------------------------------|----------------|-------------------------------------------|---------------------------------------|-----------------------------------------|
| Outstanding at December 31, 2023                    | 246            | \$ 72.73                                  |                                       |                                         |
| Granted                                             | 37             | 135.58                                    |                                       |                                         |
| Exercised                                           | (49)           | 56.74                                     |                                       |                                         |
| Cancelled                                           | (2)            | 101.77                                    |                                       |                                         |
| Outstanding at December 31, 2024                    | 232            | \$ 85.86                                  |                                       |                                         |
| Vested and expected to vest as of December 31, 2024 | 232            | 85.86                                     | 5,019                                 | 3.7                                     |
| Exercisable at December 31, 2024                    | 151            | 68.64                                     | 4,761                                 | 2.8                                     |

A summary of the status and changes of shares subject to SARs and the related average price per share follows:

| (Shares in thousands)             | Number of SARs | Weighted-average Grant Date Fair Value |
|-----------------------------------|----------------|----------------------------------------|
| Nonvested as of December 31, 2023 | 94             | \$ 35.73                               |
| Granted                           | 37             | 50.46                                  |
| Vested                            | (48)           | 32.29                                  |
| Cancelled                         | (2)            | 38.14                                  |
| Nonvested as of December 31, 2024 | 81             | \$ 44.89                               |

As of December 31, 2024, \$2.1 million of expense with respect to non-vested SARs has yet to be recognized as expense over a weighted-average period of approximately 21 months. The total fair value of shares vested during 2024, 2023, and 2022 was \$1.4 million, \$1.0 million, and \$0.9 million, respectively.

The weighted-average grant date fair value for 2024, 2023, and 2022 was \$50.46, \$42.27, and \$25.87, respectively. The fair value will be amortized to compensation cost on a straight-line basis over the vesting period of three years, or earlier if the employee is retirement eligible and continued vesting is approved by the Board of Directors as defined in the Plan. Stock-based compensation expense relating to SARs was \$1.5 million in 2024, \$1.3 million in 2023 and \$0.9 million in 2022.

The total intrinsic value of stock options exercised during 2024, 2023, and 2022 was \$3.2 million, \$3.6 million and \$2.1 million, respectively.

The fair value of the SARs was estimated on the grant date using the Black-Scholes pricing model with the following assumptions:

|                           | 2024   | 2023   | 2022   |
|---------------------------|--------|--------|--------|
| Risk-free interest rate   | 4.17 % | 4.27 % | 1.56 % |
| Dividend yield            | 0.4 %  | 0.4 %  | 0.6 %  |
| Volatility                | 38.3 % | 39.0 % | 38.5 % |
| Expected lives (in years) | 4.6    | 4.5    | 4.4    |

The risk-free rate of return was based on U.S. Treasury yields with a maturity equal to the expected life of the award. The dividend yield was based on the Company's historical dividend rate and stock price. The expected volatility of stock was derived by referring to changes in the Company's historical common stock prices over a time-frame similar to the expected life of the award. In addition to considering the vesting period and contractual term of the award for the expected life assumption, the Company analyzes actual historical exercise experience for previously granted awards.

**Restricted Stock Units (RSUs) - Employees.** The Company may grant RSUs to employees of the Company. These units constitute an agreement to deliver shares of common stock to the participant at the end of the vesting period, which is defined at the date of the grant, and are forfeited should the holder's employment terminate during the restriction period. The fair market value of the RSUs is determined on the date of the grant and is amortized over the vesting period. For the 2021 annual employee grant, the vesting period is three years unless the recipient is retirement eligible and continued vesting is approved by the Board of Directors. The 2024, 2023 and 2022 annual employee grants vests in three equal annual installments on the anniversary of the grant date.

The fair value of RSUs settled in stock is based on the closing stock price on the date of grant. The weighted-average grant date fair value for 2024, 2023, and 2022 was \$133.74, \$110.14, and \$80.96, respectively. Cash-settled RSUs are accounted for as liability-based compensation awards and adjusted based on the closing price of Materion's common stock over the vesting period of three years.

Stock-based compensation expense relating to stock-settled RSUs was \$5.2 million in 2024, \$4.6 million in 2023, and \$3.5 million in 2022. The unamortized compensation cost on the outstanding RSUs was \$7.1 million as of December 31, 2024 and is expected to be recognized over a weighted-average period of 21 months. The total fair value of shares that vested during 2024 was \$6.5 million, compared to \$3.6 million in 2023 and \$2.8 million in 2022.

The following table summarizes the stock-settled RSU activity during 2024:

| (Shares in thousands)            | Number of<br>Shares | Weighted-<br>average<br>Grant Date<br>Fair Value |
|----------------------------------|---------------------|--------------------------------------------------|
| Outstanding at December 31, 2023 | 164                 | \$ 88.36                                         |
| Granted                          | 42                  | 133.40                                           |
| Vested                           | (82)                | 78.25                                            |
| Forfeited                        | (10)                | 103.40                                           |
| Outstanding at December 31, 2024 | 114                 | \$ 110.93                                        |

**RSUs - Non-Employee Directors.** In 2024, 2023, and 2022, 9,200, 9,184, and 11,120 RSUs, with a one year vesting period, were granted to certain non-employee members of the Board of Directors. The weighted-average grant date fair value of these RSUs was \$115.72, \$105.54, and \$81.59 in 2024, 2023, and 2022, respectively. The Company recognized \$1.1 million of expense related to these awards in 2024, compared to \$0.9 million of expense in 2023 and 2022. At December 31, 2024, \$0.4 million of expense with respect to non-vested RSU awards granted to the Board of Directors has yet to be recognized and will be amortized into expense over a weighted-average period of approximately four months.

**Long-term Incentive Plans.** Under the long-term incentive compensation plans, executive officers and selected other employees receive restricted stock unit awards based upon the Company's performance over the defined period, typically three years. Total units earned for grants made in 2024, 2023, and 2022, may vary between 0% and 200% of the units granted based on the attainment of performance targets during the related three-year period. All grants will be settled in Materion common shares and are equity classified. Vesting of performance-based awards is contingent upon the attainment of threshold performance objectives.

The following table summarizes the activity related to performance-based RSUs during 2024:

| (Shares in thousands)            | Number of<br>Shares | Weighted-<br>average<br>Grant Date<br>Fair Value |
|----------------------------------|---------------------|--------------------------------------------------|
| Outstanding at December 31, 2023 | 117                 | \$ 110.19                                        |
| Granted                          | 55                  | 164.40                                           |
| Vested                           | (57)                | 88.21                                            |
| Forfeited                        | (7)                 | 125.55                                           |
| Outstanding at December 31, 2024 | 108                 | \$ 136.47                                        |

Compensation expense is based upon the performance projections for the plan period of three years, the percentage of requisite service rendered, and the fair market value of the Company's common shares on the date of grant. The offset to the compensation expense for the portion of the award to be settled in shares is recorded within shareholders' equity and was \$2.8 million for 2024, \$3.3 million for 2023, and \$3.6 million for 2022.

**Directors' Deferred Compensation.** Non-employee directors may defer all or part of their compensation into the Company's common stock. The fair value of the deferred shares is determined at the share acquisition date and is recorded within shareholders' equity. At December 31, 2024, shareholders' equity included 0.1 million shares related to this plan.

#### Note R — Fair Value Information and Derivative Financial Instruments

The Company measures and records financial instruments at fair value. A hierarchy is used for those instruments measured at fair value that distinguishes between assumptions based upon market data (observable inputs) and the Company's assumptions (unobservable inputs). The hierarchy consists of three levels:

Level 1 — Quoted market prices in active markets for identical assets and liabilities;

Level 2 — Inputs other than Level 1 inputs that are either directly or indirectly observable; and

Level 3 — Unobservable inputs developed using estimates and assumptions developed by the Company, which reflect those that a market participant would use.

The following table summarizes the financial instruments measured at fair value on the Consolidated Balance Sheets at December 31, 2024 and 2023:

| (Thousands)                        | Total     | Fair Value Measurements                                                       |                                                  |                                                             |
|------------------------------------|-----------|-------------------------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------|
|                                    |           | Quoted Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Observable<br>Inputs<br>(Level 2) | Other<br>Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| <b>December 31, 2024</b>           |           |                                                                               |                                                  |                                                             |
| <b>Financial Assets</b>            |           |                                                                               |                                                  |                                                             |
| Deferred compensation investments  | \$ 6,050  | \$ 6,050                                                                      | \$ —                                             | \$ —                                                        |
| Foreign currency forward contracts | 1,671     | —                                                                             | 1,671                                            | —                                                           |
| Interest rate swaps                | 4,603     | —                                                                             | 4,603                                            | —                                                           |
| Precious metal swaps               | —         | —                                                                             | —                                                | —                                                           |
| Total                              | \$ 12,324 | \$ 6,050                                                                      | \$ 6,274                                         | \$ —                                                        |
| <b>Financial Liabilities</b>       |           |                                                                               |                                                  |                                                             |
| Deferred compensation liability    | \$ 6,050  | \$ 6,050                                                                      | \$ —                                             | \$ —                                                        |
| Foreign currency forward contracts | 1,033     | —                                                                             | 1,033                                            | —                                                           |
| Interest rate swaps                | —         | —                                                                             | —                                                | —                                                           |
| Precious metal swaps               | —         | —                                                                             | —                                                | —                                                           |
| Total                              | \$ 7,083  | \$ 6,050                                                                      | \$ 1,033                                         | \$ —                                                        |
| <b>December 31, 2023</b>           |           |                                                                               |                                                  |                                                             |
| <b>Financial Assets</b>            |           |                                                                               |                                                  |                                                             |
| Deferred compensation investments  | \$ 4,899  | \$ 4,899                                                                      | \$ —                                             | \$ —                                                        |
| Foreign currency forward contracts | 615       | —                                                                             | 615                                              | —                                                           |
| Interest rate swaps                | 6,492     | —                                                                             | 6,492                                            | —                                                           |
| Precious metal swaps               | 353       | —                                                                             | 353                                              | —                                                           |
| Total                              | \$ 12,359 | \$ 4,899                                                                      | \$ 7,460                                         | \$ —                                                        |
| <b>Financial Liabilities</b>       |           |                                                                               |                                                  |                                                             |
| Deferred compensation liability    | \$ 4,899  | \$ 4,899                                                                      | \$ —                                             | \$ —                                                        |
| Foreign currency forward contracts | 1,500     | —                                                                             | 1,500                                            | —                                                           |
| Interest rate swaps                | 1,096     | —                                                                             | 1,096                                            | —                                                           |
| Precious metal swaps               | 485       | —                                                                             | 485                                              | —                                                           |
| Total                              | \$ 7,980  | \$ 4,899                                                                      | \$ 3,081                                         | \$ —                                                        |

The Company uses a market approach to value the assets and liabilities for financial instruments in the table above. Outstanding contracts are valued through models that utilize market observable inputs, including both spot and forward prices, for the same underlying currencies and metals. The Company's deferred compensation investments and liabilities are based on the fair value of the investments corresponding to the employees' investment selections, primarily in mutual funds, based on quoted prices in active markets for identical assets. Deferred compensation investments are primarily presented in Other assets. Deferred compensation liabilities are primarily presented in Other long-term liabilities.

Due to the nature of fair value calculations for variable-rate debt, the carrying value of the Company's long-term variable-rate debt is a reasonable estimate of its fair value. As noted below, the Company entered into interest rate swaps to hedge the interest rate risk on the fixed rate portion of the Credit Agreement. The net fair value of the interest rate swaps were \$4.6 million as of December 31, 2024, and were determined using level 2 inputs. The total of the outstanding amount on the fixed rate debt and the fair value of the interest rate swaps approximate the total fair value of the fixed rate debt as of December 31, 2024.

The carrying values of the other working capital items in the Consolidated Balance Sheets approximate fair values at December 31, 2024 and 2023.

The Company uses derivative contracts to hedge portions of its foreign currency exposures and may also use derivatives to hedge a portion of its precious metal and interest expense fluctuations. The objectives and strategies for using derivatives in these areas are as follows:

**Interest Rate.** On March 4, 2022, the Company entered into a \$100.0 million interest rate swap to hedge the interest rate risk on the Credit Agreement described in Note N. The swap hedges the change in 1-month SOFR from March 4, 2022 to November 2, 2026. On March 21, 2023, the Company entered into two \$50.0 million interest rate swaps to hedge the interest rate risk on the Credit Agreement described in Note N. The swaps hedge the change in 1-month USD-SOFR. The purpose of these hedges is to manage the risk of changes in the monthly interest payments attributable to changes in the benchmark interest rate.

**Foreign Currency.** The Company sells a portion of its products to overseas customers in their local currencies, primarily in euro and yen. The Company secures foreign currency derivatives, mainly forward contracts and options, to hedge these anticipated sales transactions. The purpose of the hedge program is to protect against the reduction in the dollar value of foreign currency sales from adverse exchange rate movements. Should the dollar strengthen significantly, the decrease in the translated value of the foreign currency sales should be partially offset by gains on the hedge contracts. Depending upon the methods used, the hedge contracts may limit the benefits from a weakening U.S. dollar.

The use of forward contracts locks in a firm rate and eliminates any downside risk from an adverse rate movement as well as any benefit from a favorable rate movement. The Company may from time to time choose to hedge with options or a tandem of options known as a collar. These hedging techniques can limit or eliminate the downside risk but can allow for some or all of the benefit from a favorable rate movement to be realized. Unlike a forward contract, a premium is paid for an option; collars, which are a combination of a put and call option, may have a net premium but can be structured to be cash neutral. The Company will primarily hedge with forward contracts due to the relationship between the cash outlay and the level of risk.

**Precious Metals.** The Company maintains the majority of its precious metal production requirements on consignment in order to reduce its working capital investment and the exposure to metal price movements. When a product containing precious metal is fabricated and delivered to the customer, the metal content is purchased out of consignment based on the current market price. The price paid by the Company for the precious metal forms the basis for the price charged to the customer for the metal content in the product. This methodology allows for changes in either direction in the market prices of the precious metals used by the Company to be passed through to the customer and reduces the impact that changes in prices could have on the Company's margins and operating profit. The consigned metal is owned by precious metal consignors that charge the Company consignment fees based upon the value of the metal as it fluctuates while on consignment. Each precious metal consignor retains title to its consigned precious metal until it is purchased by the Company, and it is the Company's typical practice to purchase metal out of consignment only after a product containing that metal has been purchased by one of our customers.

In certain instances, a customer may want to fix the price for the precious metal at the time the sales order is placed rather than at the time of shipment. Setting the sales price at a different date than when the material would be purchased out of consignment potentially creates an exposure to movements in the market price of the metal. Therefore, in these limited situations, the Company may elect to enter into a forward contract to purchase precious metal. The forward contract allows the Company to purchase metal at a fixed price on a specific future date. The price in the forward contract serves as the basis for the price to be charged to the customer. By doing so, the selling price and purchase price are matched, and the Company's price exposure is reduced.

The Company refines precious metal-containing materials for its customers and typically will purchase the refined metal from the customer at current market prices. In limited circumstances, the customer may want to fix the price to be paid at the time of the order as opposed to when the material is refined. The customer may also want to fix the price for a set period of time. The Company may then elect to enter into a hedge contract, either a forward contract or a swap, to fix the price for the estimated quantity of metal to be refined and purchased, thereby reducing the exposure to adverse movements in the price of the metal. The Company may also enter into hedges to mitigate the risk relating to the prices of the metals that we process or refine.

In certain circumstances, the Company also refines metal from the customer and may retain a portion of the refined metal as payment. The Company may elect to enter into a forward contract to sell precious metal to reduce the Company's price exposure in these instances.

The Company may from time to time elect to purchase precious metal and hold in inventory rather than on consignment due to potential consignment line limitations or other factors. These purchases are infrequent and, when made are typically held for a short duration. A forward contract will be secured at the time of the purchase to fix the price to be paid when the metal is transferred back to the consignment line, thereby limiting any price exposure during the time when the metal was owned by the Company.

A team consisting of senior financial managers reviews the estimated exposure levels, as defined by budgets, forecasts, and other internal data, and determines the timing, amounts, and instruments to use to hedge exposures. Management analyzes the effective hedged rates and the actual and projected gains and losses on the hedging transactions against the program objectives, targeted rates, and levels of risk assumed. Foreign currency contracts are typically layered in at different times for a specified exposure period in order to minimize the impact of market rate movements.

The use of derivatives is governed by policies adopted by the Audit and Risk Committee of the Board of Directors. The Company will only enter into a derivative contract if there is an underlying identified exposure. Contracts are typically held to maturity. The Company does not engage in derivative trading activities and does not use derivatives for speculative purposes. The Company only uses hedge contracts that are denominated in the same currency or metal as the underlying exposure.

All derivatives are recorded on the balance sheet at fair value. If the derivative is designated and effective as a cash flow hedge, changes in the fair value of the derivative are recognized in OCI until the hedged item is recognized in earnings. The ineffective portion of a derivative's fair value, if any, is recognized in earnings immediately. If a derivative is not a hedge, changes in the fair value are adjusted through income. The fair values of the outstanding derivatives are recorded on the balance sheet as assets (if the derivatives are in a gain position) or liabilities (if the derivatives are in a loss position). The fair values will also be classified as short-term or long-term depending upon their maturity dates.

The following table summarizes the notional amount and the fair value of the Company's outstanding derivatives not designated as hedging instruments (on a gross basis) and balance sheet classification as of December 31, 2024 and 2023:

| (Thousands)                         | December 31, 2024 |            | December 31, 2023 |            |
|-------------------------------------|-------------------|------------|-------------------|------------|
|                                     | Notional Amount   | Fair Value | Notional Amount   | Fair Value |
| Foreign currency forward contracts  |                   |            |                   |            |
| Prepaid expenses                    | \$ 24,532         | \$ 1,365   | \$ 23,122         | \$ 558     |
| Other liabilities and accrued items | 45,679            | 1,031      | 25,853            | 1,180      |

These outstanding foreign currency derivatives were related to balance sheet hedges and intercompany loans. Other-net included foreign currency gains related to these derivatives of \$0.4 million in 2024, compared to \$1.1 million of foreign currency losses in 2023.

The following table summarizes the notional amount and the fair value of the Company's outstanding derivatives designated as cash flow hedges (on a gross basis) and balance sheet classification at December 31, 2024 and 2023:

| (Thousands)                               | December 31, 2024 |                                  |              |                                     |                             |
|-------------------------------------------|-------------------|----------------------------------|--------------|-------------------------------------|-----------------------------|
|                                           | Notional Amount   | Fair Value                       |              |                                     |                             |
|                                           |                   | Prepaid and other current assets | Other assets | Other liabilities and accrued items | Other long-term liabilities |
| Foreign currency forward contracts - yen  | \$ 1,427          | \$ 70                            | \$ —         | \$ 2                                | \$ —                        |
| Foreign currency forward contracts - euro | 5,955             | 236                              | —            | —                                   | —                           |
| Precious metal swaps                      | —                 | —                                | —            | —                                   | —                           |
| Interest rate swaps                       | 200,000           | 2,701                            | 1,902        | —                                   | —                           |
| Total                                     | \$ 207,382        | \$ 3,007                         | \$ 1,902     | \$ 2                                | \$ —                        |

| (Thousands)                               | December 31, 2023 |                                  |              |                                     |                             |
|-------------------------------------------|-------------------|----------------------------------|--------------|-------------------------------------|-----------------------------|
|                                           | Notional Amount   | Fair Value                       |              |                                     |                             |
|                                           |                   | Prepaid and other current assets | Other assets | Other liabilities and accrued items | Other long-term liabilities |
| Foreign currency forward contracts - yen  | \$ 2,167          | \$ 32                            | \$ —         | \$ 20                               | \$ —                        |
| Foreign currency forward contracts - euro | 23,064            | 25                               | —            | 300                                 | —                           |
| Precious metal swaps                      | 15,717            | 353                              | —            | 485                                 | —                           |
| Interest rate swaps                       | 200,000           | 3,658                            | 2,834        | —                                   | 1,096                       |
| Total                                     | \$ 240,948        | \$ 4,068                         | \$ 2,834     | \$ 805                              | \$ 1,096                    |

All of these contracts were designated and effective as cash flow hedges. No ineffectiveness expense was recorded in 2024, 2023, or 2022.

The fair value of derivative contracts recorded in accumulated other comprehensive income (loss) totaled \$4.9 million and \$5.0 million as of December 31, 2024 and December 31, 2023, respectively. Deferred gains of \$4.2 million at December 31, 2024 are expected to be reclassified to earnings within the next 18-month period.

The following table summarizes the pre-tax amounts reclassified from accumulated other comprehensive income relating to the hedging relationship of the Company's outstanding derivatives designated as cash flow hedges and income statement classification for years ended December 31, 2024 and 2023:

| (Thousands)                        |                        | 2024              | 2023              |
|------------------------------------|------------------------|-------------------|-------------------|
| Hedging relationship               | Line item              |                   |                   |
| Foreign currency forward contracts | Net sales              | \$ (273)          | \$ (35)           |
| Precious metal swaps               | Cost of sales          | 940               | 301               |
| Interest rate swaps                | Interest expense - net | (4,886)           | (4,513)           |
| Total                              |                        | <u>\$ (4,219)</u> | <u>\$ (4,247)</u> |

The derivative activity in the table above is reflected in cash flows from operating activities.

## Note S — Contingencies and Commitments

### Beryllium Cases

The Company is a defendant from time to time in proceedings in various state and federal courts brought by plaintiffs alleging that they have contracted, or have been placed at risk of contracting, beryllium sensitization or Chronic Beryllium Disease (CBD) or related ailments as a result of exposure to beryllium. Plaintiffs in beryllium cases seek recovery under theories of negligence and various other legal theories and seek compensatory and punitive damages, in many cases of an unspecified sum. Spouses, if any, often claim loss of consortium.

Employee cases, in which plaintiffs have a high burden of proof, have historically involved relatively small losses to the Company. Third-party plaintiffs (typically employees of customers) face a lower burden of proof than do the Company's employees, but these cases have generally been covered by varying levels of insurance. Management has vigorously contested the beryllium cases brought against the Company.

Non-employee beryllium cases are covered by insurance, subject to certain limitations. The insurance covers defense costs and indemnity payments (resulting from settlements or court verdicts) and is subject to various levels of deductibles. Defense and indemnity costs were less than or equal to the deductible in both 2024 and 2023.

Although it is not possible to predict the outcome of any pending litigation, the Company provides for costs related to litigation matters when a loss is probable, and the amount is reasonably estimable. Litigation is subject to many uncertainties, and it is possible that some of the actions could be decided unfavorably in amounts exceeding the Company's reserves. An unfavorable outcome or settlement of a beryllium case or adverse media coverage could encourage the commencement of additional similar litigation. The Company is unable to estimate its potential exposure to unasserted claims.

Based upon currently known facts and assuming collectability of insurance, the Company does not believe that resolution of any potential future beryllium proceedings will have a material adverse effect on the financial condition or cash flow of the Company. However, the Company's results of operations could be materially affected by unfavorable results in one or more cases.

### Environmental Proceedings

The Company has an active program for environmental compliance that includes the identification of environmental projects and estimating the impact on the Company's financial performance and available resources. Environmental expenditures that relate to current operations, such as wastewater treatment and control of airborne emissions, are either expensed or capitalized as appropriate. The Company records reserves for the probable costs for identified environmental remediation projects. The Company's environmental engineers perform routine ongoing analyses of the remediation sites and will use outside consultants to assist in their analyses from time to time. Reserve accruals are based upon their analyses and are established based on the reasonably estimable loss or range of loss. The accruals are revised for the results of ongoing studies, changes in strategies,

inflation, and for differences between actual and projected costs. The accruals may also be affected by rulings and negotiations with regulatory agencies. The timing of payments often lags the accrual, as environmental projects typically require a number of years to complete.

The environmental reserves recorded represent the Company's best estimate of what is reasonably possible and cover existing or currently foreseen projects based upon current facts and circumstances. For sites where the investigative work and work plan development are substantially complete, the Company does not believe that it is reasonably possible that the cost to resolve environmental matters will be materially different than what has been accrued. For sites that are in the preliminary stages of investigation, the ultimate loss contingencies cannot be reasonably determined at the present time. As facts and circumstances change, the ultimate cost may be revised, and the recording of additional costs may be material in the period in which the additional costs are accrued. The Company does not believe that the ultimate liability for environmental matters will have a material impact on its financial condition or liquidity due to the nature of known environmental matters and the extended period of time over which environmental remediation normally takes place.

The undiscounted reserve balance at the beginning of the year, the amounts expensed and paid, and the balance at December 31, 2024 and 2023 are as follows:

| (Thousands)                          | 2024     | 2023     |
|--------------------------------------|----------|----------|
| Reserve balance at beginning of year | \$ 4,556 | \$ 4,470 |
| Expensed                             | 550      | 566      |
| Paid                                 | (535)    | (480)    |
| Reserve balance at end of year       | \$ 4,571 | \$ 4,556 |
| Ending balance recorded in:          |          |          |
| Other liabilities and accrued items  | \$ 2,481 | \$ 482   |
| Other long-term liabilities          | 2,090    | 4,074    |

The majority of expenses in both 2024 and 2023 was for various remediation projects at the Elmore, Ohio plant site.

#### Asset Retirement Obligations

The Company has asset retirement obligations related to its mine in Utah, as well as for certain leased facilities where the Company is contractually obligated to restore the facility back to its original condition at the end of the lease. The following represents a roll forward of the Company's asset retirement obligation liabilities for the years ended December 31, 2024 and 2023:

| (Thousands)                                        | 2024     | 2023     |
|----------------------------------------------------|----------|----------|
| Asset retirement obligation at beginning of period | \$ 2,648 | \$ 2,429 |
| Accretion expense                                  | 198      | 185      |
| Change in liability                                | —        | \$ 34    |
| Asset retirement obligation at end of period       | \$ 2,846 | \$ 2,648 |

These obligations are reflected in Other long-term liabilities on the Consolidated Balance Sheet.

#### Other

The Company is subject to various legal or other proceedings that relate to the ordinary course of its business. The Company believes that the resolution of these proceedings, individually or in the aggregate, will not have a material adverse impact upon the Company's consolidated financial statements.

At December 31, 2024, the Company had outstanding letters of credit totaling \$48.6 million related to workers' compensation, consigned precious metal guarantees, environmental remediation issues, and other matters.



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

None.

**Item 9A. CONTROLS AND PROCEDURES**

a) Evaluation of Disclosure Controls and Procedures

The Company carried out an evaluation under the supervision and with participation of the Company's management, including the chief executive officer and chief financial officer, of the effectiveness of the design and operation of disclosure controls and procedures as of December 31, 2024 pursuant to Rules 13a-15(b) and 15d-15(b) under the Securities Exchange Act of 1934, as amended (Exchange Act). Based on that evaluation, management, including the chief executive officer and chief financial officer, concluded that disclosure controls and procedures are effective as of December 31, 2024.

b) Management's Report on Internal Control over Financial Reporting

The Report of Management on Internal Control over Financial Reporting and the Report of Independent Registered Public Accounting Firm thereon are set forth in Item 8 of this Form 10-K and are incorporated herein by reference.

c) Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the three months ended December 31, 2024 that have materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

**Item 9B. OTHER INFORMATION**

On November 1, 2024, Shelly Chadwick, the Company's Executive Vice President, Finance and Chief Financial Officer, entered into a written plan for the sale of up to 2,122 shares of the Company's common stock in connection with the vesting of restricted stock units and performance restricted stock units, intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act. This plan is scheduled to terminate no later than December 31, 2025.

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

Not applicable.

## PART III

### Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information under “Election of Directors” in Materion Corporation's Proxy Statement for the 2025 Annual Meeting of Shareholders (Proxy Statement), to be filed with the Securities and Exchange Commission pursuant to Regulation 14A, is incorporated herein by reference.

A listing of executive officers, their ages, positions, and offices held over the past five years, is as follows:

| <u>Name</u>           | <u>Age</u> | <u>Positions and Offices Held</u>                                                                                                                                                                                                                           |
|-----------------------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Jugal K. Vijayvargiya | 56         | President and Chief Executive Officer (March 2017-Present); President Delphi Electronics and Safety, a global technology solutions provider to the automotive and transportation sectors (prior to March 2017)                                              |
| Shelly M. Chadwick    | 53         | Vice President, Finance and Chief Financial Officer (November 2020-Present); Vice President Finance and Chief Accounting Officer at The Timken Company, a world leader in engineered bearings and power transmission products (November 2016-November 2020) |
| Gregory R. Chemnitz   | 67         | Vice President, General Counsel and Secretary                                                                                                                                                                                                               |

The information required by Item 10 with respect to directors, the Audit and Risk Committee of the Board of Directors, and Audit and Risk Committee financial experts is incorporated herein by reference from the section entitled “Corporate Governance; Committees of the Board of Directors — Audit and Risk Committee” and “Audit and Risk Committee Expert, Financial Literacy and Independence” in the Proxy Statement.

We have adopted a Policy Statement on Significant Corporate Governance Issues and a Code of Conduct Policy that applies to our chief executive officer and senior financial officers, including the principal financial and accounting officer, controller, and other persons performing similar functions, in compliance with applicable New York Stock Exchange and Securities and Exchange Commission requirements. The aforementioned materials and any amendments thereto, along with the charters of the Audit and Risk, Nominating, Governance, and Corporate Social Responsibility, and Compensation and Human Capital Committees of our Board of Directors, which also comply with applicable requirements, are available on our website at <http://materion.com>, and copies are also available upon request by any shareholder to Secretary, Materion Corporation, 6070 Parkland Boulevard, Mayfield Heights, Ohio 44124.

We have adopted insider trading policies and procedures applicable to our directors, officers, and employees, and have implemented processes for the Company, that we believe are reasonably designed to promote compliance with insider trading laws, rules and regulations, and the New York Stock Exchange standards. Copies of our Insider Trading Policy and Directors, Officers & Key Employees Insider Trading Policy are filed as Exhibit 19.1 and 19.2, respectively, in this Form 10-K.

### Item 11. EXECUTIVE COMPENSATION

Incorporated by reference from the sections of the Proxy Statement entitled “Executive Compensation” and “2024 Compensation of Non-Employee Directors.”

**Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The information required under Item 12 regarding security ownership is incorporated by reference from the section of the Proxy Statement entitled "Security Ownership of Certain Beneficial Owners and Management." The information required by Item 12 regarding securities authorized for issuance under equity compensation plans is incorporated by reference from the section of the Proxy Statement entitled "Equity Compensation Plan Information."

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

Incorporated by reference from the sections of the Proxy Statement entitled "Related Party Transactions" and "Corporate Governance; Committees of the Board of Directors — Director Independence."

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

Incorporated by reference from the section of the Proxy Statement entitled "Ratification of Independent Registered Public Accounting Firm."

## PART IV

### Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

#### (a) 1. Financial Statements and Supplemental Information

See Index to Consolidated Financial Statements in Item 8 of this Form 10-K.

#### (a) 2. Financial Statement Schedules

The following consolidated financial information for the years ended December 31, 2024, 2023, and 2022 is submitted herewith:

Schedule II — Valuation and qualifying accounts.

All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.

#### (a) 3. Exhibits

All documents referenced below were filed pursuant to the Exchange Act by Materion Corporation, file number 001-15885, unless otherwise noted.

- 2.1 [Share Purchase Agreement, dated as of September 19, 2021, by and among Materion Corporation, HCST Hungary Holding Vagyonkezelő Korlátolt Felelősségű Társaság, H.C. Starck Group GmbH and Opus HoldCo S.à.r.l.](#) (filed as Exhibit 2.1 to Materion's Form 8-K filed on November 1, 2021), incorporated herein by reference
- 3.1 [Amended and Restated Articles of Incorporation of Materion Corporation](#) (filed as Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the period ended on June 27, 2014), incorporated herein by reference.
- 3.2 [Amended and Restated Code of Regulations](#) (filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the period ended June 27, 2014), incorporated herein by reference.
- 4.1 [Description of Materion Corporation Common Stock](#) (filed as Exhibit 4.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2019), incorporated herein by reference.
- 4.2 [Fourth Amended and Restated Credit Agreement, by and among Materion Corporation, Materion Netherlands B.V., the other foreign borrowers party thereto from time to time, the financial institutions party thereto from time to time as lenders, JPMorgan Chase Bank, N.A., as administrative agent, Wells Fargo Bank, National Association and Bank of America, N.A., as co-syndication agents, KeyBank National Association, as documentation agent, and JPMorgan Chase Bank, N.A., Wells Fargo Securities, LLC and BofA Securities, Inc., as joint bookrunners and joint lead arrangers](#) (filed as Exhibit 10.1 to the Company's 8-K filed on November 1, 2021), incorporated herein by reference.
- 4.3 [Amendment No. 1 dated as of January 13, 2023 to Fourth Amended and Restated Credit Agreement dated as of October 27, 2021, by and among Materion Corporation \(the "Company"\), Materion Netherlands B.V. \(the "Dutch Borrower" and, together with the Company, the "Borrowers"\), the financial institutions listed on the signature pages hereof and JPMorgan Chase Bank, N.A., as Administrative Agent \(the "Administrative Agent"\), under that certain Fourth Amended and Restated Credit Agreement dated as of October 27, 2021 by and among the Company, the Dutch Borrower, the other Foreign Subsidiary Borrowers from time to time party thereto](#) (filed as Exhibit 4.4 to the Company's 10-K filed on February 16, 2023) incorporated herein by reference.
- 4.4# [Amendment No. 2 dated as of March 6, 2023 to Fourth Amended and Restated Credit Agreement dated as of October 27, 2021, by and among Materion Corporation \(the "Company"\), Materion Netherlands B.V. \(the "Dutch Borrower" and, together with the Company, the "Borrowers"\), the financial institutions listed on the signature pages hereof and JPMorgan Chase Bank, N.A., as Administrative Agent \(the "Administrative Agent"\), under that certain Fourth Amended and Restated Credit Agreement dated as of October 27, 2021 by and among the Company, the Dutch Borrower, the other Foreign Subsidiary Borrowers from time to time party thereto](#)
- 4.5# [Amendment No. 3 dated as of December 19, 2024 to Fourth Amended and Restated Credit Agreement dated as of October 27, 2021, by and among Materion Corporation \(the "Company"\), Materion Netherlands B.V. \(the "Dutch Borrower" and, together with the Company, the "Borrowers"\), the financial institutions listed on the signature pages hereof and JPMorgan Chase Bank, N.A., as Administrative Agent \(the "Administrative Agent"\), under that certain Fourth Amended and Restated Credit Agreement dated as of October 27, 2021 by and among the Company, the Dutch Borrower, the other Foreign Subsidiary Borrowers from time to time party thereto](#)

- 10.1 [Metals Consignment Agreement, dated as of August 12, 2022](#), among Materion Corporation, certain of its subsidiaries and Bank of Montreal (filed as Exhibit 10.1 to the Company's Form 8-K Filed on August 15, 2022), incorporated herein by reference.
- 10.2 [The Bank of Nova Scotia Consignment Agreement with Materion Advanced Materials Germany GMBH](#) dated as of February 28, 2017 (filed as Exhibit 99.1 to the Company's Form 8-K filed on March 1, 2017), incorporated herein by reference.
- 10.3 [Form of Indemnification Agreement entered into by the Company and its executive officers](#) (filed as Exhibit 10a to the Company's Annual Report on Form 10-K for the year ended December 31, 2008), incorporated herein by reference.
- 10.4 [Form of Indemnification Agreement entered into by the Company and its directors](#) (filed as Exhibit 10b to the Company's Annual Report on Form 10-K for the year ended December 31, 2008), incorporated herein by reference.
- 10.5\* [Amended and Restated Form of Severance Agreement for Executive Officers](#) (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the period ended June 27, 2008), incorporated herein by reference.
- 10.6\* [Amendment No. 1 to Amended and Restated Severance Agreement, dated May 4, 2011](#) (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the period ended July 1, 2011), incorporated herein by reference.
- 10.7\* [Amended and Restated Form of Severance Agreement for Key Employees](#) (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended June 27, 2008), incorporated herein by reference.
- 10.8\* [Form of Severance Agreement for Key Employees](#) (filed as Exhibit 10f to the Company's Annual Report on Form 10-K for the year ended December 31, 2015), incorporated herein by reference.
- 10.9\* [Severance Agreement for Jugal Vijayvargiya](#) dated as of March 3, 2017 (filed as Exhibit 10.2 to the Company's Form 8-K filed on March 3, 2017), incorporated herein by reference.
- 10.10\* [CEO Offer Letter for Jugal Vijayvargiya](#) dated as of March 1, 2017 (filed as Exhibit 10.1 to the Company's Form 8-K filed on March 3, 2017), incorporated herein by reference.
- 10.11\* [Severance Agreement for Shelly M. Chadwick](#) dated as of December 15, 2020 (filed as Exhibit 10.11 to the Company's Form 10-K for the year ended December 31, 2020), incorporated herein by reference.
- 10.12\* [CFO Offer Letter for Shelly M. Chadwick](#) dated as of October 24, 2020 (filed as Exhibit 10.12 to the Company's Form 10-K for the year ended December 31, 2020), incorporated herein by reference.
- 10.13\* Form of Trust Agreement between the Company and Key Trust Company of Ohio, N.A. (formerly Ameritrust Company National Association) on behalf of the Company's executive officers (filed as Exhibit 10e to the Company's Annual Report on Form 10-K for the year ended December 31, 1994), incorporated herein by reference.
- 10.14\* [Materion and Subsidiaries Management Incentive Plan for the 2022 Plan Year](#) (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended April 1, 2022), incorporated herein by reference.
- 10.15\* [Materion and Subsidiaries Management Incentive Plan for the 2023 Plan Year](#) (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2023), incorporated herein by reference.
- 10.16\* [Materion and Subsidiaries Management Incentive Plan for the 2024 Plan Year](#) (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended March 29, 2024), incorporated herein by reference.
- 10.17\* [Materion Corporation 2006 Stock Incentive Plan](#) (as Amended and Restated as of May 3, 2017) (filed as Exhibit 4.3 to the Registration Statement on Form S-8 (Registration No. 333-217633), incorporated herein by reference.
- 10.18\* [Form of 2021 Restricted Stock Unit Agreement \(Stock-Settled\)](#) under the Materion Corporation 2006 Stock Incentive Plan (As Amended and Restated as of May 3, 2017), covering grants made in 2021 (filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the period ended April 2, 2021), incorporated herein by reference.
- 10.19\* [Form of 2022 Restricted Stock Unit Agreement \(Stock-Settled\)](#) under the Materion Corporation 2006 Stock Incentive Plan (As Amended and Restated as of May 3, 2017), covering grants made in 2022 (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the period ended April 1, 2022), incorporated herein by reference.
- 10.20\* [Form of 2023 Restricted Stock Unit Agreement \(Stock-Settled\)](#) under the Materion Corporation 2006 Stock Incentive Plan (As Amended and Restated as of May 3, 2017), covering grants made in 2023 (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2023), incorporated herein by reference.

- 10.21\* [Form of 2021 Performance-Based Restricted Stock Units Agreement](#) under the Materion Corporation 2006 Stock Incentive Plan (As Amended and Restated as of May 3, 2017), covering grants made in 2021 (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the period ended April 2, 2021), incorporated herein by reference.
- 10.22\* [Form of 2022 Performance-Based Restricted Stock Unit Agreement](#) under the Materion Corporation 2006 Stock Incentive Plan (As Amended and Restated as of May 3, 2017), covering grants made in 2022 (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the period ended April 1, 2022), incorporated herein by reference.
- 10.23\* [Form of 2023 Performance-Based Restricted Stock Unit Agreement](#) under the Materion Corporation 2006 Stock Incentive Plan (As Amended and Restated as of May 3, 2017), covering grants made in 2023 (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2023), incorporated herein by reference.
- 10.24\* [Form of 2024 Performance-Based Restricted Stock Unit Agreement](#) under the Materion Corporation 2006 Stock Incentive Plan (As Amended and Restated as of May 3, 2017), covering grants made in 2024 (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the period ended March 29, 2024), incorporated herein by reference.
- 10.25\* [Form of 2010 Stock Appreciation Rights Agreement](#) (filed as Exhibit 10.34 to the Company's Annual Report on Form 10-K for the year ended December 31, 2009), incorporated herein by reference.
- 10.26\* [Form of 2016 Stock Appreciation Rights Agreement](#) (filed as Exhibit 10ad to the Company's Annual Report on Form 10-K for the year ended December 31, 2015), incorporated herein by reference.
- 10.27\* [Form of 2021 Appreciation Rights Agreement under the Materion Corporation 2006 Stock Incentive Plan](#) (As Amended and Restated as of May 3, 2017), covering grants made in 2021 (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the period ended April 2, 2021), incorporated herein by reference.
- 10.28\* [Form of 2023 Appreciation Rights Agreement under the Materion Corporation 2006 Stock Incentive Plan](#) (As Amended and Restated as of May 3, 2017), covering grants made in 2023\* (filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2023), incorporated herein by reference.
- 10.29\* [Materion Corporation Supplemental Retirement Benefit Plan](#) (filed as Exhibit 10.1 to the Company's Form 8-K filed on September 19, 2011), incorporated herein by reference.
- 10.30\* [Amendment No. 1 to the Supplemental Retirement Benefit Plan](#) (filed as Exhibit 10al to the Company's Annual Report on Form 10-K for the year ended December 31, 2012), incorporated herein by reference.
- 10.31\* [Amendment No. 2 to the Supplemental Retirement Benefit Plan](#) (filed as Exhibit 10ah to the Company's Annual Report on Form 10-K for the year ended December 31, 2013), incorporated herein by reference.
- 10.32\* [Materion Corporation 2006 Non-employee Director Equity Plan](#) (as Amended and Restated as of May 3, 2017) (filed as Exhibit 4.3 to the Registration Statement on Form S-8 (Registration No. 333-217618), incorporated herein by reference.
- 10.33\* [Form of 2020 Non-Employee Directors Restricted Stock Unit Agreement](#) (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended June 26, 2020), incorporated herein by reference.
- 10.34\* [Amended and Restated Executive Deferred Compensation Plan II](#) (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended March 28, 2008), incorporated herein by reference.
- 10.35\* [Amendment No. 1 to the Amended and Restated Executive Deferred Compensation Plan II](#) (filed as Exhibit 10bf to the Company's Annual Report on Form 10-K for the year ended December 31, 2008), incorporated herein by reference.
- 10.36\* [Amendment No. 2 to the Amended and Restated Executive Deferred Compensation Plan II](#) (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the period ended July 3, 2009), incorporated herein by reference.
- 10.37\* [Amendment No. 3 to the Amended and Restated Executive Deferred Compensation Plan II](#), dated July 6, 2011 (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the period ended July 1, 2011), incorporated herein by reference.
- 10.38\* [Materion Corporation Restoration & Deferred Compensation Plan, dated March 4, 2015](#) (filed as Exhibit 10.1 to the Company's Form 8-K filed on March 10, 2015), incorporated herein by reference.
- 10.39\* [Trust Agreement between the Company and Fidelity Investments dated September 26, 2006 for certain deferred compensation plans for Non-employee Directors of the Company](#) (filed as Exhibit 99.4 to the Current Report on Form 8-K filed by the Company on September 29, 2006), incorporated herein by reference.
- 10.40\* [Trust Agreement between the Company and Fidelity Management Trust Company, dated June 25, 2009 relating to the Executive Deferred Compensation Plan II](#) (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended July 3, 2009), incorporated herein by reference.
- (19.1)# [Materion Insider Trading Policy](#)
- (19.2)# [Materion Directors, Officers & Key Employees Insider Trading Policy](#)

|            |                                                                                                                                                                                                                       |
|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (21)#      | <a href="#">Subsidiaries of the Registrant.</a>                                                                                                                                                                       |
| (23.1)#    | <a href="#">Consent of Ernst &amp; Young LLP.</a>                                                                                                                                                                     |
| (24)#      | <a href="#">Powers of Attorney.</a>                                                                                                                                                                                   |
| (31.1)#    | <a href="#">Certification of Chief Executive Officer required by Rule 13a-14(a) or 15d-14(a).</a>                                                                                                                     |
| (31.2)#    | <a href="#">Certification of Chief Financial Officer required by Rule 13a-14(a) or 15d-14(a).</a>                                                                                                                     |
| (32)#      | <a href="#">Certifications of Chief Executive Officer and Chief Financial Officer required by 18 U.S.C. Section 1350.</a>                                                                                             |
| (95)#      | <a href="#">Mine Safety Disclosure Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act for the Fiscal Year Ended December 31, 2024.</a>                                      |
| (97)       | <a href="#">Materion Corporation Compensation Clawback Policy, effective October 2, 2023</a> (filed as Exhibit 97 to the Company's Form 10-K for the year ended December 31, 2023), incorporated herein by reference. |
| (101.INS)# | Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.                                                |
| (101.SCH)# | Inline XBRL Taxonomy Extension Schema Document.                                                                                                                                                                       |
| (101.CAL)# | Inline XBRL Taxonomy Extension Calculation Linkbase Document.                                                                                                                                                         |
| (101.DEF)# | Inline XBRL Taxonomy Extension Definition Linkbase Document.                                                                                                                                                          |
| (101.LAB)# | Inline XBRL Taxonomy Extension Label Linkbase Document.                                                                                                                                                               |
| (101.PRE)# | Inline XBRL Taxonomy Extension Presentation Linkbase Document.                                                                                                                                                        |
| (104)#     | Cover Page Interactive Data File (formatted in Inline XBRL and contained in the Exhibit 101 attachments)                                                                                                              |
| *          | Denotes a compensatory plan or arrangement.                                                                                                                                                                           |
| #          | Filed or furnished herewith.                                                                                                                                                                                          |

**Item 16. FORM 10-K SUMMARY**

None.



## SIGNATURES

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

### MATERION CORPORATION

By: /s/ Jugal K. Vijayvargiya  
Jugal K. Vijayvargiya  
President and Chief Executive Officer

Date: February 19, 2025

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

|                                                           |                                                                                                                    |                   |
|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-------------------|
| <u>/s/ Jugal K. Vijayvargiya</u><br>Jugal K. Vijayvargiya | President and Chief Executive Officer and Director (Principal Executive Officer)                                   | February 19, 2025 |
| <u>/s/ Shelly M. Chadwick</u><br>Shelly M. Chadwick       | Vice President, Finance and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) | February 19, 2025 |
| <u>*</u><br>Vinod M. Khilnani                             | Director                                                                                                           | February 19, 2025 |
| <u>*</u><br>Emily M. Liggett                              | Director                                                                                                           | February 19, 2025 |
| <u>*</u><br>Robert J. Phillippy                           | Director                                                                                                           | February 19, 2025 |
| <u>*</u><br>Patrick Prevost                               | Director                                                                                                           | February 19, 2025 |
| <u>*</u><br>N. Mohan Reddy                                | Director                                                                                                           | February 19, 2025 |
| <u>*</u><br>Craig S. Shular                               | Director                                                                                                           | February 19, 2025 |
| <u>*</u><br>Darlene J. S. Solomon                         | Director                                                                                                           | February 19, 2025 |
| <u>*</u><br>Robert B. Toth                                | Director                                                                                                           | February 19, 2025 |

\* Shelly M. Chadwick, by signing her name hereto, does sign and execute this report on behalf of each of the above-named officers and directors of Materion Corporation, pursuant to Powers of Attorney executed by each such officer and director filed with the Securities and Exchange Commission.

February 19, 2025

By: /s/ Shelly M. Chadwick  
Shelly M. Chadwick  
Attorney-in-Fact

**Materion Corporation and Subsidiaries**  
**Schedule II—Valuation and Qualifying Accounts**

(Thousands)

| <b>Valuation allowance on deferred tax assets:</b> | <b>2024</b> | <b>2023</b> | <b>2022</b> |
|----------------------------------------------------|-------------|-------------|-------------|
| Balance at Beginning of Period                     | \$ 5,971    | \$ 4,935    | \$ 4,957    |
| Additions:                                         |             |             |             |
| Charged to Costs and Expenses                      | 3,270       | 2,069       | 373         |
| Charged to Other Accounts (1)                      | 30          | 56          | —           |
| Deductions                                         | \$ (379)    | \$ (1,089)  | \$ (395)    |
| Balance at End of Period                           | \$ 8,892    | \$ 5,971    | \$ 4,935    |

(1) Change in foreign currency exchange rates.

**EXECUTION COPY**

**AMENDMENT NO. 2**

Dated as of March 6, 2023

to

**FOURTH AMENDED AND RESTATED CREDIT AGREEMENT**

Dated as of October 27, 2021

THIS AMENDMENT NO. 2 (this "Amendment") is made as of March 6, 2023 by and among Materion Corporation (the "Company"), Materion Netherlands B.V. (the "Dutch Borrower" and, together with the Company, the "Borrowers"), the financial institutions listed on the signature pages hereof and JPMorgan Chase Bank, N.A., as Administrative Agent (the "Administrative Agent"), under that certain Fourth Amended and Restated Credit Agreement dated as of October 27, 2021 by and among the Company, the Dutch Borrower, the other Foreign Subsidiary Borrowers from time to time party thereto, the financial institutions from time to time party thereto as Lenders and the Administrative Agent (as amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the "Credit Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Credit Agreement.

WHEREAS, the Borrowers have requested that the requisite Lenders and the Administrative Agent agree to make certain amendments to the Credit Agreement;

WHEREAS, the Borrowers, the Lenders party hereto and the Administrative Agent have so agreed on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrowers, the Lenders party hereto and the Administrative Agent hereby agree to enter into this Amendment.

1. Amendments to the Credit Agreement. Effective as of the date of satisfaction of the conditions precedent set forth in Section 2 below (such date, the "Amendment No. 2 Effective Date"), the parties hereto agree that Section 1.01 of the Credit Agreement shall be amended (the Credit Agreement as so amended, the "Amended Credit Agreement") by amending and restating the definitions of "Precious Metals" and "Permitted Precious Metals Agreements" appearing therein to read in their entirety as follows:

"Precious Metals" means copper, gold, platinum, palladium, rhodium, ruthenium, silver, tantalum and other precious or semi-precious metals, including such metal content in inventory or work-in-process and any proceeds of the foregoing.

"Permitted Precious Metals Agreements" means precious or semi-precious metals agreements and arrangements (whether styled as debt, a lease, a consignment or otherwise) entered into from time to time by the Company or any Subsidiary, but only to the extent that the aggregate Dollar Amount of the precious or semi-precious metals outstanding thereunder does not exceed \$615,000,000. For purposes of this definition, "precious or semi-precious metals" shall include copper, gold, platinum, palladium, rhodium, ruthenium, silver, tantalum and other precious or semi-precious metals.

2. Conditions of Effectiveness. The effectiveness of this Amendment is subject to the satisfaction of the following conditions precedent:

(a) The Administrative Agent shall have received counterparts of (i) this Amendment duly executed by the Borrowers, the Required Lenders and the Administrative Agent and (ii) the Consent and Reaffirmation attached hereto duly executed by the Subsidiary Guarantors.

(b) The Administrative Agent shall have received, to the extent invoiced at least two (2) Business Days prior to the Amendment No. 2 Effective Date (except as otherwise reasonably agreed by the Company), payment and/or reimbursement of the Administrative Agent's and its Affiliates' reasonable out-of-pocket fees and expenses (including, to the extent invoiced, reasonable fees, charges and disbursements of counsel for the Administrative Agent) in connection with this Amendment and the other Loan Documents, subject to the provisions of Section 9.03 of the Credit Agreement.

The Administrative Agent shall notify the Company and the Lenders of the Amendment No. 2 Effective Date, and such notice shall be conclusive and binding.

3. Representations and Warranties of the Borrowers. Each Borrower hereby represents and warrants as follows:

(a) This Amendment and the Amended Credit Agreement constitute legal, valid and binding obligations of such Borrower, enforceable against such Borrower in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(b) As of the date hereof and immediately after giving effect to the terms of this Amendment, (i) no Default has occurred and is continuing and (ii) the representations and warranties of such Borrower set forth in the Amended Credit Agreement are true and correct in all material respects (or, in the case of any representation or warranty qualified by materiality or Material Adverse Effect, in all respects) on and as of the Amendment No. 2 Effective Date (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects (or, in the case of any representation or warranty qualified by materiality or Material Adverse Effect, in all respects) only as of such specified date).

4. Reference to and Effect on the Credit Agreement.

(a) Upon the effectiveness hereof, each reference to the Credit Agreement in the Amended Credit Agreement or any other Loan Document shall mean and be a reference to the Amended Credit Agreement.

(b) Each Loan Document and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Administrative Agent or the Lenders, nor constitute a waiver of any provision of the Credit Agreement, the Loan Documents or any other documents, instruments and agreements executed and/or delivered in connection therewith.

(d) This Amendment is a "Loan Document" under (and as defined in) the Credit

Agreement.

5. Governing Law. This Amendment shall be construed in accordance with and governed by the law of the State of New York, without regard to its conflicts of laws principles.

6. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

7. Counterparts. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery by facsimile or electronic transmission of an executed counterpart of a signature page to this Amendment shall be effective as delivery of an original executed counterpart of this Amendment. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Amendment and the transactions contemplated hereby shall be deemed to include Electronic Signatures (as defined below), deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be. As used herein, "Electronic Signatures" means any electronic symbol or process attached to, or associated with, any contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Amendment has been duly executed as of the day and year first above written.

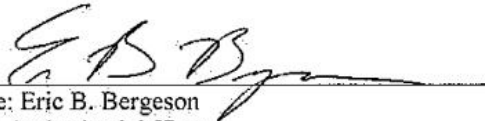
MATERION CORPORATION,  
as the Company

By:   
Name: Christopher E. Eberhardt  
Title: Vice President, Tax and Treasury

MATERION NETHERLANDS B.V.,  
as the Dutch Borrower

By:   
Name: Christopher E. Eberhardt  
Title: Authorized Signatory

JPMORGAN CHASE BANK, N.A.,  
individually as a Lender and as Administrative Agent

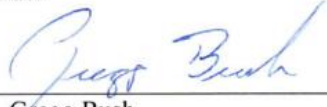
By:   
Name: Eric B. Bergeson  
Title: Authorized Officer



WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as a Lender

By:   
Name: Michelle Kuhn  
Title: Director

BANK OF AMERICA, N.A.,  
as a Lender

By:   
Name: Gregg Bush  
Title: Senior Vice President

KEYBANK NATIONAL ASSOCIATION,  
as a Lender

By: 

Name: John R. Macks

Title: Vice President

FIFTH THIRD BANK, NATIONAL ASSOCIATION,  
as a Lender

By: Tony Pisciotta  
Name: Tony Pisciotta  
Title: Assistant Vice President

CITIZENS BANK, N.A.,  
as a Lender

By:   
Name: Arianna DeMarco  
Title: Vice President

PNC BANK, NATIONAL ASSOCIATION,  
as a Lender

By:   
Name: Spencer Dieken  
Title: Senior Vice President

TRUIST BANK,  
as a Lender

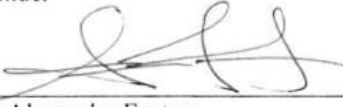
By:   
Name: William P. Rutkowski  
Title: Director

MUFG BANK, LTD.,  
as a Lender

By: Christine A. Howatt  
Name: Christine Howatt  
Title: Authorized Signatory



HSBC BANK USA, NATIONAL ASSOCIATION,  
as a Lender

By:   
Name: Alexander Foster  
Title: Vice President

## CONSENT AND REAFFIRMATION

Each of the undersigned hereby acknowledges receipt of a copy of the foregoing Amendment No. 2 to the Fourth Amended and Restated Credit Agreement dated as of October 27, 2021 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”) by and among Materion Corporation, Materion Netherlands B.V., the other Foreign Subsidiary Borrowers from time to time party thereto, the financial institutions from time to time party thereto (the “Lenders”) and JPMorgan Chase Bank, N.A., as Administrative Agent (the “Administrative Agent”), which Amendment No. 2 is dated as of March 6, 2023 (the “Amendment”). Capitalized terms used in this Consent and Reaffirmation and not defined herein shall have the meanings given to them in the Credit Agreement. Without in any way establishing a course of dealing by the Administrative Agent or any Lender, each of the undersigned consents to the Amendment and reaffirms the terms and conditions of the Subsidiary Guaranty and any other Loan Document executed by it and acknowledges and agrees that the Subsidiary Guaranty and each and every such Loan Document executed by the undersigned in connection with the Credit Agreement remains in full force and effect and is hereby reaffirmed, ratified and confirmed. All references to the Credit Agreement contained in the above-referenced documents shall be a reference to the Credit Agreement as so modified by the Amendment.

Dated: March 6, 2023

[Signature Page Follows]

---

MATERION ADVANCED MATERIALS  
TECHNOLOGIES AND SERVICES INC.

By:   
Name: Christopher E. Eberhardt  
Title: Vice President, Secretary and Treasurer

MATERION BRUSH INC.

By:   
Name: Christopher E. Eberhardt  
Title: Vice President, Secretary and Treasurer

MATERION NATURAL RESOURCES INC.

By:   
Name: Christopher E. Eberhardt  
Title: Treasurer

MATERION NEWTON INC.

By:   
Name: Christopher E. Eberhardt  
Title: Vice President and Treasurer



**EXECUTION COPY**

AMENDMENT NO. 3

Dated as of December 19, 2024

to

FOURTH AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of October 27, 2021

THIS AMENDMENT NO. 3 (this "Amendment") is made as of December 19, 2024 by and among Materion Corporation (the "Company"), Materion Netherlands B.V. (the "Dutch Borrower") and, together with the Company, the "Borrowers"), the financial institutions listed on the signature pages hereof and JPMorgan Chase Bank, N.A., as Administrative Agent (the "Administrative Agent"), under that certain Fourth Amended and Restated Credit Agreement dated as of October 27, 2021 by and among the Company, the Dutch Borrower, the other Foreign Subsidiary Borrowers from time to time party thereto, the financial institutions from time to time party thereto as Lenders and the Administrative Agent (as amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the "Credit Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Credit Agreement.

WHEREAS, the Borrowers have requested (that the requisite Lenders and the Administrative Agent agree to make certain amendments to the Credit Agreement;

WHEREAS, the Borrowers, the Lenders party hereto and the Administrative Agent have so agreed on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrowers, the Lenders party hereto and the Administrative Agent hereby agree to enter into this Amendment.

1. Amendments to the Credit Agreement. Effective as of the date of satisfaction (or waiver) of the conditions precedent set forth in Section 2 below (such date, the "Amendment No. 3 Effective Date"), the parties hereto agree that the Credit Agreement shall be amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken-text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in Annex A hereto (the Credit Agreement as so amended, the "Amended Credit Agreement").

2. Conditions of Effectiveness. The effectiveness of this Amendment is subject to the satisfaction (or waiver) of the following conditions precedent:

(a) The Administrative Agent shall have received counterparts of (i) this Amendment duly executed by the Borrowers, the Required Lenders and the Administrative Agent and (ii) the Consent and Reaffirmation attached hereto duly executed by the Subsidiary Guarantors.

(b) The Administrative Agent shall have received (i) for the account of each Lender that delivers its executed signature page to this Amendment by no later than the date and time specified by the Administrative Agent, a consent fee in an amount equal to the amount previously disclosed to the

Lenders by the Administrative Agent and (ii) to the extent invoiced at least two (2) Business Days prior to the Amendment No. 3 Effective Date (except as otherwise reasonably agreed by the Company), payment and/or reimbursement of the Administrative Agent's and its Affiliates' reasonable out-of-pocket fees and expenses (including, to the extent invoiced, reasonable fees, charges and disbursements of counsel for the Administrative Agent) in connection with this Amendment and the other Loan Documents, subject to the provisions of Section 9.03 of the Credit Agreement.

The Administrative Agent shall notify the Company and the Lenders of the Amendment No. 3 Effective Date, and such notice shall be conclusive and binding.

3. Representations and Warranties of the Borrowers. Each Borrower hereby represents and warrants as follows:

(a) This Amendment and the Amended Credit Agreement constitute legal, valid and binding obligations of such Borrower, enforceable against such Borrower in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(b) As of the date hereof and immediately after giving effect to the terms of this Amendment, (i) no Default has occurred and is continuing and (ii) the representations and warranties of such Borrower set forth in the Amended Credit Agreement are true and correct in all material respects (or, in the case of any representation or warranty qualified by materiality or Material Adverse Effect, in all respects) on and as of the Amendment No. 3 Effective Date (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects (or, in the case of any representation or warranty qualified by materiality or Material Adverse Effect, in all respects) only as of such specified date).

4. Reference to and Effect on the Credit Agreement.

(a) Upon the effectiveness hereof, each reference to the Credit Agreement in the Amended Credit Agreement or any other Loan Document shall mean and be a reference to the Amended Credit Agreement.

(b) Each Loan Document and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Administrative Agent or the Lenders, nor constitute a waiver of any provision of the Credit Agreement, the Loan Documents or any other documents, instruments and agreements executed and/or delivered in connection therewith.

(d) This Amendment is a "Loan Document" under (and as defined in) the Credit Agreement.

5. Governing Law. This Amendment shall be construed in accordance with and governed by the law of the State of New York, without regard to its conflicts of laws principles.

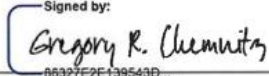
6. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

7. Counterparts. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery by facsimile or electronic transmission of an executed counterpart of a signature page to this Amendment shall be effective as delivery of an original executed counterpart of this Amendment. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Amendment and the transactions contemplated hereby shall be deemed to include Electronic Signatures (as defined below), deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be. As used herein, “Electronic Signatures” means any electronic symbol or process attached to, or associated with, any contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record.

[Signature Pages Follow]

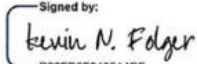
IN WITNESS WHEREOF, this Amendment has been duly executed as of the day and year first above written.

MATERION CORPORATION,  
as the Company

Signed by:  
By:   
Name: Gregory Chemnitz  
Title: Secretary, Vice President and  
General Counsel

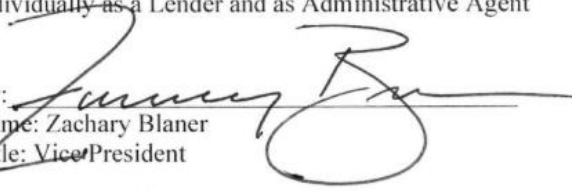


MATERION NETHERLANDS B.V.,  
as the Dutch Borrower

Signed by:  
By:   
Name: Kevin N. Folger  
Title: Authorized Signatory

---

JPMORGAN CHASE BANK, N.A.,  
individually as a Lender and as Administrative Agent

By:   
Name: Zachary Blaner  
Title: Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as a Lender

By: Michelle Kuhn

Name: Michelle Kuhn

Title: Executive Director

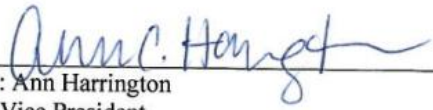
BANK OF AMERICA, N.A.,  
as a Lender

By:   
Name: Gregg Bush  
Title: Senior Vice President

KEYBANK NATIONAL ASSOCIATION,  
as a Lender

By:   
Name: John R. Macks  
Title: Senior Vice President

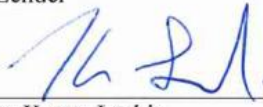
FIFTH THIRD BANK, NATIONAL ASSOCIATION,  
as a Lender

By:   
Name: Ann Harrington  
Title: Vice President

CITIZENS BANK, N.A.,  
as a Lender

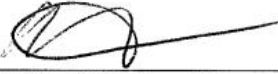
By:   
Name: Arianna DeMarco  
Title: Vice President

PNC BANK, NATIONAL ASSOCIATION,  
as a Lender

By:   
Name: Keven Larkin  
Title: Senior Vice President



TRUIST BANK,  
as a Lender

By: 

Name: William P. Rutkowski  
Title: Director

MUFG BANK, LTD.,  
as a Lender

By: Samantha Schumacher  
Name: Samantha Schumacher  
Title: Authorized Signatory

HSBC BANK USA, NATIONAL ASSOCIATION,  
as a Lender

By:   
Name: Alexander Foster  
Title: Vice President

Annex A

Amended Credit Agreement

---

---

# J.P.Morgan

## FOURTH AMENDED AND RESTATED CREDIT AGREEMENT

dated as of

October 27, 2021

among

MATERION CORPORATION

MATERION NETHERLANDS B.V.

The Other Foreign Subsidiary Borrowers Party Hereto

The Lenders Party Hereto

JPMORGAN CHASE BANK, N.A.  
as Administrative Agent

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

KEYBANK NATIONAL ASSOCIATION  
as Documentation Agent

---

JPMORGAN CHASE BANK, N.A.,  
WELLS FARGO SECURITIES, LLC and BofA SECURITIES, INC.  
as Joint Bookrunners and Joint Lead Arrangers

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## TABLE OF CONTENTS

|                                                                                                            | <u>Page</u> |
|------------------------------------------------------------------------------------------------------------|-------------|
| ARTICLE I Definitions .....                                                                                | 1           |
| SECTION 1.01. Defined Terms .....                                                                          | 1           |
| SECTION 1.02. Classification of Loans and Borrowings .....                                                 | 44          |
| SECTION 1.03. Terms Generally .....                                                                        | 44          |
| SECTION 1.04. Accounting Terms; GAAP .....                                                                 | 45          |
| SECTION 1.05. Amendment and Restatement of the Existing Credit Agreement .....                             | 45          |
| SECTION 1.06. Interest Rates; Benchmark Notification .....                                                 | 46          |
| SECTION 1.07. Divisions .....                                                                              | 46          |
| SECTION 1.08. Pro Forma Adjustments for Acquisitions and Dispositions .....                                | 46          |
| SECTION 1.09. Certain Calculations .....                                                                   | 46          |
| SECTION 1.10. Exchange Rates; Currency Equivalents .....                                                   | 47          |
| ARTICLE II The Credits .....                                                                               | 47          |
| SECTION 2.01. Commitments .....                                                                            | 47          |
| SECTION 2.02. Loans and Borrowings .....                                                                   | 48          |
| SECTION 2.03. Requests for Borrowings .....                                                                | 49          |
| SECTION 2.04. Determination of Dollar Amounts .....                                                        | 50          |
| SECTION 2.05. Swingline Loans .....                                                                        | 50          |
| SECTION 2.06. Letters of Credit .....                                                                      | 52          |
| SECTION 2.07. Funding of Borrowings .....                                                                  | 57          |
| SECTION 2.08. Interest Elections .....                                                                     | 58          |
| SECTION 2.09. Termination and Reduction of Commitments .....                                               | 59          |
| SECTION 2.10. Repayment and Amortization of Loans; Evidence of Debt .....                                  | 60          |
| SECTION 2.11. Prepayment of Loans .....                                                                    | 61          |
| SECTION 2.12. Fees .....                                                                                   | 63          |
| SECTION 2.13. Interest .....                                                                               | 64          |
| SECTION 2.14. Alternate Rate of Interest .....                                                             | 65          |
| SECTION 2.15. Increased Costs .....                                                                        | 68          |
| SECTION 2.16. Break Funding Payments .....                                                                 | 69          |
| SECTION 2.17. Taxes .....                                                                                  | 70          |
| SECTION 2.18. Payments Generally; Allocation of Proceeds; Pro Rata Treatment; Sharing of<br>Set-offs ..... | 73          |
| SECTION 2.19. Mitigation Obligations; Replacement of Lenders .....                                         | 76          |
| SECTION 2.20. Expansion Option .....                                                                       | 77          |
| SECTION 2.21. Market Disruption .....                                                                      | 79          |
| SECTION 2.22. Judgment Currency .....                                                                      | 80          |
| SECTION 2.23. Designation of Foreign Subsidiary Borrowers .....                                            | 80          |
| SECTION 2.24. Defaulting Lenders .....                                                                     | 80          |
| SECTION 2.25. Extension of Maturity Date .....                                                             | 82          |
| ARTICLE III Representations and Warranties .....                                                           | 85          |
| SECTION 3.01. Organization; Powers; Subsidiaries .....                                                     | 85          |
| SECTION 3.02. Authorization; Enforceability .....                                                          | 85          |
| SECTION 3.03. Governmental Approvals; No Conflicts .....                                                   | 85          |

Table of Contents  
(continued)

|                                                                                              | <u>Page</u> |
|----------------------------------------------------------------------------------------------|-------------|
| SECTION 3.04. Financial Condition; No Material Adverse Change.....                           | 85          |
| SECTION 3.05. Properties.....                                                                | 86          |
| SECTION 3.06. Litigation and Environmental Matters.....                                      | 86          |
| SECTION 3.07. Compliance with Laws.....                                                      | 86          |
| SECTION 3.08. Investment Company Status.....                                                 | 86          |
| SECTION 3.09. Taxes.....                                                                     | 86          |
| SECTION 3.10. ERISA.....                                                                     | 87          |
| SECTION 3.11. Disclosure.....                                                                | 87          |
| SECTION 3.12. Federal Reserve Regulations.....                                               | 87          |
| SECTION 3.13. [Intentionally Omitted].....                                                   | 87          |
| SECTION 3.14. No Default.....                                                                | 87          |
| SECTION 3.15. [Intentionally Omitted].....                                                   | 87          |
| SECTION 3.16. Solvency.....                                                                  | 87          |
| SECTION 3.17. Insurance.....                                                                 | 88          |
| SECTION 3.18. Security Interest in Collateral.....                                           | 88          |
| SECTION 3.19. Anti-Corruption Laws and Sanctions.....                                        | 88          |
| SECTION 3.20. Affected Financial Institutions.....                                           | 88          |
| SECTION 3.21. Dutch Fiscal Unity.....                                                        | 89          |
| SECTION 3.22. Residency for Tax Purposes.....                                                | 89          |
| ARTICLE IV Conditions.....                                                                   | 89          |
| SECTION 4.01. Effective Date.....                                                            | 89          |
| SECTION 4.02. Omega Closing Date.....                                                        | 90          |
| SECTION 4.03. Each Credit Event.....                                                         | 92          |
| SECTION 4.04. Designation of a Foreign Subsidiary Borrower.....                              | 93          |
| ARTICLE V Affirmative Covenants.....                                                         | 94          |
| SECTION 5.01. Financial Statements and Other Information.....                                | 94          |
| SECTION 5.02. Notices of Material Events.....                                                | 95          |
| SECTION 5.03. Existence; Conduct of Business.....                                            | 95          |
| SECTION 5.04. Payment of Obligations.....                                                    | 96          |
| SECTION 5.05. Maintenance of Properties; Insurance.....                                      | 96          |
| SECTION 5.06. Books and Records; Inspection Rights.....                                      | 96          |
| SECTION 5.07. Compliance with Laws and Material Contractual Obligations.....                 | 97          |
| SECTION 5.08. Use of Proceeds.....                                                           | 97          |
| SECTION 5.09. Subsidiary Guarantors; Pledges; Additional Collateral; Further Assurances..... | 98          |
| SECTION 5.10. Fiscal Unity for Dutch Tax Purposes.....                                       | 99          |
| SECTION 5.11. Allocation of Tax Losses and Interest Expenses.....                            | 100         |
| SECTION 5.12. Residency for Tax Purposes.....                                                | 100         |
| SECTION 5.13. Post-Closing Matters.....                                                      | 100         |
| ARTICLE VI Negative Covenants.....                                                           | 100         |
| SECTION 6.01. Indebtedness.....                                                              | 100         |
| SECTION 6.02. Liens.....                                                                     | 103         |
| SECTION 6.03. Fundamental Changes and Asset Sales.....                                       | 106         |
| SECTION 6.04. Investments, Loans, Advances, Guarantees and Acquisitions.....                 | 108         |

Table of Contents  
(continued)

|                                                                                                    | <u>Page</u> |
|----------------------------------------------------------------------------------------------------|-------------|
| SECTION 6.05. Swap Agreements.....                                                                 | 109         |
| SECTION 6.06. Transactions with Affiliates.....                                                    | 110         |
| SECTION 6.07. Restricted Payments.....                                                             | 110         |
| SECTION 6.08. Restrictive Agreements.....                                                          | 110         |
| SECTION 6.09. Subordinated Indebtedness and Amendments to Subordinated Indebtedness Documents..... | 111         |
| SECTION 6.10. Sale and Leaseback Transactions.....                                                 | 111         |
| SECTION 6.11. Financial Covenants.....                                                             | 111         |
| ARTICLE VII Events of Default.....                                                                 | 112         |
| SECTION 7.01. Events of Default.....                                                               | 112         |
| SECTION 7.02. Remedies Upon an Event of Default.....                                               | 114         |
| ARTICLE VIII The Administrative Agent.....                                                         | 115         |
| SECTION 8.01. Authorization and Action.....                                                        | 115         |
| SECTION 8.02. Administrative Agent’s Reliance, Indemnification, Etc.....                           | 118         |
| SECTION 8.03. Posting of Communications.....                                                       | 119         |
| SECTION 8.04. The Administrative Agent Individually.....                                           | 120         |
| SECTION 8.05. Successor Administrative Agent.....                                                  | 120         |
| SECTION 8.06. Acknowledgements of Lenders and Issuing Bank.....                                    | 121         |
| SECTION 8.07. Collateral Matters.....                                                              | 123         |
| SECTION 8.08. Credit Bidding.....                                                                  | 124         |
| SECTION 8.09. Certain ERISA Matters.....                                                           | 125         |
| SECTION 8.10. Certain Foreign Pledge Matters.....                                                  | 126         |
| ARTICLE IX Miscellaneous.....                                                                      | 127         |
| SECTION 9.01. Notices.....                                                                         | 127         |
| SECTION 9.02. Waivers; Amendments.....                                                             | 128         |
| SECTION 9.03. Expenses; Limitation of Liability; Indemnity.....                                    | 131         |
| SECTION 9.04. Successors and Assigns.....                                                          | 133         |
| SECTION 9.05. Survival.....                                                                        | 138         |
| SECTION 9.06. Counterparts; Integration; Effectiveness; Electronic Execution.....                  | 138         |
| SECTION 9.07. Severability.....                                                                    | 139         |
| SECTION 9.08. Right of Setoff.....                                                                 | 140         |
| SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process.....                      | 140         |
| SECTION 9.10. WAIVER OF JURY TRIAL.....                                                            | 141         |
| SECTION 9.11. Headings.....                                                                        | 141         |
| SECTION 9.12. Confidentiality.....                                                                 | 141         |
| SECTION 9.13. USA PATRIOT Act.....                                                                 | 143         |
| SECTION 9.14. Appointment for Perfection.....                                                      | 143         |
| SECTION 9.15. Interest Rate Limitation.....                                                        | 143         |
| SECTION 9.16. No Advisory or Fiduciary Responsibility.....                                         | 143         |
| SECTION 9.17. Attorney Representation.....                                                         | 144         |
| SECTION 9.18. Acknowledgement and Consent to Bail-In of Affected Financial Institutions.....       | 144         |
| SECTION 9.19. Acknowledgement Regarding Any Supported QFCs.....                                    | 145         |
| SECTION 9.20. Releases of Subsidiary Guarantors.....                                               | 145         |



Table of Contents  
(continued)

|                                  | <u>Page</u> |
|----------------------------------|-------------|
| ARTICLE X Company Guarantee..... | 146         |

Table of Contents  
(continued)

Page

SCHEDULES:

|               |   |                            |
|---------------|---|----------------------------|
| Schedule 2.01 | – | Commitments                |
| Schedule 2.06 | – | Existing Letters of Credit |
| Schedule 3.01 | – | Subsidiaries               |
| Schedule 6.01 | – | Existing Indebtedness      |
| Schedule 6.02 | – | Existing Liens             |
| Schedule 6.04 | – | Existing Investments       |

EXHIBITS:

|             |   |                                                                               |
|-------------|---|-------------------------------------------------------------------------------|
| Exhibit A   | – | Form of Assignment and Assumption                                             |
| Exhibit B   | – | Form of Solvency Certificate                                                  |
| Exhibit C   | – | Form of Increasing Lender Supplement                                          |
| Exhibit D   | – | Form of Augmenting Lender Supplement                                          |
| Exhibit E   | – | List of Closing Documents                                                     |
| Exhibit F-1 | – | Form of Borrowing Subsidiary Agreement                                        |
| Exhibit F-2 | – | Form of Borrowing Subsidiary Termination                                      |
| Exhibit G-1 | – | Form of Borrowing Request                                                     |
| Exhibit G-2 | – | Form of Interest Election Request                                             |
| Exhibit H-1 | – | Form of Revolving Loan Note                                                   |
| Exhibit H-2 | – | Form of Term Loan Note                                                        |
| Exhibit I-1 | – | Form of U.S. Tax Certificate (Foreign Lenders That Are Not Partnerships)      |
| Exhibit I-2 | – | Form of U.S. Tax Certificate (Foreign Participants That Are Not Partnerships) |
| Exhibit I-3 | – | Form of U.S. Tax Certificate (Foreign Participants That Are Partnerships)     |
| Exhibit I-4 | – | Form of U.S. Tax Certificate (Foreign Lenders That Are Partnerships)          |

FOURTH AMENDED AND RESTATED CREDIT AGREEMENT (this “Agreement”) dated as of October 27, 2021 among MATERION CORPORATION, MATERION NETHERLANDS B.V., the other FOREIGN SUBSIDIARY BORROWERS from time to time party hereto, the LENDERS from time to time party hereto, JPMORGAN CHASE BANK, N.A., as Administrative Agent, WELLS FARGO BANK, NATIONAL ASSOCIATION and BANK OF AMERICA, N.A., as Co-Syndication Agents and KEYBANK NATIONAL ASSOCIATION, as Documentation Agent.

WHEREAS, the Company, the Foreign Subsidiary Borrowers party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent thereunder, are currently party to the Third Amended and Restated Credit Agreement, dated as of September 24, 2019 (as amended, supplemented or otherwise modified prior to the date hereof, the “Existing Credit Agreement”).

WHEREAS, the Company, the Foreign Subsidiary Borrowers, the Lenders and the Administrative Agent have agreed to enter into this Agreement in order to (i) amend and restate the Existing Credit Agreement in its entirety, (ii) re-evidence the “Obligations” under, and as defined in, the Existing Credit Agreement, which shall constitute “Obligations” hereunder and be repayable in accordance with the terms of this Agreement, and (iii) set forth the terms and conditions under which the Lenders will, from time to time, make loans and extend other financial accommodations to or for the benefit of the Borrowers.

WHEREAS, it is the intent of the parties hereto that this Agreement not constitute a novation of the obligations and liabilities of the parties under the Existing Credit Agreement or be deemed to evidence or constitute full repayment of such obligations and liabilities, but that this Agreement amend and restate in its entirety the Existing Credit Agreement and re-evidence the obligations and liabilities of the Company and the other Loan Parties outstanding thereunder, which shall be payable in accordance with the terms hereof.

WHEREAS, it is also the intent of the Company and the other Loan Parties to confirm that all obligations under the applicable “Loan Documents” (as referred to and defined in the Existing Credit Agreement) shall continue in full force and effect as modified or restated by the Loan Documents (as referred to and defined herein) and that, from and after the Effective Date, all references to the “Credit Agreement” contained in any such existing “Loan Documents” shall be deemed to refer to this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto agree that the Existing Credit Agreement is hereby amended and restated as follows:

## ARTICLE I \_\_\_\_

### Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

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

“Acquisition” means any transaction, or any series of related transactions, consummated on or after the Effective Date, by which the Company or any Subsidiary (a) acquires any going business

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or all or substantially all of the assets of any Person, whether through purchase of assets, merger or otherwise or (b) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the Equity Interests of a Person which has ordinary voting power for the election of directors or other similar management personnel of a Person (other than Equity Interests having such power only by reason of the happening of a contingency) or a majority of the outstanding Equity Interests of a Person.

“Additional Commitment Lender” is defined in Section 2.25(d).

“Adjusted Daily Simple RFR” means, (i) with respect to any RFR Borrowing denominated in Pounds Sterling, an interest rate per annum equal to the Daily Simple RFR for Pounds Sterling, (ii) with respect to any RFR Borrowing denominated in Swiss Francs, an interest rate per annum equal to the Daily Simple RFR for Swiss Francs, and (iii) with respect to any RFR Borrowing denominated in Dollars, an interest rate per annum equal to (a) the Daily Simple RFR for Dollars, plus (b) 0.10%; provided that if the Adjusted Daily Simple RFR as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

“Adjusted EURIBO Rate” means, with respect to any Term Benchmark Borrowing denominated in euro for any Interest Period, an interest rate per annum equal to (a) the EURIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate; provided that if the Adjusted EURIBO Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

“Adjusted Term SOFR Rate” means, with respect to any Term Benchmark Borrowing denominated in Dollars for any Interest Period, an interest rate per annum equal to (a) the Term SOFR Rate for such Interest Period, plus (b) 0.10%; provided that if the Adjusted Term SOFR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

“Adjusted TIBO Rate” means, with respect to any Term Benchmark Borrowing denominated in Japanese Yen for any Interest Period, an interest rate per annum equal to (a) the TIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate; provided that if the Adjusted TIBO Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

“Administrative Agent” means JPMorgan Chase Bank, N.A. (including its branches and affiliates), in its capacity as administrative agent for the Lenders hereunder.

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

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

“Affected Foreign Subsidiary” means (a) any Foreign Subsidiary organized under the laws of a jurisdiction other than the Netherlands and (b) any Foreign Subsidiary Holding Company.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agreed Currencies” means (i) Dollars, (ii) euro, (iii) Pounds Sterling, (iv) Japanese Yen, (v) Swiss Francs and (vi) any other currency (x) that is a lawful currency (other than Dollars) that is readily available and freely transferable and convertible into Dollars and (y) that is agreed to by the Administrative Agent and each of the Revolving Lenders.

“Agreement” has the meaning assigned to such term in the introductory paragraph.

“Alternate Base Rate” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus  $\frac{1}{2}$  of 1% and (c) the Adjusted Term SOFR Rate for a one month Interest Period as published two U.S. Government Securities Business Days prior to such day (or if such day is not a U.S. Government Securities Business Day, the immediately preceding U.S. Government Securities Business Day) plus 1%; provided that for the purpose of this definition, the Adjusted Term SOFR Rate for any day shall be based on the Term SOFR Reference Rate at approximately 5:00 a.m., Chicago time, on such day (or any amended publication time for the Term SOFR Reference Rate, as specified by the CME Term SOFR Administrator in the Term SOFR Reference Rate methodology). Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.14 (for the avoidance of doubt, only until the Benchmark Replacement has been determined pursuant to Section 2.14(b)), then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate as determined pursuant to the foregoing would be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of this Agreement.

“Amendment No. 1” means that certain Amendment No. 1, dated as of January 13, 2023, to this Agreement, by and among the Borrowers, the Administrative Agent and the Lenders party thereto.

“Amendment No. 1 Effective Date” has the meaning assigned to such term in Amendment No. 1.

“Ancillary Document” has the meaning assigned to such term in Section 9.06.

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

“Applicable Party” has the meaning assigned to such term in Section 8.03(c).

“Applicable Percentage” means, with respect to any Lender, (a) with respect to Revolving Loans, LC Exposure or Swingline Loans, the percentage equal to a fraction the numerator of which is such Lender’s Revolving Commitment and the denominator of which is the aggregate Revolving Commitments of all Revolving Lenders (if the Revolving Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Revolving Commitments most recently in effect, giving effect to any assignments) and (b) with respect to the Term Loans, (i) at any time prior to advancing the Term Loans, a percentage equal to a fraction the numerator of which is such Lender’s Term Loan Commitment and the denominator of which is the aggregate Term Loan Commitments of all Term Lenders and (ii) at any time after advancing the Term Loans, a percentage equal to a fraction the numerator of which is such Lender’s outstanding principal amount of the Term Loans and the denominator of which is the aggregate outstanding principal amount of the Term Loans of all Term Lenders; provided that , in the case of each of the foregoing clauses (a) and (b), in the case of

Section 2.24 when a Defaulting Lender shall exist, any such Defaulting Lender's Revolving Commitment and/or Term Loan Commitment, as applicable, shall be disregarded in the calculation.

"Applicable Pledge Percentage" means 100%, but 65% in the case of a pledge by the Company or any Domestic Subsidiary of its Equity Interests in a Foreign Subsidiary or Foreign Subsidiary Holding Company.

"Applicable Rate" means, for any day, with respect to commitment fees payable hereunder, any Term Benchmark Loan, any ABR Loan, any RFR Loan or any CBR Loan, as the case may be, the applicable rate per annum set forth below under the caption "Commitment Fee Rate", "Term Benchmark Spread", "RFR Spread" or "ABR Spread", as the case may be, based upon the Leverage Ratio applicable on such date:

|                    | <u>Leverage Ratio:</u>               | <u>Commitment<br/>Fee Rate</u> | <u>Term<br/>Benchmark<br/>Spread</u> | <u>RFR Spread</u> | <u>ABR Spread</u> |
|--------------------|--------------------------------------|--------------------------------|--------------------------------------|-------------------|-------------------|
| <u>Category 1:</u> | ≤ 2.00 to 1.00                       | 0.15%                          | 1.25%                                | 1.25%             | 0.25%             |
| <u>Category 2:</u> | > 2.00 to 1.00 but<br>≤ 2.50 to 1.00 | 0.20%                          | 1.50%                                | 1.50%             | 0.50%             |
| <u>Category 3:</u> | > 2.50 to 1.00 but<br>≤ 3.00 to 1.00 | 0.275%                         | 1.75%                                | 1.75%             | 0.75%             |
| <u>Category 4:</u> | > 3.00 to 1.00 but<br>≤ 3.50 to 1.00 | 0.35%                          | 2.00%                                | 2.00%             | 1.00%             |
| <u>Category 5:</u> | > 3.50 to 1.00                       | 0.40%                          | 2.25%                                | 2.25%             | 1.25%             |

For purposes of the foregoing,

(i) if at any time the Company fails to deliver the Financials on or before the date the Financials are due pursuant to Section 5.01, Category 5 shall be deemed applicable for the period commencing three (3) Business Days after the required date of delivery and ending on the date which is three (3) Business Days after the Financials are actually delivered, after which the Category shall be determined in accordance with the table above as applicable;

(ii) adjustments, if any, to the Category then in effect shall be effective three (3) Business Days after the Administrative Agent has received the applicable Financials (it being understood and agreed that each change in Category shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change); and

(iii) notwithstanding the foregoing, Category 4 shall be deemed to be applicable until the Administrative Agent's receipt of the applicable Financials for the Company's first full Fiscal Quarter ending after the Effective Date (unless such Financials demonstrate that Category 5 should have been applicable during such period, in which case such other Category shall be



deemed to be applicable during such period) and adjustments to the Category then in effect shall thereafter be effected in accordance with the preceding paragraphs.

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

“Approved Electronic Platform” has the meaning assigned to such term in Section 8.03(a).

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

“Arranger” means each of JPMorgan Chase Bank, N.A., Wells Fargo Securities, LLC and BofA Securities, Inc. in its capacity as a joint bookrunner and joint lead arranger hereunder.

“Assignment and Assumption” means an assignment and assumption agreement entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, substantially in the form of Exhibit A or any other form (including electronic records generated by the use of an electronic platform) approved by the Administrative Agent.

“Attributable Receivables Indebtedness” means, at any time, with respect to any Permitted Receivables Facility (i) if such Permitted Receivables Facility is structured as a lending agreement or other similar agreement, the principal amount of the indebtedness for borrowed money with respect thereto that is outstanding at such time or (ii) if such Permitted Receivables Facility is structured as a purchase agreement or other similar agreement, the principal amount of indebtedness for borrowed money with respect thereto that would be outstanding at such time if such Permitted Receivables Facility were structured as a lending agreement rather than a purchase agreement or such other similar agreement (whether such amount is described as “capital” or otherwise).

“Augmenting Lender” has the meaning assigned to such term in Section 2.20.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark for any Agreed Currency, as applicable, any tenor for such Benchmark (or component thereof) or payment period for interest calculated with reference to such Benchmark (or component thereof), as applicable, that is or may be used for determining the length of an Interest Period for any term rate or otherwise, for determining any frequency of making payments of interest calculated pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to clause (e) of Section 2.14.

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

“Bail-In Legislation” means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United

Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Banking Services” means each and any of the following bank services provided to the Company or any Subsidiary by any Lender or any of its Affiliates: (a) credit cards for commercial customers (including, without limitation, commercial credit cards and purchasing cards), (b) stored value cards, (c) merchant processing services and (d) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, any direct debit scheme or arrangement, overdrafts and interstate depository network services).

“Banking Services Agreement” means any agreement entered into by the Company or any Subsidiary in connection with Banking Services.

“Banking Services Obligations” means any and all obligations of the Company or any Subsidiary, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

“Beryllium Contracts” means any and all agreements or other arrangements (however styled) for the purchase, procurement or other acquisition of Beryllium, in whatever form (including, without limitation, Beryl ore, Copper Beryllium Master Alloy, Vacuum Cast Beryllium Ingot, and Vacuum Hot Pressed Beryllium Billet), entered into from time to time by the Company or any Subsidiary, but only to the extent that the Dollar Amount of any Indebtedness related thereto does not exceed \$20,000,000 during any consecutive 12-month period.

“Bankruptcy Code” means Title 11 of the United States Code entitled “Bankruptcy”, as now and hereafter in effect, or any successor statute.

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

“Benchmark” means, initially, with respect to any (i) RFR Loan in any Agreed Currency, the applicable Relevant Rate for such Agreed Currency or (ii) Term Benchmark Loan, the Relevant Rate for such Agreed Currency; provided that if a Benchmark Transition Event and the related Benchmark Replacement Date have occurred with respect to the applicable Relevant Rate or the then-current Benchmark for such Agreed Currency, then “Benchmark” means the applicable Benchmark Replacement



to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) of Section 2.14.

“Benchmark Replacement” means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date; provided that, in the case of any Loan denominated in a Foreign Currency, “Benchmark Replacement” shall mean the alternative set forth in (2) below:

(1) in the case of any Loan denominated in Dollars, the Adjusted Daily Simple RFR for RFR Borrowings denominated in Dollars;

(2) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Company as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for syndicated credit facilities denominated in the applicable Agreed Currency at such time in the United States and (b) the related Benchmark Replacement Adjustment;

provided that if the Benchmark Replacement as determined pursuant to clause (1) or clause (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero), that has been selected by the Administrative Agent and the Company for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities denominated in the applicable Agreed Currency at such time in the United States.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement and/or any Term Benchmark Loan denominated in Dollars, any technical, administrative or operational changes (including changes to the definition of “Alternate Base Rate,” the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “RFR Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent, in consultation with the Company, decides in its reasonable discretion may be appropriate to reflect the adoption and implementation of such Benchmark and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides in its reasonable discretion that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines in its reasonable discretion that no market practice for the administration of such Benchmark

exists, in such other manner of administration as the Administrative Agent, in consultation with the Company, decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

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

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; provided, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

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

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

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board, the NYFRB, the CME Term SOFR Administrator, the central bank for the Agreed Currency applicable to such Benchmark, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or

publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

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

“Benchmark Unavailability Period” means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.14 and (y) ending at the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.14.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation.

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

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

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

“Blocking Regulation” means Council Regulation (EC) 2271/96.

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

“Borrower” means the Company or any Foreign Subsidiary Borrower.

“Borrowing” means (a) Revolving Loans of the same Type, made, converted or continued on the same date and, in the case of Term Benchmark Loans, as to which a single Interest Period is in effect, (b) a Term Loan of the same Type, made, converted or continued on the same date and, in the case of Term Benchmark Loans, as to which a single Interest Period is in effect or (c) a Swingline Loan.

“Borrowing Request” means a request by any Borrower for a Borrowing in accordance with Section 2.03, which shall be substantially in the form attached hereto as Exhibit G-1 or any other form approved by the Administrative Agent.

“Borrowing Subsidiary Agreement” means a Borrowing Subsidiary Agreement substantially in the form of Exhibit F-1 or any other form approved by the Administrative Agent.

“Borrowing Subsidiary Termination” means a Borrowing Subsidiary Termination substantially in the form of Exhibit F-2 or any other form approved by the Administrative Agent.

“Business Day” means, any day (other than a Saturday or a Sunday) on which banks are open for business in New York City; provided that, in addition to the foregoing, a Business Day shall be (i) in relation to Loans denominated in euro and in relation to the calculation or computation of the EURIBO Rate, any day which is a TARGET Day, (ii) in relation to Loans denominated in Japanese Yen and in relation to the calculation or computation of the TIBO Rate or the Japanese Prime Rate, any day (other than a Saturday or a Sunday) on which banks are open for business in Japan, (iii) in relation to RFR Loans and any interest rate settings, fundings, disbursements, settlements or payments of any such RFR Loan, or any other dealings in the applicable Agreed Currency of such RFR Loan, any such day that is only an RFR Business Day and (iv) in relation to Loans referencing the Adjusted Term SOFR Rate and any interest rate settings, fundings, disbursements, settlements or payments of any such Loans referencing the Adjusted Term SOFR Rate or any other dealings of such Loans referencing the Adjusted Term SOFR Rate, any such day that is a U.S. Government Securities Business Day.

“Capitalized Lease” of a Person means any lease of Property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with GAAP; provided, that notwithstanding the foregoing, for purposes of this Agreement, any lease (or similar arrangement) that would constitute an “operating lease” under GAAP as in effect on December 31, 2015 (or would have constituted an “operating lease” had such lease or similar arrangement been in effect on such date) shall constitute an “operating lease” hereunder.

“Capitalized Lease Obligations” of a Person means the aggregate amount of the obligations of such Person under Capitalized Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with GAAP; provided, that notwithstanding the foregoing, for purposes of this Agreement, any lease (or similar arrangement) that would constitute an “operating lease” under GAAP as in effect on December 31, 2015 (or would have constituted an “operating lease” had such lease or similar arrangement been in effect on such date) shall constitute an “operating lease” hereunder and the obligations thereunder shall not constitute Capitalized Lease Obligations.

“Cash Equivalent Investments” means (a) direct obligations of, or fully guaranteed by, the U.S. maturing within one year from the date of acquisition thereof, (b) commercial paper rated A-1 or better by S&P or P-1 or better by Moody’s, (c) demand deposit accounts maintained in the ordinary course of business, (d) certificates of deposit issued by, bankers’ acceptances of, and time deposits with, any Lender or any commercial bank (whether domestic or foreign) having capital and surplus in excess of \$100,000,000, and money market deposit accounts issued or offered by any such Person and (e) in the case of any Foreign Subsidiary, any other investments that are similar to the foregoing, are of comparable credit quality and are customarily used by companies in the jurisdiction of such Foreign Subsidiary for cash management purposes or approved by the Administrative Agent.

“CBR Loan” means a Loan that bears interest at a rate determined by reference to the Central Bank Rate or the Japanese Prime Rate.

“CBR Spread” means the Applicable Rate applicable to such Loan that is replaced by a CBR Loan.

“Central Bank Rate” means the greater of (i) (A) for any Loan denominated in (a) Pounds Sterling, the Bank of England (or any successor thereto)’s “Bank Rate” as published by the Bank of England (or any successor thereto) from time to time, (b) euro, one of the following three rates as may be selected by the Administrative Agent in its reasonable discretion: (1) the fixed rate for the main refinancing operations of the European Central Bank (or any successor thereto), or, if that rate is not published, the minimum bid rate for the main refinancing operations of the European Central Bank (or any successor thereto), each as published by the European Central Bank (or any successor thereto) from time to time, (2) the rate for the marginal lending facility of the European Central Bank (or any successor thereto), as published by the European Central Bank (or any successor thereto) from time to time, or (3) the rate for the deposit facility of the central banking system of the Participating Member States, as published by the European Central Bank (or any successor thereto) from time to time, (c) Swiss Francs, the policy rate of the Swiss National Bank (or any successor thereto) as published by the Swiss National Bank (or any successor thereto) from time to time and (d) any other Foreign Currency determined after the Amendment No. 1 Effective Date, a central bank rate as reasonably determined by the Administrative Agent in its reasonable discretion; plus (B) the applicable Central Bank Rate Adjustment and (ii) the Floor.

“Central Bank Rate Adjustment” means, for any day, for any Loan denominated in:

(a) Pounds Sterling, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of Adjusted Daily Simple RFR for Pounds Sterling Borrowings for the five (5) most recent RFR Business Days preceding such day for which Adjusted Daily Simple RFR for Pounds Sterling Borrowings was available (excluding, from such averaging, the highest and the lowest such Adjusted Daily Simple RFR applicable during such period of five (5) RFR Business Days) minus (ii) the Central Bank Rate in respect of Pounds Sterling in effect on the last RFR Business Day in such period,

(b) euro, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of the Adjusted EURIBO Rate for the five (5) most recent Business Days preceding such day for which the EURIBO Screen Rate was available (excluding, from such averaging, the highest and the lowest Adjusted EURIBO Rate applicable during such period of five (5) Business Days) minus (ii) the Central Bank Rate in respect of euro in effect on the last Business Day in such period,

(c) Swiss Francs, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of Adjusted Daily Simple RFR for Swiss Franc Borrowings for the five (5) most recent RFR Business Days preceding such day for which SARON was available (excluding, from such averaging, the highest and the lowest such Adjusted Daily Simple RFR applicable during such period of five (5) RFR Business Days) minus (ii) the Central Bank Rate in respect of Swiss Francs in effect on the last RFR Business Day in such period, and

(d) any other Foreign Currency determined after the Amendment No. 1 Effective Date, an adjustment as reasonably determined by the Administrative Agent in its reasonable discretion.

For purposes of this definition, (x) the term Central Bank Rate shall be determined disregarding clause (i)(B) of the definition of such term and (y) the EURIBO Rate on any day shall be based on the EURIBO Screen Rate on such day at approximately the time referred to in the definition of such term for deposits in euro for a maturity of one month.

“Change in Control” means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the SEC thereunder as in effect on the date hereof), of Equity Interests representing



more than 20% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Company; (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Company by Persons who were neither (i) nominated by the board of directors of the Company nor (ii) appointed by directors so nominated; or (c) the occurrence of a change in control, or other similar provision, as defined in any agreement or instrument evidencing any Material Indebtedness (triggering a default or mandatory prepayment, which default or mandatory prepayment has not been waived in writing).

“Change in Law” means the occurrence, after the date of this Agreement (or with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority, or (c) compliance by any Lender or Issuing Bank (or, for purposes of Section 2.15(b), by any lending office of such Lender or by such Lender’s or Issuing Bank’s holding company, if any), with any request, rules, guideline, requirement or directive (whether or not having the force of law) by any Governmental Authority; provided however, that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof, and (ii) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law” regardless of the date enacted, adopted, issued or implemented.

“Charges” has the meaning assigned to such term in Section 9.15.

“Class” (a) when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans, Swingline Loans, Term Loans or Incremental Term Loans, (b) when used in reference to Lenders, refers to whether such Lenders have a Loan or Commitment with respect to a particular Class of Loans or Commitments and (c) when used in reference to Commitments, refers to whether such Commitments are Revolving Commitments, Term Loan Commitments, commitments in respect of Incremental Term Loans or Incremental Revolving Commitments.

“CME Term SOFR Administrator” means CME Group Benchmark Administration Limited as administrator of the forward-looking term Secured Overnight Financing Rate (SOFR) (or a successor administrator).

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

“Collateral” means any and all property owned, leased or operated by a Person covered by the Collateral Documents and any and all other property of any Loan Party, now existing or hereafter acquired, that may at any time be or become subject to a security interest or Lien in favor of the Administrative Agent, on behalf of itself and the Holders of Secured Obligations as required under Section 5.09, to secure the Secured Obligations; provided that Collateral shall not include any Excluded Assets.

“Collateral Documents” means, collectively, the Domestic Collateral Documents, the Dutch Collateral Documents and any other agreements, instruments and documents executed in connection with this Agreement that are intended to create, perfect or evidence Liens to secure the Secured Obligations.

“Commitment” means, (a) the Revolving Commitments, the Term Loan Commitments and any commitments in respect of Incremental Facilities, as applicable, and (b) with respect to each Lender, the sum of such Lender’s Revolving Commitment, Term Loan Commitment and commitments in respect of Incremental Facilities. The initial amount of each Lender’s Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption or other documentation contemplated hereby pursuant to which such Lender shall have assumed its Commitment, as applicable.

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

“Communications” means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent, any Lender or the Issuing Bank by means of electronic communications pursuant to Section 8.03, including through an Approved Electronic Platform.

“Company” means Materion Corporation, an Ohio corporation.

“Computation Date” is defined in Section 2.04.

“Consolidated EBITDA” means, with reference to any period, Consolidated Net Income for such period plus, to the extent deducted from revenues in determining Consolidated Net Income for such period, (a) Consolidated Interest Expense, (b) Consolidated Tax Expense, (c) depreciation, (d) amortization, (e) depletion expense and (f) nonrecurring losses incurred other than in the ordinary course of business, minus, to the extent included in Consolidated Net Income for such period, nonrecurring gains realized other than in the ordinary course of business, all calculated for the Company and its Subsidiaries on a consolidated basis.

“Consolidated First Lien Debt” means, as of any date of determination, without duplication, the aggregate principal amount of Consolidated Funded Debt outstanding on such date that is secured by a Lien on any asset or property of the Company or any Subsidiary that is senior or pari passu to the Liens securing the Obligations.

“Consolidated Funded Debt” means all Indebtedness for borrowed money and Capitalized Leases, including, without limitation, current, long-term and Subordinated Indebtedness, for the Company and its Subsidiaries on a consolidated basis; provided that, for purposes of this definition, obligations under the following will not be considered in calculating Consolidated Funded Debt: (a) obligations under Swap Agreements, (b) Permitted Precious Metals Agreements (up to a maximum outstanding amount of \$615,000,000), (c) the Beryllium Contracts, and (d) Indebtedness under any Sale and Leaseback Transaction.

“Consolidated Interest Expense” means, with reference to any period, the interest expense of the Company and its Subsidiaries (including the interest, yield or discount, as applicable, with respect to any Permitted Receivables Facility) calculated on a consolidated basis for such period (but not including any up-front fees); provided, that notwithstanding the foregoing, for purposes of this Agreement, any lease (or similar arrangement) that would constitute an “operating lease” under GAAP as in effect on December 31, 2015 (or would have constituted an “operating lease” had such lease or similar arrangement been in effect on such date) shall constitute an “operating lease” hereunder and any payments owed thereunder shall not constitute or be included in interest expense.

“Consolidated Net Income” means, with reference to any period, the net income (or loss) of the Company and its Subsidiaries calculated on a consolidated basis for such period.

“Consolidated Net Worth” means, on any date, all amounts that would be included under stockholders’ equity on a consolidated balance sheet of the Company and its consolidated Subsidiaries, as determined on a consolidated basis in accordance with GAAP.

“Consolidated Tax Expense” means, with reference to any period, the tax expense of the Company and its Subsidiaries calculated on a consolidated basis for such period.

“Consolidated Total Assets” means, as of the date of any determination thereof, total assets of the Company and its Subsidiaries calculated in accordance with GAAP on a consolidated basis as of such date.

“Contingent Obligation” of a Person means any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the obligation or liability of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss, including, without limitation, any comfort letter, operating agreement, take or pay contract or the obligations of any such Person as general partner of a partnership with respect to the liabilities of the partnership.

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

“Corresponding Tenor” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“Co-Syndication Agent” means each of Wells Fargo Bank, National Association and Bank of America, N.A. in its capacity as co-syndication agent for the credit facilities evidenced by this Agreement.

“Country Risk Event” means:

(i) any law or action by any Governmental Authority in any Borrower’s or Letter of Credit beneficiary’s country which has the effect of:

(a) changing the obligations under the relevant Letter of Credit, this Agreement or any of the other Loan Documents as originally agreed or otherwise creating any additional liability, cost or expense to the Issuing Bank, the Lenders or the Administrative Agent,

(b) changing the ownership or control by such Borrower or Letter of Credit beneficiary of its business, or

(c) preventing or restricting the conversion into or transfer of the applicable Agreed Currency;



- (ii) force majeure; or
- (iii) any similar event

which, in relation to (i), (ii) and (iii), directly or indirectly, prevents or restricts the payment or transfer of any amounts owing under the relevant Letter of Credit in the applicable Agreed Currency to the Administrative Agent or the Issuing Bank and freely available to the Administrative Agent or the Issuing Bank.

“Covered Entity” means any of the following:

- (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Covered Party” has the meaning assigned to it in Section 9.19.

“Credit Event” means a Borrowing, the issuance, amendment or extension of a Letter of Credit, an LC Disbursement or any of the foregoing.

“Credit Exposure” means, as to any Lender at any time, the sum of (a) such Lender’s Revolving Credit Exposure at such time, plus (b) an amount equal to the aggregate principal amount of its Term Loans outstanding at such time.

“Credit Party” means the Administrative Agent, the Issuing Bank, the Swingline Lender or any other Lender.

“CRR” means the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

“Daily Simple RFR” means, for any day (an “RFR Interest Day”), an interest rate per annum equal to, for any RFR Loan denominated in (i) Pounds Sterling, SONIA for the day that is five (5) RFR Business Days prior to (A) if such RFR Interest Day is an RFR Business Day, such RFR Interest Day or (B) if such RFR Interest Day is not an RFR Business Day, the RFR Business Day immediately preceding such RFR Interest Day, (ii) Swiss Francs, SARON for the day that is five (5) RFR Business Days prior to (A) if such RFR Interest Day is an RFR Business Day, such RFR Interest Day or (B) if such RFR Interest Day is not an RFR Business Day, the RFR Business Day immediately preceding such RFR Interest Day and (iii) Dollars, Daily Simple SOFR. Any change in Daily Simple RFR due to a change in the applicable RFR shall be effective from and including the effective date of such change in the RFR without notice to the Company.

“Daily Simple SOFR” means, for any day (a “SOFR Rate Day”), a rate per annum equal to SOFR for the day that is five (5) RFR Business Days prior to (i) if such SOFR Rate Day is an RFR Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not an RFR Business Day, the RFR Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by

the SOFR Administrator on the SOFR Administrator's Website. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Company.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

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

"Defaulting Lender" means any Lender that (a) has failed, within two (2) Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swingline Loans or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Company or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a Loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations as of the date of certification) to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has become the subject of (i) a Bankruptcy Event or (ii) a Bail-In Action.

"Disqualified Institution" means (a) any entity specifically designated by the Company as a "Disqualified Institution" in writing and delivered to the Administrative Agent in accordance with Section 9.01 prior to the Effective Date, (b) any other entity that is reasonably determined by the Company to be a competitor of the Company or its Subsidiaries and which is specifically identified in a written supplement to the list of "Disqualified Institutions", which supplement shall become effective three (3) Business Days after delivery thereof to the Administrative Agent and the Lenders in accordance with Section 9.01 and (c) in the case of the foregoing clauses (a) and (b), any of such entities' Affiliates to the extent such Affiliates (x) are clearly identifiable as Affiliates of such entities based solely on the similarity of such Affiliates' and such entities' names and (y) are not bona fide debt investment funds. It is understood and agreed that (i) any supplement to the list of Persons that are Disqualified Institutions contemplated by the foregoing clause (b) shall not apply retroactively to disqualify any Persons that have previously acquired an assignment or participation interest in the Loans (but solely with respect to such Loans), (ii) the Administrative Agent shall have no responsibility or liability to determine or monitor whether any Lender or potential Lender is a Disqualified Institution, (iii) the Company's failure to deliver such list (or supplement thereto) in accordance with Section 9.01 shall render such list (or supplement) not received and not effective and (iv) "Disqualified Institution" shall exclude any Person that the Company has designated as no longer being a "Disqualified Institution" by written notice delivered to the Administrative Agent from time to time in accordance with Section 9.01.

“Documentation Agent” means KeyBank National Association in its capacity as documentation agent for the credit facilities evidenced by this Agreement.

“Dollar Amount” of any amount of any currency means, at the time of determination thereof, (a) if such amount is expressed in Dollars, such amount, (b) if such amount is expressed in a Foreign Currency, the equivalent of such amount in Dollars determined by using the rate of exchange for the purchase of Dollars with such Foreign Currency last provided (either by publication or otherwise provided to the Administrative Agent) by the applicable Reuters source on the Business Day (New York City time) immediately preceding the date of determination or if such service ceases to be available or ceases to provide a rate of exchange for the purchase of Dollars with such Foreign Currency, as provided by such other publicly available information service which provides that rate of exchange at such time in place of Reuters chosen by the Administrative Agent in its sole discretion (or if such service ceases to be available or ceases to provide such rate of exchange, the equivalent of such amount in Dollars as determined by the Administrative Agent using any method of determination it deems appropriate in its sole discretion) and (c) if such amount is denominated in any other currency, the equivalent of such amount in Dollars as determined by the Administrative Agent using any method of determination it deems appropriate in its reasonable discretion.

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

“Domestic Collateral Documents” means, collectively, the Domestic Security Agreement, the Mortgages and all other agreements, instruments and documents entered into by any Domestic Loan Party in connection with this Agreement that are intended to create, perfect or evidence Liens to secure the Secured Obligations.

“Domestic Loan Party” means the Company and each Domestic Subsidiary Guarantor.

“Domestic Security Agreement” means that certain Fourth Amended and Restated Pledge and Security Agreement (including any and all supplements thereto), dated as of the Effective Date, between the Domestic Loan Parties and the Administrative Agent, for the benefit of the Administrative Agent and the other Holders of Secured Obligations, and any other pledge or security agreement entered into, after the date of this Agreement by any other Domestic Loan Party (as required by this Agreement or any other Loan Document), or any other Person, as the same may be amended, restated or otherwise modified from time to time.

“Domestic Subsidiary” means a Subsidiary organized under the laws of a jurisdiction located in the United States of America.

“Domestic Subsidiary Guarantor” means each Wholly-Owned Material Domestic Subsidiary (other than Foreign Subsidiary Holding Companies) that is party to the Subsidiary Guaranty and the Domestic Security Agreement (in each case including pursuant to a joinder or supplement thereto).

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

“Dutch Borrower” means Materion Netherlands B.V. (f/k/a Materion Advanced Materials Technologies and Services Netherlands B.V.), a *besloten vennootschap met beperkte aansprakelijkheid* incorporated under the laws of the Netherlands having its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands.

“Dutch Collateral Documents” means each pledge agreement, security agreement, mortgage or other collateral agreement that is entered into by any Dutch Subsidiary Guarantor in favor of the Administrative Agent, in each case, in form and substance reasonably satisfactory to the Administrative Agent and entered into pursuant to the terms of this Agreement or any other Loan Document (including Section 5.09).

“Dutch Financial Supervision Act” means the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), as amended from time to time.

“Dutch Loan Party” means any Loan Party established under the laws of the Netherlands.

“Dutch Non-Public Lender” means: (i) until the publication of an interpretation of “public” as referred to in the CRR by the competent authority/ies: an entity which (x) assumes existing rights and/or obligations vis-à-vis a Borrower organized under the laws of the Netherlands, the value of which is at least €100,000 (or its equivalent in another currency), (y) provides repayable funds for an initial amount of at least €100,000 (or its equivalent in another currency) or (z) otherwise qualifies as not forming part of the public; and (ii) as soon as the interpretation of the term “public” as referred to in the CRR has been published by the relevant authority/ies: an entity which is not considered to form part of the public on the basis of such interpretation.

“Dutch Security Agreements” means, collectively, (i) the Dutch Share Pledge – Junior Priority and the Dutch Share Pledge – Senior Priority and (ii) any other pledge agreement or mortgage agreement that is governed by Dutch law and that is entered into by any Loan Party in favor of the Administrative Agent, in each case, in form and substance reasonably satisfactory to the Administrative Agent and entered into pursuant to the terms of this Agreement or any other Loan Document (including Section 5.09).

“Dutch Share Pledge – Junior Priority” means the Dutch law governed deed of pledge on shares in the capital of the Dutch Borrower, dated 29 November 2007 and made among Materion Advanced Materials Technologies and Services Inc. (formerly known as William Advanced Materials Inc.) as pledgor, the Administrative Agent as pledgee and the Dutch Borrower as company.

“Dutch Share Pledge – Senior Priority” means the Dutch law governed deed of pledge on shares in the capital of the Dutch Borrower, dated as of the Effective Date and made among Materion Advanced Materials Technologies and Services Inc. as pledgor, the Administrative Agent as pledgee and the Dutch Borrower as company.

“Dutch Subsidiary” means any Subsidiary established under the laws of the Netherlands.

“Dutch Subsidiary Guarantor” means each Wholly-Owned Material Dutch Subsidiary that is party to the Subsidiary Guaranty and certain Dutch Collateral Documents (in each case including pursuant to a joinder or supplement thereto).

“ECP” means an “eligible contract participant” as defined in Section 1(a)(18) of the Commodity Exchange Act or any regulations promulgated thereunder and the applicable rules issued by the Commodity Futures Trading Commission and/or the SEC.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member

Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Date” means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

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

“Eligible Foreign Subsidiary” means any Foreign Subsidiary that is approved from time to time by the Administrative Agent and each of the Lenders, which approval shall not be unreasonably withheld.

“Environmental Laws” means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to (i) the environment, (ii) preservation or reclamation of natural resources, (iii) the management, release or threatened release of any Hazardous Material or (iv) health and safety matters.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Company or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

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

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with the Company, is treated as a single employer under Section 414(b) or (c) of the Code or Section 4001(14) of ERISA or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ERISA Event” means (a) any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the failure to satisfy the “minimum funding standard” (as defined in



Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Company or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Company or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Company or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal of the Company or any of its ERISA Affiliates from any Plan or Multiemployer Plan; or (g) the receipt by the Company or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Company or any ERISA Affiliate of any notice, concerning the imposition upon the Company or any of its ERISA Affiliates of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

“EU” means the European Union.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

“EURIBO Rate” means, with respect to any Term Benchmark Borrowing denominated in euro and for any Interest Period, the EURIBO Screen Rate, two (2) TARGET Days prior to the commencement of such Interest Period.

“EURIBO Screen Rate” means the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of such rate) for euro for the relevant period displayed (before any correction, recalculation or republication by the administrator) on page EURIBOR01 of the Reuters screen (or any replacement Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters as published at approximately 11:00 a.m. Brussels time two (2) TARGET Days prior to the commencement of such Interest Period. If such page or service ceases to be available, the Administrative Agent may specify another page or service displaying the relevant rate after consultation with the Company.

“euro” and/or “€” means the single currency of the Participating Member States.

“Event of Default” has the meaning assigned to such term in Section 7.01.

“Excluded Assets” means: (i) any fee-owned real property that is not real mining Property and all leasehold interests in real property, (ii) any “intent-to-use” application for registration of a trademark filed pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. § 1051, prior to the filing of a “Statement of Use” pursuant to Section 1(d) of the Lanham Act or an “Amendment to Allege Use” pursuant to Section 1(c) of the Lanham Act with respect thereto, solely to the extent, if any, that and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of any registration that issues from such intent-to-use application under applicable federal law, (iii) assets in respect of which pledges and security interests are prohibited by applicable U.S. law, rule or regulation or agreements with any U.S. governmental authority (other than to the extent that such prohibition would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408, 9-409 or other applicable provisions of the UCC of any relevant jurisdiction or any other applicable law); provided that, immediately upon the ineffectiveness, lapse or termination of any such prohibitions, such assets shall automatically cease to constitute Excluded Assets, (iv) equity interests in any entity (other than Wholly-Owned Subsidiaries) to the extent pledges thereof are not permitted by customary terms in such

entity's organizational or joint venture documents (unless any such restriction would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408, 9-409 or other applicable provisions of the UCC of any relevant jurisdiction or any other applicable law) and equity interests in any Receivables Entity, (v) assets subject to certificates of title (other than motor vehicles subject to certificates of title, provided that perfection of security interests in such motor vehicles shall be limited to the filing of UCC financing statements), letter of credit rights (other than to the extent the security interest in such letter of credit right may be perfected by the filing of UCC financing statements) with a value of less than \$1,000,000 and commercial tort claims with a value of less than \$1,000,000, (vi) any lease, license or other agreement or any property subject to a purchase money security interest or similar arrangement to the extent that a grant of a security interest therein would violate or invalidate such lease, license or agreement or purchase money arrangement or create a right of termination in favor of any other party thereto (other than the Company or a Subsidiary Guarantor) (other than (1) proceeds and receivables thereof, the assignment of which is expressly deemed effective under the UCC notwithstanding such prohibition, (2) to the extent that any such term has been waived or (3) to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408, 9-409 or other applicable provisions of the UCC of any relevant jurisdiction or any other applicable law); provided that, immediately upon the ineffectiveness, lapse or termination of any such term, such assets shall automatically cease to constitute Excluded Assets, (vii) trust accounts, payroll accounts, custodial accounts, escrow accounts and other similar deposit or securities accounts, and deposit or securities accounts having a balance of less than \$250,000 individually, and less than \$1,000,000 in the aggregate for all such accounts, (viii) Precious Metals ~~and~~, (ix) any Permitted Receivables Facility Assets sold, transferred, pledged or financed pursuant to a Permitted Receivables Facility, and (x) those assets as to which the Administrative Agent and the Company reasonably agree that the cost of obtaining such a security interest or perfection thereof are excessive in relation to the benefit to the Lenders of the security to be afforded thereby. Notwithstanding the foregoing, Excluded Assets shall not include any proceeds, products, substitutions or replacements of Excluded Assets (unless such proceeds, products, substitutions or replacements would otherwise constitute Excluded Assets).

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

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) income or franchise Taxes imposed on (or measured by) its net income (however denominated) (i) by the United States of America or any other Governmental Authority, including the jurisdiction under the laws of which such Recipient is organized (or any political subdivision thereof) or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located or (ii) that are Other Connection Taxes, (b) any branch profits taxes imposed by the United States of America or any other jurisdiction described in clause (a) above, (c) in the case of a Lender (other than an assignee pursuant to a request by the Company under Section 2.19(b)), any withholding Tax that is imposed on amounts payable to such Lender resulting from any law in effect on the date such Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional

amounts from the Company with respect to such withholding Tax pursuant to Section 2.17(a), (d) Taxes attributable to such Recipient's failure to comply with Section 2.17(e) or (h), and (e) any Taxes imposed under FATCA.

"Existing Credit Agreement" is defined in the recitals hereof.

"Existing Letters of Credit" is defined in Section 2.06(a).

"Existing Loans" is defined in Section 2.01.

"Existing Maturity Date" is defined in Section 2.25(a).

"Extending Lender" is defined in Section 2.25(b).

"Extension Date" is defined in Section 2.25(a).

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"Federal Funds Effective Rate" means, for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depository institutions, as determined in such manner as shall be set forth on the NYFRB's Website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; provided that if the Federal Funds Effective Rate as so determined would be less than 0%, such rate shall be deemed to be 0% for the purposes of this Agreement.

"Financial Officer" means the chief financial officer, principal accounting officer, treasurer or controller of the Company.

"Financials" means the annual or quarterly financial statements, and accompanying certificates and other documents, of the Company and its Subsidiaries required to be delivered pursuant to Section 5.01(a) or 5.01(b).

"First Lien Leverage Ratio" means, the ratio, determined as of the end of each Fiscal Quarter of the Company of (a)(x) Consolidated First Lien Debt minus (y) Qualified Cash to (b) Consolidated EBITDA for the then most-recently ended four Fiscal Quarters.

"First Tier Foreign Subsidiary" means each Foreign Subsidiary with respect to which any one or more of the Company and its Domestic Subsidiaries directly owns or Controls more than 50% of such Foreign Subsidiary's issued and outstanding Equity Interests.

"Fiscal Quarter" means any of the quarterly accounting periods of the Company.

"Fiscal Year" means any of the annual accounting periods of the Company ending on December 31 of each year.



“Floor” means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Adjusted Term SOFR Rate, the Adjusted EURIBO Rate, the Adjusted TIBO Rate, each Adjusted Daily Simple RFR, the Japanese Prime Rate or the Central Bank Rate, as applicable. For the avoidance of doubt, the initial Floor for each of the Adjusted Term SOFR Rate, the Adjusted EURIBO Rate, the Adjusted TIBO Rate, each Adjusted Daily Simple RFR, the Japanese Prime Rate or the Central Bank Rate shall be 0%.

“Foreign Currencies” means Agreed Currencies other than Dollars.

“Foreign Currency LC Exposure” means, at any time, the sum of (a) the Dollar Amount of the aggregate undrawn and unexpired amount of all outstanding Foreign Currency Letters of Credit at such time plus (b) the aggregate principal Dollar Amount of all LC Disbursements in respect of Foreign Currency Letters of Credit that have not yet been reimbursed at such time.

“Foreign Currency Letter of Credit” means a Letter of Credit denominated in a Foreign Currency.

“Foreign Currency Payment Office” of the Administrative Agent shall mean, for each Foreign Currency, the office, branch, affiliate or correspondent bank of the Administrative Agent for such currency as specified from time to time by the Administrative Agent to the Company and each Lender.

“Foreign Currency Sublimit” means \$30,000,000.

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

“Foreign Secured Obligations” means all Obligations of the Foreign Subsidiary Borrowers under this Agreement.

“Foreign Subsidiary” means any Subsidiary which is not a Domestic Subsidiary.

“Foreign Subsidiary Borrower” means (i) the Dutch Borrower and (ii) any other Eligible Foreign Subsidiary that becomes a Foreign Subsidiary Borrower pursuant to Section 2.23 and that has not ceased to be a Foreign Subsidiary Borrower pursuant to such Section.

“Foreign Subsidiary Borrower Sublimit” means \$30,000,000.

“Foreign Subsidiary Holding Company” means any Domestic Subsidiary substantially all of the assets of which consist of Equity Interests (or Equity Interests and Indebtedness) of any Foreign Subsidiary.

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

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority,

instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“Holders of Secured Obligations” means the holders of the Secured Obligations from time to time and shall include (i) each Lender and the Issuing Bank in respect of its Loans and LC Exposure respectively, (ii) the Administrative Agent, the Issuing Bank and the Lenders in respect of all other present and future obligations and liabilities of the Company and each Subsidiary of every type and description arising under or in connection with this Agreement or any other Loan Document, (iii) each Lender and affiliate of such Lender in respect of Swap Agreements and Banking Services Agreements entered into with such Person by the Company or any Subsidiary, (iv) each indemnified party under Section 9.03 in respect of the obligations and liabilities of the Borrowers to such Person hereunder and under the other Loan Documents, and (v) their respective successors and (in the case of a Lender, permitted) transferees and assigns.

“Hostile Acquisition” means (a) the Acquisition of the Equity Interests of a Person through a tender offer or similar solicitation of the owners of such Equity Interests which has not been approved (prior to such Acquisition) by the board of directors (or any other applicable governing body) of such Person or by similar action if such Person is not a corporation and (b) any such Acquisition as to which such approval has been withdrawn.

“Increasing Lender” has the meaning assigned to such term in Section 2.20.

“Incremental Facilities” has the meaning assigned to such term in Section 2.20.

“Incremental Revolving Commitment” has the meaning assigned to such term in Section 2.20.

“Incremental Term Loan” has the meaning assigned to such term in Section 2.20.

“Incremental Term Loan Amendment” has the meaning assigned to such term in Section 2.20.

“Indebtedness” of a Person means, without duplication, such Person’s (a) obligations for borrowed money, (b) obligations representing the deferred purchase price of Property or services (other than accounts payable arising in the ordinary course of such Person’s business payable on terms customary in the trade), (c) obligations, whether or not assumed, secured by Liens or payable out of the proceeds or production from Property now or hereafter owned or acquired by such Person, (d) obligations which are evidenced by notes, acceptances, or other similar instruments, (e) obligations of such Person to purchase securities or other Property arising out of or in connection with the sale of the same or substantially similar securities or Property or any other Off-Balance Sheet Liabilities, (f) Capitalized Lease Obligations, (g) Contingent Obligations for which the underlying transaction constitutes Indebtedness under this definition, (h) the stated face amount of all letters of credit or bankers’ acceptances issued for the account of such Person and, without duplication, all reimbursement obligations with respect to such issued letters of credit, (i) any and all obligations, contingent or otherwise, whether now existing or hereafter arising, under or in connection with Swap Agreements, including, without limitation, Net Mark-to-Market Exposure, and (j) obligations of such Person under any Sale and Leaseback Transaction; provided, that any obligations under or pursuant to any Permitted Receivables Facility (to the extent such obligations are not required to be shown as liabilities on the balance sheet of such Person in accordance with GAAP) shall not constitute Indebtedness.

“Indemnified Taxes” means Taxes that are imposed on or with respect to any payment made by a Loan Party hereunder or any other Loan Document other than Excluded Taxes or Other Taxes.

“Indemnitee” has the meaning assigned to such term in Section 9.03(c).

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

“Information” has the meaning assigned to such term in Section 9.12.

“Information Memorandum” means the Confidential Information Memorandum dated September 2021 relating to the Company and the Transactions.

“Insolvency Regulation” shall mean the Regulation EU 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast).

“Intercreditor Agreements” means (a) that certain Second Amended and Restated Intercreditor Agreement dated as of August 27, 2019 by and between the Administrative Agent, on behalf of itself and the Lenders, and Bank of Montreal, on behalf of itself and as collateral agent on behalf of other consignors of Precious Metal and (b) every other intercreditor agreement related to the Loans entered into by the Administrative Agent, on behalf of itself and the other Lenders, on or after the Effective Date, in each case, as amended, restated, supplemented or otherwise modified from time to time.

“Interest Coverage Ratio” means, the ratio, determined as of the end of each Fiscal Quarter of the Company for the then most-recently ended four Fiscal Quarters of (a) Consolidated EBITDA to (b) Consolidated Interest Expense.

“Interest Election Request” means a request by the applicable Borrower to convert or continue a Borrowing in accordance with Section 2.08, which shall be substantially in the form attached hereto as Exhibit G-2 or any other form approved by the Administrative Agent.

“Interest Payment Date” means (a) with respect to any ABR Loan (other than a Swingline Loan) and any Loan that bears interest at the Japanese Prime Rate, the last day of each March, June, September and December and the applicable Maturity Date, (b) with respect to any RFR Loan, each date

that is on the numerically corresponding day in each calendar month that is one month after the Borrowing of such RFR Loan (or, if there is no such numerically corresponding day in such month, then the last day of such month) and the applicable Maturity Date, (c) with respect to any Term Benchmark Loan, the last day of each Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Term Benchmark Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period and the applicable Maturity Date and (d) with respect to any Swingline Loan, the day that such Loan is required to be repaid and the Revolving Credit Maturity Date.

“Interest Period” means with respect to any Term Benchmark Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, three or six months thereafter (in each case, subject to the availability for the Benchmark applicable to the relevant Loan or Commitment for any Agreed Currency), as the applicable Borrower (or the Company on behalf of the applicable Borrower) may elect; provided that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iii) no tenor that has been removed from this definition (and not reinstated) pursuant to Section 2.14(e) shall be available for specification in such Borrowing Request or Interest Election Request. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Investment” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests of another Person, or (b) a loan, advance or capital contribution to, Guarantee or assumption of Indebtedness of, or purchase or other acquisition of any other Indebtedness or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which such investing Person Guarantees Indebtedness of such other Person, but excluding any Acquisition.

“IRS” means the United States Internal Revenue Service.

“Issuing Bank” means JPMorgan Chase Bank, N.A., in its capacity as the issuer of Letters of Credit hereunder, and its successors in such capacity as provided in Section 2.06(i). The Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of the Issuing Bank, in which case the term “Issuing Bank” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

“Japanese Prime Rate” means for any Loan denominated in Japanese Yen the greater of (a) (i) the Japanese local bank prime rate plus (ii) the Japanese Prime Rate Adjustment and (b) the Floor.

“Japanese Prime Rate Adjustment” means, for any day, for any Loan denominated in Japanese Yen, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of the Adjusted TIBO Rate for the five most recent Business Days preceding such day for which the TIBO Screen Rate was available (excluding, from such averaging, the highest and the lowest Adjusted TIBO Rate applicable during such period of five Business Days) minus (ii) the Japanese Prime Rate in effect on the last Business Day in such period. For purposes of this definition, the TIBO Rate on any day



shall be based on the TIBO Screen Rate on such day at approximately the time referred to in the definition of such term for deposits in Japanese Yen for a maturity of one month.

“Japanese Yen” and/or “JPY” means the lawful currency of Japan.

“LC Collateral Account” has the meaning assigned to such term in Section 2.06(j).

“LC Disbursement” means a payment made by the Issuing Bank pursuant to a Letter of Credit.

“LC Exposure” means, at any time, the sum of (a) the aggregate undrawn Dollar Amount of all outstanding Letters of Credit at such time plus (b) the aggregate Dollar Amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Company at such time. The LC Exposure of any Revolving Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Article 29(a) of the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce Publication No. 600 (or such later version thereof as may be in effect at the applicable time) or Rule 3.13 or Rule 3.14 of the International Standby Practices, International Chamber of Commerce Publication No. 590 (or such later version thereof as may be in effect at the applicable time) or similar terms of the Letter of Credit itself, or if compliant documents have been presented but not yet honored, such Letter of Credit shall be deemed to be “outstanding” and “undrawn” in the amount so remaining available to be paid, and the obligations of the Borrowers and each Revolving Lender shall remain in full force and effect until the Issuing Bank and the Revolving Lenders shall have no further obligations to make any payments or disbursements under any circumstances with respect to any Letter of Credit.

“Lender Notice Date” is defined in Section 2.25(b).

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

“Lender-Related Person” has the meaning assigned to such term in Section 9.03(b).

“Lenders” means the Persons listed on Schedule 2.01 and any other Person that shall have become a Lender hereunder pursuant to Section 2.20 or pursuant to an Assignment and Assumption or otherwise, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption or otherwise. Unless the context otherwise requires, the term “Lenders” includes the Swingline Lender and the Issuing Bank.

“Letter of Credit” means any letter of credit issued pursuant to this Agreement and shall include each Existing Letter of Credit.

“Letter of Credit Agreement” has the meaning assigned to such term in Section 2.06(b).

“Leverage Ratio” means, the ratio, determined as of the end of each Fiscal Quarter of the Company of (a)(x) Consolidated Funded Debt minus (y) Qualified Cash to (b) Consolidated EBITDA for the then most-recently ended four Fiscal Quarters.

“Liabilities” means any losses, claims (including intraparty claims), demands, damages or liabilities of any kind.

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

“Limited Conditionality Acquisition” means any Acquisition permitted under Section 6.04(g) for which the Company has determined, in good faith, that limited conditionality is reasonably necessary or desirable.

“Limited Conditionality Acquisition Agreement” means, with respect to any Limited Conditionality Acquisition, the definitive acquisition documentation in respect thereof.

“Loan Documents” means this Agreement, each Borrowing Subsidiary Agreement, each Borrowing Subsidiary Termination, any promissory notes issued pursuant to Section 2.10(f) of this Agreement, any Letter of Credit applications, any Letter of Credit Agreement, the Collateral Documents, the Subsidiary Guaranty, and all other agreements, instruments, documents and certificates identified in Section 4.01 executed and delivered to, or in favor of, the Administrative Agent or any Lenders and including all other pledges, powers of attorney, consents, assignments, contracts, notices, letter of credit agreements, intercreditor agreements and all other written matter whether heretofore, now or hereafter executed by or on behalf of any Loan Party and delivered to the Administrative Agent or any Lender in connection with this Agreement or the transactions contemplated hereby, excluding any Banking Services Agreement or Swap Agreement. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

“Loan Parties” means, collectively, the Borrowers and the Subsidiary Guarantors.

“Loans” means the loans made by the Lenders to the Borrowers pursuant to this Agreement.

“Local Time” means (i) Chicago time in the case of a Loan, Borrowing or LC Disbursement denominated in Dollars and (ii) local time in the case of a Loan, Borrowing or LC Disbursement denominated in a Foreign Currency (it being understood that such local time shall mean (a) London, England time with respect to any Foreign Currency (other than euro, Japanese Yen and Swiss Francs), (b) Brussels, Belgium time with respect to euro, (c) Tokyo, Japan time with respect to Japanese Yen and (d) Zurich, Switzerland time with respect to Swiss Francs, in each case of the foregoing clauses (a), (b), (c) and (d), unless otherwise notified by the Administrative Agent).

“Long Term Debt” means any Indebtedness that, in accordance with GAAP, constitutes (or, when incurred, constituted) a long-term liability.

“Margin Stock” means margin stock within the meaning of Regulations T, U and X, as applicable.

“Material Adverse Effect” means a material adverse effect on (a) the business, assets, property or financial condition of the Company and the Subsidiaries taken as a whole, (b) the ability of the Loan Parties to perform any of their material obligations under the Loan Documents or (c) the validity

or enforceability of this Agreement or any of the other Loan Documents or the rights or remedies of the Administrative Agent and the Lenders thereunder.

“Material Domestic Subsidiary” means each Domestic Subsidiary that is a Material Subsidiary.

“Material Dutch Subsidiary” means each Dutch Subsidiary that is a Material Subsidiary.

“Material Indebtedness” means any Indebtedness (other than the Loans and Letters of Credit), or obligations in respect of one or more Swap Agreements, of any one or more of the Company and its Subsidiaries in an aggregate principal amount exceeding \$20,000,000 (or the equivalent thereof in currencies other than Dollars). For purposes of determining Material Indebtedness, the “principal amount” of the obligations of the Company or any Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Company or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

“Material Subsidiary” means each Subsidiary (other than any Receivables Entity) (i) which, as of the most recent Fiscal Quarter of the Company, for the period of four consecutive Fiscal Quarters then ended, for which financial statements have been delivered pursuant to Section 5.01, contributed greater than ten percent (10%) of the Company’s Consolidated EBITDA for such period or (ii) which contributed greater than ten percent (10%) of the Company’s Consolidated Total Assets as of such date; provided that, if at any time the aggregate amount of the Company’s Consolidated EBITDA or Company’s Consolidated Total Assets attributable to Subsidiaries (other than Affected Foreign Subsidiaries) that are not Subsidiary Guarantors exceeds twenty percent (20%) of the Company’s Consolidated EBITDA for any such period or twenty percent (20%) of the Company’s Consolidated Total Assets as of the end of any such Fiscal Quarter, the Company (or, in the event the Company has failed to do so within ten days, the Administrative Agent) shall designate sufficient Subsidiaries (other than Affected Foreign Subsidiaries or Receivables Entities) as “Material Subsidiaries” to eliminate such excess, and such designated Subsidiaries shall for all purposes of this Agreement constitute Material Subsidiaries.

“Maturity Date” means the Revolving Credit Maturity Date or the Term Loan Maturity Date, as the case may be.

“Maximum Rate” is defined in Section 9.15.

“Moody’s” means Moody’s Investors Service, Inc.

“Mortgage” means each mortgage, deed of trust or other agreement which conveys or evidences a Lien in favor of the Administrative Agent, for the benefit of the Administrative Agent and the Holders of Secured Obligations, on real property of a Loan Party, including any amendment, restatement, modification or supplement thereto.

“Mortgage Instruments” means such title reports, ALTA title insurance policies (with endorsements), evidence of zoning compliance, property insurance, flood certifications and flood insurance, opinions of counsel, ALTA surveys, appraisals (and, if applicable FEMA form acknowledgements of insurance), environmental assessments and reports, mortgage tax affidavits and declarations and other similar information and related certifications as are reasonably requested by, and in form and substance reasonably acceptable to, the Administrative Agent from time to time.

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

“Net Mark-to-Market Exposure” of a Person means, as of any date of determination, the excess (if any) of all unrealized losses over all unrealized profits of such Person arising from Swap Agreements. As used in this definition, “unrealized losses” means the fair market value of the cost to such Person of replacing such Swap Agreement as of the date of determination (assuming the Swap Agreement were to be terminated as of that date), and “unrealized profits” means the fair market value of the gain to such Person of replacing such Swap Agreement as of the date of determination (assuming such Swap Agreement were to be terminated as of that date).

“New Money Credit Event” means with respect to the Issuing Bank, any increase (directly or indirectly) in the Issuing Bank’s exposure (whether by way of additional credit or banking facilities or otherwise, including as part of a restructuring) to any Borrower or any Governmental Authority in any Borrower’s or any applicable Letter of Credit beneficiary’s country occurring by reason of (i) any law, action or requirement of any Governmental Authority in such Borrower’s or such Letter of Credit beneficiary’s country, or (ii) any request in respect of external indebtedness of borrowers in such Borrower’s or such Letter of Credit beneficiary’s country applicable to banks generally which conduct business with such borrowers, in each case to the extent calculated by reference to the aggregate Revolving Credit Exposures outstanding prior to such increase.

“Net Proceeds” means, with respect to any event, (a) the cash proceeds received in respect of such event including (i) any cash received in respect of any non-cash proceeds (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but excluding any interest payments), but only as and when received, (ii) in the case of a casualty, insurance proceeds, but only as and when received and (iii) in the case of a condemnation or similar event, condemnation awards and similar payments, but only as and when received, net of (b) the sum of (i) all reasonable fees and out-of-pocket expenses paid to third parties (other than Affiliates) in connection with such event, (ii) in the case of a sale, transfer or other disposition of an asset (including pursuant to a casualty or a condemnation or similar proceeding), the amount of all payments required to be made as a result of such event to repay Indebtedness (other than Loans) secured by such asset or otherwise subject to mandatory prepayment as a result of such event and (iii) the amount of all taxes paid (or reasonably estimated to be payable) and the amount of any reserves established to fund contingent liabilities reasonably estimated to be payable, in each case that are attributable to such event (as determined reasonably and in good faith by a Financial Officer).

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

“Non-Extending Lender” is defined in Section 2.25(b).

“NYFRB” means the Federal Reserve Bank of New York.

“NYFRB Rate” means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term “NYFRB Rate” means the rate for a federal funds transaction quoted at 11:00 a.m., New York City time, on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; provided, further, that if any of the



aforesaid rates as so determined would be less than 0%, such rate shall be deemed to be 0% for purposes of this Agreement.

“NYFRB’s Website” means the website of the NYFRB at <http://www.newyorkfed.org>, or any successor source.

“Obligations” means all unpaid principal of and accrued and unpaid interest on the Loans, all LC Exposure, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations and indebtedness (including interest and fees accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), obligations and liabilities of the Loan Parties to any of the Lenders, the Administrative Agent, the Issuing Bank or any indemnified party, individually or collectively, existing on the Effective Date or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, in each case, arising by contract, operation of law or otherwise, arising or incurred under this Agreement or any of the other Loan Documents or in respect of any of the Loans made or reimbursement or other obligations incurred or any of the Letters of Credit or other instruments at any time evidencing any thereof.

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

“Off-Balance Sheet Liability” of a Person means (a) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (b) any indebtedness, liability or obligation under any Sale and Leaseback Transaction to which such Person is a party which is not a Capitalized Lease, (c) any indebtedness, liability or obligation under any so-called “synthetic lease” transaction entered into by such Person, or (d) any indebtedness, liability or obligation arising with respect to any other transaction to which such Person is a party which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheets of such Person, but excluding obligations with respect to Operating Leases.

“Omega” means H.C. Starck Inc., a Delaware corporation.

“Omega Acquisition” means the acquisition, directly or indirectly, of all of the outstanding Equity Interests of Omega by the Company pursuant to the Omega Purchase Agreement.

“Omega Closing Date” means the date on which the conditions specified in Section 4.02 are satisfied (or waived in accordance with Section 9.02).

“Omega Closing Date Commitments” means the Term Loan Commitments and the Omega Closing Date Revolving Commitments.

“Omega Closing Date Limited Conditionality Provision” means that, to the extent any Collateral (including the grant or perfection of any security interest therein) is not or cannot be provided by the Omega Closing Date (other than the grant and perfection of security interests in (x) assets with respect to which a Lien may be perfected solely by the filing of a financing statement under the UCC or (y) certificated Equity Interests of each Wholly-Owned Material Domestic Subsidiary of the Company to the extent constituting Collateral (other than Omega or any of its Subsidiaries) with respect to which a Lien may be perfected by the delivery of certificates representing such Equity Interests) after the Company’s use of commercially reasonable efforts to do so without undue burden or expense, then the provision and perfection of such Collateral shall not constitute a condition precedent to the availability and funding of the Omega Closing Date Loans on the Omega Closing Date and, notwithstanding any

provisions set forth in Section 5.09 to the contrary, such Collateral shall not be required to be provided or perfected until the forty-fifth (45<sup>th</sup>) day (in the case of the delivery of certificated Equity Interests) and otherwise the ninetieth (90<sup>th</sup>) day following the Omega Closing Date (or, in each case, such later date as may be agreed upon by the Administrative Agent in its reasonable discretion).

“Omega Closing Date Loans” means the Term Loans and the Omega Closing Date Revolving Loans.

“Omega Closing Date Revolving Commitments” means Revolving Commitments in an amount up to the sum of (a) \$100,000,000 plus (b) the amount of any Revolving Credit Exposure on the Omega Closing Date immediately prior to giving effect to the Omega Closing Date Revolving Loans; provided that at no time shall the Revolving Credit Exposure of any Revolving Lender exceed its Revolving Commitment.

“Omega Closing Date Revolving Loans” means Revolving Loans to be made by the Revolving Lenders on the Omega Closing Date in an amount not to exceed \$100,000,000.

“Omega Closing Date Transaction Costs” means any fees or expenses incurred or paid by the Company or any Subsidiary in connection with the Omega Closing Date Transactions, this Agreement and the other Loan Documents and the transactions contemplated hereby and thereby.

“Omega Closing Date Transactions” means, collectively, (a) the borrowing of Omega Closing Date Loans and the use of proceeds thereof, (b) the consummation of the Omega Acquisition and the other transactions contemplated by the Omega Purchase Agreement, (c) the refinancing of certain Indebtedness of Omega and its Subsidiaries on the Omega Closing Date, (d) the consummation of any other transactions in connection with the foregoing and (e) the payment of the fees, costs and expenses incurred in connection with any of the foregoing.

“Omega Dispositions” means any filings or other actions required under local law to be made on a post-closing basis to complete the disposition of assets on or prior to the Omega Closing Date to effect the Reorganization (as defined in the Omega Purchase Agreement), which filings or other actions cannot be completed by the Omega Closing Date.

“Omega Purchase Agreement” means the Share Purchase Agreement, dated as of September 19, 2021, by and among the Company, HCST Hungary Holding Vagyonkezelő Korlátolt Felelősségű Társaság as Seller and certain other parties thereto.

“Omega Purchase Agreement Representations” means such of the representations made by or on behalf of or with respect to Omega in the Omega Purchase Agreement as are material to the interests of the Lenders in their capacities as such, but only to the extent that the Company (or any of its Subsidiaries or Affiliates) has the right to terminate the Company’s (or any of its Subsidiaries’ or Affiliates’) obligations under the Omega Purchase Agreement or decline to consummate the Omega Acquisition as a result of a breach of such representations in the Omega Purchase Agreement.

“Operating Lease” of a Person means any lease of Property other than a Capitalized Lease.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under,

engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan, Letter of Credit or Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.19).

“Overnight Bank Funding Rate” means, for any day, the rate comprised of both overnight federal funds and overnight eurodollar transactions denominated in Dollars by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on the NYFRB’s Website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

“Overnight Rate” means, for any day, (a) with respect to any amount denominated in Dollars, the NYFRB Rate and (b) with respect to any amount denominated in a Foreign Currency, an overnight rate determined by the Administrative Agent or the Issuing Bank, as the case may be, in accordance with banking industry rules on interbank compensation.

“Participant” has the meaning set forth in Section 9.04.

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

“Participating Member State” means any member state of the European Union that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Union relating to economic and monetary union.

“Patriot Act” means the USA PATRIOT Act of 2001.

“Payment” has the meaning assigned to such term in Section 8.06(c).

“Payment Notice” has the meaning assigned to such term in Section 8.06(c).

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

“Permitted Liens” is defined in Section 6.02.

“Permitted Precious Metals Agreements” means precious or semi-precious metals agreements and arrangements (whether styled as debt, a lease, a consignment or otherwise) entered into from time to time by the Company or any Subsidiary, but only to the extent that the aggregate Dollar Amount of the precious or semi-precious metals outstanding thereunder does not exceed \$615,000,000. For purposes of this definition, “precious or semi-precious metals” shall include copper, gold, platinum, palladium, rhodium, ruthenium, silver, tantalum and other precious or semi-precious metals.

“Permitted Receivables Facility” means (a) any sale, contribution or other transfer by the Company and/or one or more other Receivables Sellers of Permitted Receivables Facility Assets to a Receivables Entity (either directly or through another Receivables Seller), which in turn shall sell, transfer and/or pledge such Permitted Receivables Facility Assets (or interests therein) to third-party lenders or investors pursuant to the Permitted Receivables Facility Documents (with



the Receivables Entity permitted to borrow money, receive an investment of capital or issue or convey purchaser interests, investor certificates, purchased interest certificates or other similar documentation evidencing interests in the Permitted Receivables Facility Assets) which is intended to be a true sale transaction and is non-recourse (other than Standard Securitization Undertakings) to the Company and its Subsidiaries (other than the Receivables Entity) and their respective property and assets (other than the relevant Permitted Receivables Facility Assets) or (b) any sale or other transfer by the Company or a Receivables Seller of Permitted Receivables Facility Assets directly to one or more investors or other purchasers which is intended to be a true sale transaction and is non-recourse (other than Standard Securitization Undertakings) to the Company and its Subsidiaries and their respective property and assets (other than the relevant Permitted Receivables Facility Assets); provided, that the Attributable Receivables Indebtedness under all Permitted Receivables Facilities shall not in the aggregate exceed \$60,000,000 at any time outstanding.

“Permitted Receivables Facility Assets” means Receivables (whether now existing or arising in the future) and any related Permitted Receivables Related Assets and all proceeds thereof.

“Permitted Receivables Facility Documents” means each of the documents and agreements entered into in connection with any Permitted Receivables Facility, including all documents and agreements relating to the issuance, funding and/or purchase of certificates and purchased interests or the incurrence of loans, as applicable, in each case as such documents and agreements may be amended, modified, supplemented, refinanced or replaced from time to time.

“Permitted Receivables Related Assets” means any assets that are customarily sold, transferred and/or pledged or in respect of which security interests are customarily granted in connection with non-recourse factoring arrangements, non-recourse securitizations or other non-recourse accounts receivable transactions and any collections or proceeds of any of the foregoing (including, without limitation, records in respect of Receivables and collections in respect of Receivables).

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

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

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

“Pledge Subsidiary” means (i) each Domestic Subsidiary which is a Material Subsidiary and (ii) each First Tier Foreign Subsidiary which is a Material Subsidiary.

“Pounds Sterling” means the lawful currency of the United Kingdom.

“Prepayment Event” means:

(a) any sale, transfer or other disposition of any property or asset of the Company or any Subsidiary pursuant to Section 6.03(a)(iv)(D) resulting in the receipt of Net Proceeds in excess of \$10,000,000; or

(b) any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of the Company or any Subsidiary resulting in the receipt of Net Proceeds in excess of \$10,000,000; or

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

“Prime Rate” means the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as reasonably determined by the Administrative Agent) or any similar release by the Board (as reasonably determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

“Precious Metals” means copper, gold, platinum, palladium, rhodium, ruthenium, silver, tantalum and other precious or semi-precious metals, including such metal content in inventory or work-in-process and any proceeds of the foregoing.

“Pro Forma Basis” means, with respect to any event, that the Company is in compliance to the reasonable satisfaction of the Administrative Agent on a pro forma basis with the applicable covenant, calculation or requirement herein recomputed as if the event with respect to which compliance on a Pro Forma Basis is being tested had occurred on the first day of the four Fiscal Quarter period most recently ended on or prior to such date and for which financial statements have been delivered pursuant to Section 5.01. “Pro Forma” shall have a correlative meaning.

“Property” of a Person means any and all property, whether real, personal, tangible, intangible, or mixed, of such Person; other assets owned by such Person; and to the extent of such Person’s interest therein, other assets leased or operated by such Person.

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

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

“QFC Credit Support” has the meaning assigned to it in Section 9.19.

“Qualified Cash” means, at any time the same is to be determined, unrestricted and unencumbered (other than Liens permitted under clauses (a), (b), (f), (t), (u)(i) and (u)(ii) of Section 6.02) cash, and Cash Equivalent Investments, of the Company or any Subsidiary as reflected on the most recent consolidated balance sheet of the Company and its Subsidiaries in each case at such time; provided that Qualified Cash shall not exceed \$25,000,000.

“Receivables” means any accounts receivable (including all right to payment created by or arising from sales of goods, leases of goods or the rendition of services rendered no



matter how evidenced whether or not earned by performance (whether constituting accounts, general intangibles, chattel paper or otherwise)).

“Receivables Entity” means a wholly-owned Subsidiary which engages in no activities other than in connection with the financing of accounts receivable of the Receivables Sellers and which is designated (as provided below) as a “Receivables Entity” that satisfies the following conditions: (a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Company or any other Subsidiary (other than any Receivables Entity) (excluding guarantees of obligations pursuant to Standard Securitization Undertakings), (ii) is recourse to or obligates the Company or any other Subsidiary (other than any Receivables Entity) in any way (other than pursuant to Standard Securitization Undertakings) or (iii) subjects any property or asset of the Company or any other Subsidiary (other than any Receivables Entity), directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings, (b) with which neither the Company nor any other Subsidiary has any material contract, agreement, arrangement or understanding (other than pursuant to the Permitted Receivables Facility Documents (including with respect to fees payable in the ordinary course of business in connection with the servicing of accounts receivable and related assets)) other than on terms which the Company reasonably believes to be no less favorable to the Company or such Subsidiary than those that might be obtained at the time from persons that are not Affiliates of the Company, and (c) to which neither the Company nor any other Subsidiary (other than any Receivables Entity) has any obligation to maintain or preserve such entity’s financial condition or cause such entity to achieve certain levels of operating results. Any such designation shall be evidenced to the Administrative Agent by delivering to the Administrative Agent an officer’s certificate of the Company certifying that, to the best of such officer’s knowledge and belief, such designation complied with the foregoing conditions.

“Receivables Sellers” means the Company and/or those Subsidiaries that are from time to time party to the Permitted Receivables Facility Documents (other than any Receivables Entity).

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

“Reference Time” with respect to any setting of the then-current Benchmark means (i) if such Benchmark is the Term SOFR Rate, 5:00 a.m., Chicago time, on the day that is two (2) U.S. Government Securities Business Days preceding the date of such setting, (ii) if such Benchmark is the EURIBO Rate, 11:00 a.m., Brussels time, two (2) TARGET Days preceding the date of such setting, (iii) if such Benchmark is the TIBO Rate, 11:00 a.m., Japan time, two (2) Business Days preceding the date of such setting, (iv) if the RFR for such Benchmark is SONIA, then four (4) RFR Business Days prior to such setting, (v) if the RFR for such Benchmark is SARON, then five (5) RFR Business Days prior to such setting, (vi) if the RFR for such Benchmark is Daily Simple SOFR, then four (4) RFR Business Days prior to such setting or (vii) if such Benchmark is none of the Term SOFR Rate, Daily Simple SOFR, the EURIBO Rate, the TIBO Rate, SONIA or SARON, the time determined by the Administrative Agent in its reasonable discretion.

“Register” has the meaning set forth in Section 9.04.

“Regulation D” means Regulation D of the Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Regulation T” means Regulation T of the Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Regulation U” means Regulation U of the Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Regulation X” means Regulation X of the Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

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

“Relevant Governmental Body” shall mean (i) with respect to a Benchmark Replacement in respect of Loans denominated in Dollars, the Board and/or the NYFRB, or a committee officially endorsed or convened by the Board and/or the NYFRB or, in each case, any successor thereto, (ii) with respect to a Benchmark Replacement in respect of Loans denominated in Pounds Sterling, the Bank of England, or a committee officially endorsed or convened by the Bank of England or, in each case, any successor thereto, (iii) with respect to a Benchmark Replacement in respect of Loans denominated in euro, the European Central Bank, or a committee officially endorsed or convened by the European Central Bank or, in each case, any successor thereto, (iv) with respect to a Benchmark Replacement in respect of Loans denominated in Japanese Yen, the Bank of Japan, or a committee officially endorsed or convened by the Bank of Japan or, in each case, any successor thereto, (v) with respect to a Benchmark Replacement in respect of Loans denominated in Swiss Francs, the Swiss National Bank, or a committee officially endorsed or convened by the Swiss National Bank or, in each case, any successor thereto, and (vi) with respect to a Benchmark Replacement in respect of Loans denominated in any other currency, (a) the central bank for the currency in which such Benchmark Replacement is denominated or any central bank or other supervisor which is responsible for supervising either (1) such Benchmark Replacement or (2) the administrator of such Benchmark Replacement or (b) any working group or committee officially endorsed or convened by (1) the central bank for the currency in which such Benchmark Replacement is denominated, (2) any central bank or other supervisor that is responsible for supervising either (A) such Benchmark Replacement or (B) the administrator of such Benchmark Replacement, (3) a group of those central banks or other supervisors or (4) the Financial Stability Board or any part thereof.

“Relevant Rate” means (i) with respect to any Term Benchmark Borrowing denominated in Dollars, the Adjusted Term SOFR Rate, (ii) with respect to any Term Benchmark Borrowing denominated in euro, the Adjusted EURIBO Rate, (iii) with respect to any Term Benchmark Borrowing denominated in Japanese Yen, the Adjusted TIBO Rate or (iv) with respect to any RFR Borrowing denominated in Pounds Sterling, Swiss Francs or Dollars, the applicable Adjusted Daily Simple RFR, as applicable.

“Relevant Screen Rate” means (i) with respect to any Term Benchmark Borrowing denominated in Dollars, the Term SOFR Reference Rate, (ii) with respect to any Term Benchmark Borrowing denominated in euro, the EURIBO Screen Rate or (iii) with respect to any Term Benchmark Borrowing denominated in Japanese Yen, the TIBO Screen Rate, as applicable.

“Required Lenders” means, subject to Section 2.24, (a) at any time prior to the earlier of the Loans becoming due and payable pursuant to Section 7.02 or the Commitments terminating or expiring, Lenders having Credit Exposures and Unfunded Commitments representing more than 50% of the sum of the total Credit Exposure and Unfunded Commitments at such time; provided that, solely for purposes of declaring the Loans to be due and payable pursuant to Section 7.02, the Unfunded

Commitment of each Lender shall be deemed to be zero; and (b) for all purposes after the Loans become due and payable pursuant to Section 7.02 or the Commitments expire or terminate, Lenders having Credit Exposures representing more than 50% of the total Credit Exposure at such time; provided that, in the case of clauses (a) and (b) above, (x) the Revolving Credit Exposure of any Revolving Lender that is the Swingline Lender shall be deemed to exclude any amount of its Swingline Exposure in excess of its Applicable Percentage of all outstanding Swingline Loans, adjusted to give effect to any reallocation under Section 2.24 of the Swingline Exposures of Defaulting Lenders in effect at such time, and the Unfunded Commitment of such Revolving Lender shall be determined on the basis of its Revolving Credit Exposure excluding such excess amount and (y) for the purpose of determining the Required Lenders needed for any waiver, amendment, modification or consent of or under this Agreement or any other Loan Document, any Lender that is the Company or an Affiliate of the Company shall be disregarded.

“Required Revolving Lenders” means, subject to Section 2.24, (a) at any time prior to the earlier of the Revolving Loans becoming due and payable pursuant to Section 7.02 or the Revolving Commitments terminating or expiring, Revolving Lenders having Revolving Credit Exposures and Unfunded Commitments representing more than 50% of the sum of the Total Revolving Credit Exposure and Unfunded Commitments at such time; provided that, solely for purposes of declaring the Loans to be due and payable pursuant to Section 7.02, the Unfunded Commitment of each Lender shall be deemed to be zero; and (b) for all purposes after the Loans become due and payable pursuant to Section 7.02 or the Revolving Commitments expire or terminate, Revolving Lenders having Revolving Credit Exposures representing more than 50% of the Total Revolving Credit Exposure at such time; provided that, in the case of clauses (a) and (b) above, (x) the Revolving Credit Exposure of any Revolving Lender that is the Swingline Lender shall be deemed to exclude any amount of its Swingline Exposure in excess of its Applicable Percentage of all outstanding Swingline Loans, adjusted to give effect to any reallocation under Section 2.24 of the Swingline Exposures of Defaulting Lenders in effect at such time, and the Unfunded Commitment of such Revolving Lender shall be determined on the basis of its Revolving Credit Exposure excluding such excess amount and (y) for the purpose of determining the Revolving Required Lenders needed for any waiver, amendment, modification or consent of or under this Agreement or any other Loan Document, any Revolving Lender that is the Company or an Affiliate of the Company shall be disregarded.

“Required Term Lenders” means, subject to Section 2.24, at any time, Term Lenders having Term Loans and unused Term Loan Commitments representing more than 50% of the sum of the total outstanding principal amount of Term Loans and unused Term Loan Commitments at such time.

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

“Responsible Officer” means the chief executive officer, president, chief legal officer, chief financial officer, principal accounting officer, treasurer, assistant treasurer, senior vice president-finance or controller of the Company.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Company or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests or any option, warrant or other right to acquire any such Equity Interests.



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

“Revolving Commitment” means, with respect to each Revolving Lender, the amount set forth on Schedule 2.01 opposite such Revolving Lender’s name under the heading “Revolving Commitment”, or in the Assignment and Assumption or other documentation or record (as such term is defined in Section 9-102(a)(70) of the New York Uniform Commercial Code) contemplated hereby pursuant to which such Revolving Lender shall have assumed its Revolving Commitment, as applicable, and giving effect to (a) any reduction in such amount from time to time pursuant to Section 2.09, (b) any increase from time to time pursuant to Section 2.20 and (c) any reduction or increase in such amount from time to time pursuant to assignments by or to such Revolving Lender pursuant to Section 9.04; provided that at no time shall the Revolving Credit Exposure of any Revolving Lender exceed its Revolving Commitment. The initial aggregate amount of the Revolving Commitments on the Effective Date is \$375,000,000.

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

“Revolving Credit Exposure” means, with respect to any Revolving Lender at any time, the sum of the outstanding principal amount of such Revolving Lender’s Revolving Loans, its LC Exposure and its Swingline Exposure at such time.

“Revolving Credit Maturity Date” means October 27, 2026, as extended (in the case of each Revolving Lender consenting thereto) pursuant to Section 2.25; provided, however, in each case, if such date is not a Business Day, the Revolving Credit Maturity Date shall be the next preceding Business Day.

“Revolving Lender” means, as of any date of determination, each Lender that has a Revolving Commitment or, if the Revolving Commitments have terminated or expired, a Lender with Revolving Credit Exposure.

“Revolving Loan” means a Loan made by a Revolving Lender pursuant to Section 2.01(a).

“RFR” means, for any RFR Loan denominated in (a) Pounds Sterling, SONIA, (b) Swiss Francs, SARON and (c) Dollars, Daily Simple SOFR, and when used in reference to any Loan or Borrowing, means that such Loan, or the Loans comprising such Borrowing, bears interest at a rate determined by reference to the applicable Adjusted Daily Simple RFR.

“RFR Borrowing” means, as to any Borrowing, the RFR Loans comprising such Borrowing.

“RFR Business Day” means, for any Loan denominated in (a) Pounds Sterling, any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which banks are closed for general business in London, (b) Swiss Francs, any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which banks are closed for the settlement of payments and foreign exchange transactions in Zurich and (c) Dollars, a U.S. Government Securities Business Day.

“RFR Interest Day” has the meaning specified in the definition of “Daily Simple RFR”.

“RFR Loan” means a Loan that bears interest at a rate based on the Adjusted Daily Simple RFR.

“S&P” means Standard & Poor’s Rating Services, a Standard & Poor’s Financial Services LLC business.

“Sale and Leaseback Transaction” means any sale or other transfer of Property by any Person with the intent to lease such Property as lessee.

“Sanctioned Country” means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (including, at the time of Amendment No. 1, the so-called Donetsk People’s Republic, the so-called Luhansk People’s Republic, the Crimea Region of Ukraine, Cuba, Iran, North Korea and Syria).

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union, any European Union member state, His Majesty’s Treasury of the United Kingdom or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b), or (d) any Person otherwise the subject of any Sanctions.

“Sanctions” means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State or (b) the United Nations Security Council, the European Union, any European Union member state, His Majesty’s Treasury of the United Kingdom or other relevant sanctions authority.

“SARON” means, with respect to any Business Day, a rate per annum equal to the Swiss Average Rate Overnight for such Business Day published by the SARON Administrator on the SARON Administrator’s Website.

“SARON Administrator” means the SIX Swiss Exchange AG (or any successor administrator of the Swiss Average Rate Overnight).

“SARON Administrator’s Website” means the SIX Swiss Exchange AG’s website, currently at <https://www.six-group.com>, or any successor source for the Swiss Average Rate Overnight identified as such by the SARON Administrator from time to time.

“SEC” means the United States Securities and Exchange Commission.

“Secured Obligations” means all Obligations, together with all Swap Obligations and Banking Services Obligations owing to one or more Lenders or their respective Affiliates; provided that the definition of “Secured Obligations” shall not create any guarantee by any Loan Party of (or grant of security interest by any Loan Party to support, as applicable) any Excluded Swap Obligations of such Loan Party for purposes of determining any obligations of any Loan Party.

“Security Agreement” means the Domestic Security Agreement and/or the Dutch Security Agreements, as the context requires.

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

“SOFR Administrator” means the NYFRB (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website” means the NYFRB’s Website, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“SOFR Rate Day” has the meaning specified in the definition of “Daily Simple SOFR”.

“Solvent” means, in reference to any Person, (i) the fair value of the assets of such Person, at a fair valuation, will exceed its debts and liabilities, subordinated, contingent or otherwise; (ii) the present fair saleable value of the property of such Person will be greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (iii) such Person will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (iv) such Person will not have unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted after the Effective Date.

“SONIA” means, with respect to any Business Day, a rate per annum equal to the Sterling Overnight Index Average for such Business Day published by the SONIA Administrator on the SONIA Administrator’s Website on the immediately succeeding Business Day.

“SONIA Administrator” means the Bank of England (or any successor administrator of the Sterling Overnight Index Average).

“SONIA Administrator’s Website” means the Bank of England’s website, currently at <http://www.bankofengland.co.uk>, or any successor source for the Sterling Overnight Index Average identified as such by the SONIA Administrator from time to time.

“Specified Representations” means the representations and warranties of the Borrowers and the Subsidiary Guarantors set forth in the first sentence of Section 3.01 (solely with respect to the Borrowers and the Subsidiary Guarantors), Section 3.02 (solely with respect to the Borrowers and the Subsidiary Guarantors), Section 3.03(b) (solely with respect to no violation of the organizational documents of the Borrowers or any Subsidiary Guarantor), Sections 3.08, 3.12, 3.16(c), 3.18 (solely with respect to the Borrowers and the Subsidiary Guarantors and subject to the Omega Closing Date Limited Conditionality Provision) and the penultimate sentence of Section 3.19 of this Agreement.

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

“Standard Securitization Undertakings” means representations, warranties, covenants, repurchase obligations, guarantees of performance and indemnities entered into by the Company or any Subsidiary in connection with a Permitted Receivables Facility that the Company has determined in good faith are customary for a seller or servicer in a non-recourse accounts



receivable transaction, excluding for the avoidance of doubt, obligations that constitute credit recourse.

“Statutory Reserve Rate” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentage (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject with respect to the Adjusted EURIBO Rate or the Adjusted TIBO Rate, as applicable, for eurocurrency funding (currently referred to as “Eurocurrency liabilities” in Regulation D) or any other reserve ratio or analogous requirement of any central banking or financial regulatory authority imposed in respect of the maintenance of the Commitments or the funding of the Loans. Such reserve percentage shall include those imposed pursuant to Regulation D. Term Benchmark Loans for which the associated Benchmark is adjusted by reference to the Statutory Reserve Rate (per the related definition of such Benchmark) shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“Subordinated Indebtedness” means any Indebtedness of the Company or any Subsidiary, the payment of which is subordinated to payment of the Secured Obligations in a manner reasonably acceptable to the Administrative Agent (such acceptance not to be unreasonably withheld, delayed or conditioned).

“Subordinated Indebtedness Documents” means any document, agreement or instrument evidencing any Subordinated Indebtedness or entered into in connection with any Subordinated Indebtedness.

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

“Subsidiary” means any subsidiary of the Company.

“Subsidiary Guarantor” means each Domestic Subsidiary Guarantor and each Dutch Subsidiary Guarantor. The Subsidiary Guarantors on the Effective Date are identified as such in Schedule 3.01 hereto.

“Subsidiary Guaranty” means that certain Fourth Amended and Restated Guaranty dated as of the Effective Date (including any and all supplements thereto) and executed by each Subsidiary Guarantor party thereto, and, in the case of any guaranty by a Foreign Subsidiary, any other guaranty agreements executed by a Dutch Subsidiary Guarantor for the benefit of the Administrative Agent and the other Holders of Secured Obligations, in each case as amended, restated, supplemented or otherwise modified from time to time.

“Substantial Portion” means Property which represents more than 10% of the Consolidated Total Assets of the Company or Property which is responsible for more than 10% of the consolidated net sales or of the Consolidated Net Income of the Company, in each case, as would be shown in the consolidated financial statements of the Company as at the beginning of the four-quarter period ending with the quarter in which such determination is made (or if financial statements have not been delivered hereunder for that quarter which begins the four quarter period, then the financial statements delivered hereunder for the quarter ending immediately prior to that quarter).

“Supported QFC” has the meaning assigned to it in Section 9.19.

“Swap Agreement” means any transaction (including an agreement with respect thereto) now existing or hereafter entered into by the Company or any Subsidiary which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.

“Swap Obligations” means any and all obligations of the Company or any Subsidiary, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Swap Agreements permitted hereunder with a Lender or an Affiliate of a Lender, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any such Swap Agreement transaction.

“Swingline Exposure” means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Revolving Lender at any time shall be the sum of (a) its Applicable Percentage of the aggregate principal amount of all Swingline Loans outstanding at such time (excluding, in the case of any Revolving Lender that is a Swingline Lender, Swingline Loans made by it that are outstanding at such time to the extent that the other Revolving Lenders shall not have funded their participations in such Swingline Loans), adjusted to give effect to any reallocation under Section 2.24 of the Swingline Exposure of Defaulting Lenders in effect at such time, and (b) in the case of any Revolving Lender that is a Swingline Lender, the aggregate principal amount of all Swingline Loans made by such Revolving Lender outstanding at such time, less the amount of participations funded by the other Revolving Lenders in such Swingline Loans.

“Swingline Lender” means JPMorgan Chase Bank, N.A., in its capacity as the lender of Swingline Loans hereunder.

“Swingline Loan” means a Loan made pursuant to Section 2.05.

“Swiss Franc” or “CHF” means the lawful currency of Switzerland.

“TARGET2” shall mean the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on November 19, 2007.

“TARGET Day” shall mean any day on which TARGET2 (or, if such payment system ceases to be operative, such other payment system, if any, reasonably determined by the Administrative Agent to be a suitable replacement) is open for the settlement of payments in euro.

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

“Term Benchmark”, when used in reference to any Loan or Borrowing, means that such Loan, or the Loans comprising such Borrowing, bears interest at a rate determined by reference to the Adjusted Term SOFR Rate, the Adjusted EURIBO Rate or the Adjusted TIBO Rate.

“Term Lender” means, as of any date of determination, each Lender having a Term Loan Commitment or that holds Term Loans.

“Term Loan Availability Period” means the period beginning on the Effective Date and ending on (and including) the Term Loan Commitment Expiration Date.

“Term Loan Commitment” means (a) with respect to any Term Lender, the amount set forth on Schedule 2.01 opposite such Term Lender’s name under the heading “Term Loan Commitment”, or in the Assignment and Assumption or other documentation or record (as such term is defined in Section 9-102(a)(70) of the New York Uniform Commercial Code) contemplated hereby pursuant to which such Term Lender shall have assumed its Term Loan Commitment, as applicable, and giving effect to (i) any reduction in such amount from time to time pursuant to Section 2.09 and (ii) any reduction or increase in such amount from time to time pursuant to assignments by or to such Term Lender pursuant to Section 9.04 and (b) as to all Term Lenders, the aggregate commitments of all Term Lenders to make Term Loans. After advancing the Term Loan, each reference to a Term Lender’s Term Loan Commitment shall refer to that Term Lender’s Applicable Percentage of the Term Loans. The initial aggregate amount of the Term Loan Commitments on the Effective Date is \$300,000,000.

“Term Loan Commitment Expiration Date” means the earliest of (i) 11:59 p.m., New York City time, five Business Days after the Termination Date (as defined in the Omega Purchase Agreement as in effect on September 19, 2021, and as such Termination Date may be extended pursuant to the final paragraph of Section 8.1 of the Omega Purchase Agreement as in effect on September 19, 2021), (ii) the closing of the Omega Acquisition with or without the use of the Omega Closing Date Loans and (iii) the termination of the Omega Purchase Agreement in accordance with the terms thereof prior to closing of the Omega Acquisition or the termination by the Company of the Company’s (or any of the Company’s Affiliates’) obligations under the Omega Purchase Agreement to consummate the Omega Acquisition in accordance with the terms thereof.

“Term Loan Maturity Date” means November 1, 2026, as extended (in the case of each Term Lender consenting thereto) pursuant to Section 2.25; provided, however, in each case, if such date is not a Business Day, the Term Loan Maturity Date shall be the next preceding Business Day.

“Term Loans” means the term loans made by the Term Lenders to the Company pursuant to Section 2.01(b).

“Term SOFR Determination Day” has the meaning assigned to it under the definition of Term SOFR Reference Rate.

“Term SOFR Rate” means, with respect to any Term Benchmark Borrowing denominated in Dollars and for any tenor comparable to the applicable Interest Period, the Term SOFR Reference Rate at approximately 5:00 a.m., Chicago time, two U.S. Government Securities Business Days prior to the commencement of such tenor comparable to the applicable Interest Period, as such rate is published by the CME Term SOFR Administrator.

“Term SOFR Reference Rate” means, for any day and time (such day, the “Term SOFR Determination Day”), with respect to any Term Benchmark Borrowing denominated in Dollars and for any tenor comparable to the applicable Interest Period, the rate per annum published by the CME Term SOFR Administrator and identified by the Administrative Agent as the forward-looking term rate based on SOFR. If by 5:00 p.m. (New York City time) on such Term SOFR Determination Day, the “Term SOFR Reference Rate” for the applicable tenor has not been published by the CME Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Rate has not occurred, then, so long as such day is otherwise a U.S. Government Securities Business Day, the Term SOFR Reference Rate for such Term SOFR Determination Day will be the Term SOFR Reference Rate as published in respect of the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate was published by the CME Term SOFR Administrator, so long as such first preceding U.S. Government Securities Business Day is not more than five (5) U.S. Government Securities Business Days prior to such Term SOFR Determination Day.

“TIBO Rate” means, with respect to any Term Benchmark Borrowing denominated in Japanese Yen and for any Interest Period, the TIBO Screen Rate two (2) Business Days prior to the commencement of such Interest Period.

“TIBO Screen Rate” means the Tokyo interbank offered rate administered by the Ippan Shadan Hojin JBA TIBOR Administration (or any other person which takes over the administration of such rate) for Japanese Yen for the relevant period displayed on page DTIBOR01 of the Reuters screen (or, in the event such rate does not appear on such Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate as selected by the Administrative Agent from time to time in its reasonable discretion) as published at approximately 1:00 p.m., Japan time, two (2) Business Days prior to the commencement of such Interest Period.

“Total Revolving Credit Exposure” means, at any time, the sum of (a) the outstanding principal amount of the Revolving Loans and Swingline Loans at such time and (b) the total LC Exposure at such time.

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

“Transactions” means the execution, delivery and performance by the Loan Parties of this Agreement and the other Loan Documents, the borrowing of Loans and other credit extensions, the use of the proceeds thereof, and the issuance of Letters of Credit hereunder.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted Term SOFR Rate, the Adjusted EURIBO Rate, the Adjusted TIBO Rate, the Adjusted Daily Simple RFR, the Alternate Base Rate, the Japanese Prime Rate or the Central Bank Rate.



“UCC” means the Uniform Commercial Code as in effect from time to time in the State of New York or any other state the laws of which are required to be applied in connection with the issue of perfection of security interests.

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

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

“Unfunded Commitment” means, with respect to each Lender, the Commitment of such Lender less its Revolving Credit Exposure.

“United States” or “U.S.” mean the United States of America.

“Unliquidated Obligations” means, at any time, any Secured Obligations (or portion thereof) that are contingent in nature or unliquidated at such time, including any Secured Obligation that is: (i) an obligation to reimburse a bank for drawings not yet made under a letter of credit issued by it; (ii) any other obligation (including any guarantee) that is contingent in nature at such time; or (iii) an obligation to provide collateral to secure any of the foregoing types of obligations.

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

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

“U.S. Special Resolution Regime” has the meaning assigned to it in Section 9.19.

“U.S. Tax Compliance Certificate” has the meaning set forth in Section 2.17(e).

“Weighted Average Life to Maturity” means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (i) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment by (ii) the then outstanding principal amount of such Indebtedness; *provided* that for purposes of determining the Weighted Average Life to Maturity of any Indebtedness that is being modified, refinanced, refunded, renewed, replaced or extended (the “Applicable Indebtedness”), the effect of any prepayments made on such Applicable Indebtedness prior to the date of the applicable modification, refinancing, refunding, renewal, replacement or extension shall be disregarded.



“Wholly-Owned” means, when used in reference to a subsidiary of any Person, that all the Equity Interests in such subsidiary (other than directors’ qualifying shares and other nominal amounts of Equity Interests that are required to be held by other Persons under applicable law) are owned, beneficially and of record, by such Person, another wholly-owned subsidiary of such Person or any combination thereof.

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

“Write-Down and Conversion Powers” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

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

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. The word “law” shall be construed as referring to all statutes, rules, regulations, codes and other laws (including official rulings and interpretations thereunder having the force of law), and all judgments, orders and decrees, of all Governmental Authorities. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (b) any definition of or reference to any law, statute, rule or regulation shall, unless otherwise specified, be construed as referring thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor laws), (c) any reference herein to any Person shall be construed to include such Person’s successors and assigns (subject to any restrictions on assignment set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof, (d) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (f) the words “asset” and “property” shall be construed to have the same meaning and

effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein (including the definitions of Capitalized Lease and Capitalized Lease Obligations), all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Company notifies the Administrative Agent that the Company requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Company that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made (i) without giving effect to any election under Financial Accounting Standards Board Accounting Standards Codification 825 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Company or any Subsidiary at “fair value”, as defined therein and (ii) without giving effect to any treatment of Indebtedness under Accounting Standards Codification 470-20 or 2015-03 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof. Notwithstanding anything to the contrary contained in this Section 1.04 or in the definition of “Capitalized Lease Obligations,” any change in accounting for leases before or after the date hereof pursuant to GAAP resulting from the adoption of Financial Accounting Standards Board Accounting Standards Update No. 2016-02, Leases (Topic 842) (“FAS 842”), to the extent such adoption would require treating any lease (or similar arrangement conveying the right to use) as a capital lease where such lease (or similar arrangement) would not have been required to be so treated under GAAP as in effect on December 31, 2015, such lease shall not be considered a capital lease, and all calculations and deliverables under this Agreement or any other Loan Document shall be made or delivered, as applicable, in accordance therewith.

SECTION 1.05. Amendment and Restatement of the Existing Credit Agreement. The parties to this Agreement agree that, upon (i) the execution and delivery by each of the parties hereto of this Agreement and (ii) satisfaction of the conditions set forth in Section 4.01, the terms and provisions of the Existing Credit Agreement shall be and hereby are amended, superseded and restated in their entirety by the terms and provisions of this Agreement. This Agreement is not intended to and shall not constitute a novation. All Loans made and Obligations incurred under the Existing Credit Agreement which are outstanding on the Effective Date shall continue as Loans and Obligations under (and, as of the Effective Date, shall be governed by the terms of) this Agreement and the other Loan Documents. Without limiting the foregoing, upon the effectiveness hereof: (a) all references in the “Loan Documents” (as defined in the Existing Credit Agreement) to the “Administrative Agent”, the “Credit Agreement” and the “Loan Documents” shall be deemed to refer to the Administrative Agent, this Agreement and the Loan Documents, (b) the Existing Letters of Credit which remain outstanding on the Effective Date shall continue as Letters of Credit under (and, as of the Effective Date, shall be governed by the terms of) this Agreement, (c) all obligations constituting “Obligations” with any Lender or any Affiliate of any Lender which are outstanding on the Effective Date shall continue as Obligations under this Agreement and the other Loan Documents, (d) the Administrative Agent shall make such reallocations, sales, assignments or other relevant actions in respect of each Lender’s credit exposure under the Existing Credit Agreement as are necessary in order that each such Lender’s Revolving Credit Exposure and outstanding Revolving

Loans hereunder reflect such Lender's Applicable Percentage of the outstanding aggregate Revolving Exposures on the Effective Date and (e) the Company hereby agrees to compensate each Lender for any and all losses, costs and expenses incurred by such Lender in connection with the sale and assignment of any Eurocurrency Loans (as defined in this Agreement as of the Effective Date) (including the "Eurocurrency Loans" under the Existing Credit Agreement) and such reallocation described above, in each case on the terms and in the manner set forth in Section 2.16 of this Agreement as of the Effective Date.

SECTION 1.06. Interest Rates; Benchmark Notification. The interest rate on a Loan denominated in Dollars or a Foreign Currency may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform. Upon the occurrence of a Benchmark Transition Event, Section 2.14(b) provides a mechanism for determining an alternative rate of interest. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission, performance or any other matter related to any interest rate used in this Agreement, or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the existing interest rate being replaced or have the same volume or liquidity as did any existing interest rate prior to its discontinuance or unavailability. The Administrative Agent and its affiliates and/or other related entities may engage in transactions that affect the calculation of any interest rate used in this Agreement or any alternative, successor or alternative rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Company. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any interest rate used in this Agreement, any component thereof, or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Company, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

SECTION 1.07. Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of its Equity Interests at such time.

SECTION 1.08. Pro Forma Adjustments for Acquisitions and Dispositions. To the extent the Company or any Subsidiary makes any Acquisition or Investment permitted pursuant to Section 6.04 or disposition of assets outside the ordinary course of business permitted by Section 6.03 during the period of four Fiscal Quarters of the Company most recently ended, the Leverage Ratio, the First Lien Leverage Ratio and Interest Coverage Ratio, and any other financial covenant or definition, shall be calculated after giving Pro Forma effect thereto, as if such Acquisition or Investment or such disposition (and any related incurrence, repayment or assumption of Indebtedness) had occurred in the first day of such four Fiscal Quarter period.

SECTION 1.09. Certain Calculations. For purposes of calculating any "net" ratio test utilized in any debt incurrence test (including any amounts permitted to be incurred pursuant to Section 2.20), such ratio shall be calculated after giving effect to any such incurrence on a Pro Forma Basis, and, in each case, with respect to any revolving credit commitments being established utilizing a debt

incurrence test (including any Incremental Revolving Commitment), assuming a borrowing of the maximum amount of such revolving credit commitment (but for the avoidance of doubt, no other previously established revolving commitment), and such calculation shall be made excluding the cash proceeds from such incurrence from the amount of cash and Cash Equivalents that may be netted in the calculation of pro forma Leverage Ratio or First Lien Leverage Ratio, as applicable.

SECTION 1.10. Exchange Rates; Currency Equivalents.

(a) The Administrative Agent or the Issuing Bank, as applicable, shall determine the Dollar Amount of Borrowings or Letters of Credit denominated in Foreign Currencies on each Computation Date. Such Dollar Amount shall become effective as of such Computation Date and shall be the Dollar Amount of such amounts until the next Computation Date to occur. Except for purposes of financial statements delivered by the Company hereunder or calculating financial covenants hereunder or except as otherwise provided herein, the applicable amount of any Agreed Currency (other than Dollars) for purposes of the Loan Documents shall be such Dollar Amount as so determined by the Administrative Agent or the Issuing Bank, as applicable.

(b) Wherever in this Agreement in connection with a Borrowing, conversion, continuation or prepayment of a Term Benchmark Loan or an RFR Loan or the issuance, amendment or extension of a Letter of Credit, an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such Borrowing, Loan or Letter of Credit is denominated in a Foreign Currency, such amount shall be the Dollar Amount of such amount (rounded to the nearest unit of such Foreign Currency, with 0.5 of a unit being rounded upward), as determined by the Administrative Agent or the Issuing Bank, as the case may be.

ARTICLE II       

The Credits

SECTION 2.01. Commitments. Prior to the Effective Date, certain loans were previously made to the Borrowers under the Existing Credit Agreement which remain outstanding as of the date of this Agreement (such outstanding loans being hereinafter referred to as the “Existing Loans”). Subject to the terms and conditions set forth in this Agreement, the Borrowers and each of the Lenders agree that on the Effective Date but subject to the satisfaction of the conditions precedent set forth in Section 4.01 and the reallocation and other transactions described in Section 1.05, the Existing Loans shall, as of the Effective Date, be reevidenced as Revolving Loans under this Agreement and the terms of the Existing Loans shall be restated in their entirety and shall be evidenced by this Agreement. Subject to the terms and conditions set forth herein, (a) each Revolving Lender (severally and not jointly) agrees to make Revolving Loans to the Borrowers in Agreed Currencies from time to time during the Revolving Credit Availability Period in an aggregate principal amount that will not result (after giving effect to any application of proceeds of such Borrowing to any Swingline Loans outstanding pursuant to Section 2.10(a)) in, subject to Sections 2.04 and 2.11(b), (i) the Dollar Amount of such Lender’s Revolving Credit Exposure exceeding such Lender’s Revolving Commitment, (ii) the Dollar Amount of the Total Revolving Credit Exposure exceeding the aggregate Revolving Commitments, (iii) the Dollar Amount of the total outstanding Revolving Loans and LC Exposure, in each case denominated in Foreign Currencies, exceeding the Foreign Currency Sublimit or (iv) the total Revolving Credit Exposures in respect of Foreign Subsidiary Borrowers exceeding the Foreign Subsidiary Borrower Sublimit and (b) each Term Lender with a Term Loan Commitment (severally and not jointly) agrees to make a Term Loan to the Company in Dollars in a single drawing during the Term Loan Availability Period on the Omega Closing Date, in an amount equal to such Lender’s Term Loan Commitment by making immediately available funds available to the Administrative Agent’s designated account, not later than the time specified by the



Administrative Agent. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrowers may borrow, prepay and reborrow Revolving Loans. Amounts repaid or prepaid in respect of Term Loans may not be reborrowed.

SECTION 2.02. Loans and Borrowings. (a) Each Loan (other than a Swingline Loan) shall be made as part of a Borrowing consisting of Loans of the same Class and Type made by the applicable Lenders ratably in accordance with their respective Commitments of the applicable Class. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required. Any Swingline Loan shall be made in accordance with the procedures set forth in Section 2.05. The Term Loans shall amortize as set forth in Section 2.10.

(b) Subject to Section 2.14, each Borrowing shall be comprised (i) in the case of Borrowings in Dollars, entirely of ABR Loans or Term Benchmark Loans and (ii) in the case of Borrowings in any other Agreed Currency, entirely of Term Benchmark Loans or RFR Loans, as applicable, in each case of the same Agreed Currency, as the relevant Borrower may request in accordance herewith; provided that each ABR Loan shall only be made in Dollars. Each Swingline Loan shall be an ABR Loan. Each Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan (and in the case of an Affiliate, the provisions of Sections 2.14, 2.15, 2.16 and 2.17 shall apply to such Affiliate to the same extent as to such Lender); provided that any exercise of such option shall not affect the obligation of the relevant Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Term Benchmark Revolving Borrowing that is made to the Company, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 (or, if such Borrowing is denominated in (i) Japanese Yen, JPY100,000,000 or (ii) a Foreign Currency other than Japanese Yen, 1,000,000 units of such currency) and not less than \$3,000,000 (or, if such Borrowing is denominated in (i) Japanese Yen, JPY300,000,000 or (ii) a Foreign Currency other than Japanese Yen, 3,000,000 units of such currency). Subject to paragraph (e) of this Section, at the commencement of each Interest Period for any Term Benchmark Revolving Borrowing that is made to a Foreign Subsidiary Borrower, such Borrowing shall be in an aggregate amount that is an integral multiple of \$100,000 (or, if such Borrowing is denominated in (i) Japanese Yen, JPY10,000,000 or (ii) a Foreign Currency other than Japanese Yen, 100,000 units of such currency) and not less than \$100,000 (or, if such Borrowing is denominated in (i) Japanese Yen, JPY10,000,000 or (ii) a Foreign Currency other than Japanese Yen, 100,000 units of such currency). At the time that each ABR Revolving Borrowing and/or RFR Borrowing is made, such Borrowing shall be in an aggregate Dollar Amount that is an integral multiple of \$500,000 and not less than \$1,000,000; provided that an ABR Revolving Borrowing may be in an aggregate amount that is equal to the entire unused balance of the aggregate Revolving Commitments or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e). Each Swingline Loan shall be in an amount that is an integral multiple of \$500,000 and not less than \$500,000. Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of eight (8) Term Benchmark Borrowings or RFR Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, no Borrower shall be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the applicable Maturity Date.

(e) An initial Borrowing from any Lender, and (to the extent before such initial Borrowing) any initial Letter of Credit issued under Section 2.06 by the Issuing Bank, to any Borrower

that is organized under the laws of the Netherlands shall at all times be provided by a Lender that is a Dutch Non-Public Lender.

SECTION 2.03. Requests for Borrowings. To request a Borrowing, the applicable Borrower, or the Company on behalf of the applicable Borrower, shall notify the Administrative Agent of such request by irrevocable written notice (via a written Borrowing Request signed by the applicable Borrower, or the Company on behalf of the applicable Borrower) (a)(i) in the case of a Term Benchmark Borrowing denominated in Dollars, not later than 12:00 noon, New York City time, three (3) U.S. Government Securities Business Days before the date of the proposed Borrowing, (ii) in the case of a Term Benchmark Borrowing denominated in euro or Japanese Yen, not later than 12:00 noon, New York City time, three (3) Business Days before the date of the proposed Borrowing, (iii) in the case of an RFR Borrowing denominated in Pounds Sterling, not later than 11:00 a.m., New York City time, five (5) RFR Business Days before the date of the proposed Borrowing and (iv) in the case of an RFR Borrowing denominated in Swiss Francs, not later than 11:00 a.m., New York City time, five (5) RFR Business Days before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing, not later than 11:00 a.m., Chicago time, on the Business Day of the proposed Borrowing; provided that any such notice of an ABR Revolving Borrowing to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e) may be given not later than 10:00 a.m., Chicago time, on the date of the proposed Borrowing. Each Borrowing Request to fund an Acquisition permitted hereunder or other transaction may be conditioned upon such Acquisition or transaction, provided that any such conditioning shall not avoid any payment that may be owed under Section 2.16. Each such Borrowing Request shall specify the following information in compliance with Section 2.02:

- (i) the name of the applicable Borrower;
- (ii) the Agreed Currency and aggregate principal amount of the requested Borrowing;
- (iii) the date of such Borrowing, which shall be a Business Day;
- (iv) whether such Borrowing is to be an ABR Borrowing, a Term Benchmark Borrowing or an RFR Borrowing, and whether such Borrowing is to be a Revolving Borrowing or a Term Loan Borrowing;
- (v) in the case of a Term Benchmark Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term “Interest Period”; and
- (vi) the location and number of the applicable Borrower’s account to which funds are to be disbursed, which shall comply with the requirements of Section 2.07.

If no election as to the currency of a Borrowing is specified, then the requested Borrowing shall be made in Dollars. If no election as to the Type of Borrowing is specified, then, in the case of a Borrowing denominated in Dollars, the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Term Benchmark Borrowing, then the relevant Borrower shall be deemed to have selected an Interest Period of one (1) month’s duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender’s Loan to be made as part of the requested Borrowing. Notwithstanding anything to the contrary in this Section 2.03, any request for Omega Closing

Date Loans to be made on the Omega Closing Date may be conditioned upon the consummation of the Omega Acquisition on such date.

SECTION 2.04. Determination of Dollar Amounts. The Administrative Agent or the Issuing Bank, as applicable, will determine the Dollar Amount of:

(a) any Loan denominated in a Foreign Currency, on each of the following: (i) the date of the Borrowing of such Loan and (ii)(A) with respect to any Term Benchmark Loan, each date of a conversion or continuation of such Loan pursuant to the terms of this Agreement and (B) with respect to any RFR Loan, each date that is on the numerically corresponding day in each calendar month that is one month after the Borrowing of such Loan (or, if there is no such numerically corresponding day in such month, then the last day of such month),

(b) any Letter of Credit denominated in a Foreign Currency, on each of the following: (i) the date on which such Letter of Credit is issued, (ii) the first Business Day of each calendar month and (iii) the date of any amendment of such Letter of Credit that has the effect of increasing the face amount thereof, and

(c) any Credit Event, on any additional date as the Administrative Agent may determine at any time when an Event of Default exists.

Each day upon or as of which the Administrative Agent (or the Issuing Bank, as applicable) determines Dollar Amounts as described in the preceding clauses (a), (b) and (c) is herein described as a “Computation Date” with respect to each Credit Event for which a Dollar Amount is determined on or as of such day.

SECTION 2.05. Swingline Loans. (b) Subject to the terms and conditions set forth herein, the Swingline Lender may agree, but shall have no obligation, to make Swingline Loans in Dollars to the Company from time to time during the Revolving Credit Availability Period, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding Swingline Loans exceeding \$30,000,000, (ii) the Swingline Lender’s Revolving Credit Exposure exceeding its Revolving Commitment or (iii) the Dollar Amount of the Total Revolving Credit Exposure exceeding the aggregate Revolving Commitments; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Company may borrow, prepay and reborrow Swingline Loans.

(b) To request a Swingline Loan, the Company shall notify the Administrative Agent of such request by irrevocable written notice (via a written Borrowing Request in a form approved by the Administrative Agent and signed by the Company), not later than 12:00 noon, Chicago time, on the day of a proposed Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from the Company. The Swingline Lender shall make each Swingline Loan available to the Company by means of a credit to an account of the Company with the Administrative Agent designated for such purpose (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e), by remittance to the Issuing Bank) by 3:00 p.m., Chicago time, on the requested date of such Swingline Loan.

(c) The Swingline Lender may by written notice given to the Administrative Agent require the Revolving Lenders to acquire participations in all or a portion of the Swingline Loans

outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which Revolving Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Revolving Lender, specifying in such notice such Revolving Lender's Applicable Percentage of such Swingline Loan or Loans. Each Revolving Lender hereby absolutely and unconditionally agrees, promptly upon receipt of such notice from the Administrative Agent (and in any event, if such notice is received by 11:00 a.m., Chicago time, on a Business Day, no later than 4:00 p.m., Chicago time, on such Business Day and if received after 11:00 a.m., Chicago time, on a Business Day, no later than 9:00 a.m., Chicago time, on the immediately succeeding Business Day), to pay to the Administrative Agent, for the account of the Swingline Lender, such Revolving Lender's Applicable Percentage of such Swingline Loan or Loans. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Revolving Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Revolving Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.07 with respect to Loans made by such Revolving Lender (and Section 2.07 shall apply, *mutatis mutandis*, to the payment obligations of the Revolving Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Revolving Lenders. The Administrative Agent shall notify the Company of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Company (or other party on behalf of the Company) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Revolving Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear; provided that any such payment so remitted shall be repaid to the Swingline Lender or to the Administrative Agent, as applicable, if and to the extent such payment is required to be refunded to the Company for any reason. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve the Company of any default in the Company's repayment of such Swingline Loan.

(d) The Swingline Lender may be replaced at any time by written agreement among the Company, the Administrative Agent, the replaced Swingline Lender and the successor Swingline Lender. The Administrative Agent shall notify the Revolving Lenders of any such replacement of the Swingline Lender. At the time any such replacement shall become effective, the Company shall pay all unpaid interest accrued for the account of the replaced Swingline Lender pursuant to Section 2.13(a). From and after the effective date of any such replacement, (i) the successor Swingline Lender shall have all the rights and obligations of the replaced Swingline Lender under this Agreement with respect to Swingline Loans made thereafter and (ii) references herein to the term "Swingline Lender" shall be deemed to refer to such successor or to any previous Swingline Lender, or to such successor and all previous Swingline Lenders, as the context shall require. After the replacement of a Swingline Lender hereunder, the replaced Swingline Lender shall remain a party hereto and shall continue to have all the rights and obligations of a Swingline Lender under this Agreement with respect to Swingline Loans made by it prior to its replacement to the extent such Swingline Loans remain outstanding, but shall not be required to make additional Swingline Loans.

(e) Subject to the appointment and acceptance of a successor Swingline Lender, the Swingline Lender may resign as a Swingline Lender at any time upon thirty (30) days' prior written



notice to the Administrative Agent, the Company and the Revolving Lenders, in which case, such Swingline Lender shall be replaced in accordance with Section 2.05(d) above.

SECTION 2.06. Letters of Credit. (c) General. Subject to the terms and conditions set forth herein, the Company may request the issuance of Letters of Credit denominated in Agreed Currencies for its own account or any Subsidiary, in a form reasonably acceptable to the Issuing Bank, at any time and from time to time during the Revolving Credit Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any Letter of Credit Agreement, the terms and conditions of this Agreement shall control; provided, however, if the Issuing Bank is requested to issue Letters of Credit with respect to a jurisdiction the Issuing Bank deems, in its reasonable judgment, may at any time subject it to a New Money Credit Event or a Country Risk Event, the Company shall, at the request of the Issuing Bank, guaranty and indemnify the Issuing Bank against any and all costs, liabilities and losses to the extent resulting from such New Money Credit Event or Country Risk Event, in each case in a form and substance reasonably satisfactory to the Issuing Bank. The letters of credit identified on Schedule 2.06 (the “Existing Letters of Credit”) shall be deemed to be “Letters of Credit” issued on the Effective Date for all purposes of the Loan Documents, except that the Issuing Bank shall not collect any issuance or fronting fee or similar compensation with respect to the deemed issuance thereof on the Effective Date. Notwithstanding anything herein to the contrary, the Issuing Bank shall have no obligation hereunder to issue any Letter of Credit if (i) any binding order, judgment or decree of any Governmental Authority or arbitrator shall by its terms enjoin or restrain the Issuing Bank from issuing such Letter of Credit, or any law applicable to the Issuing Bank shall prohibit, or require that the Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Bank is not otherwise compensated hereunder) not in effect on the Effective Date, or shall impose upon the Issuing Bank any unreimbursed loss, cost or expense that was not applicable on the Effective Date (for which the Issuing Bank is not otherwise compensated hereunder) and that the Issuing Bank in good faith deems material to it or (ii) the issuance of such Letter of Credit would violate one or more policies of the Issuing Bank applicable to letters of credit generally.

(b) Notice of Issuance, Amendment, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment or extension of an outstanding Letter of Credit), the Company shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the Issuing Bank) to the Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment or extension, but in any event no less than three (3) Business Days or such shorter time period as agreed to by the Issuing Bank) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended or extended, and specifying the date of issuance, amendment or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the Agreed Currency applicable thereto, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend or extend such Letter of Credit. In addition, if requested by the Issuing Bank as a condition to any such Letter of Credit issuance, the Company shall have entered into a continuing agreement (or other letter of credit agreement) for the issuance of letters of credit and/or shall submit a letter of credit application, in each case, as required by the Issuing Bank and using the Issuing Bank’s standard form (each, a “Letter of Credit Agreement”). A Letter of Credit shall be issued, amended or extended only if (and upon issuance, amendment or extension of each Letter of Credit the Company shall be deemed to represent and warrant that), after giving effect to such issuance, amendment or extension subject to Sections 2.04 and 2.11(b), (i) the Dollar Amount of the LC Exposure shall not exceed \$100,000,000, (ii) the Dollar Amount of the Total Revolving Credit Exposure shall not exceed the aggregate Revolving Commitments, (iii) the Dollar Amount of each Lender’s Revolving Credit Exposure shall not exceed such Lender’s Revolving

Commitment, (iv) the Dollar Amount of the total outstanding Revolving Loans and LC Exposure, in each case denominated in Foreign Currencies, shall not exceed the Foreign Currency Sublimit and (v) the total Revolving Credit Exposures in respect of Foreign Subsidiary Borrowers shall not exceed the Foreign Subsidiary Borrower Sublimit.

(c) Expiration Date. Each Letter of Credit shall expire (or be subject to termination by notice from the Issuing Bank to the beneficiary thereof) at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any extension of the expiration thereof, one year after such extension); provided that, subject to the immediately succeeding clause (ii), any Letter of Credit with a one-year tenor may provide for the extension thereof for additional one-year periods at the option of the relevant Borrower and (ii) the date that is thirty (30) days prior to the Revolving Credit Maturity Date. Notwithstanding the foregoing, any Letter of Credit may expire no later than one year after the Revolving Credit Maturity Date so long as the Company cash collateralizes an amount equal to 105% of the face amount of such Letter of Credit by the date that is thirty (30) days prior to the Revolving Credit Maturity Date, in the manner described in Section 2.06(j) and otherwise on terms and conditions reasonably acceptable to the Issuing Bank and the Administrative Agent.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing Bank or the Lenders, the Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from the Issuing Bank, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank, such Lender's Applicable Percentage of each LC Disbursement made by the Issuing Bank and not reimbursed by the Company on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Company for any reason, including after the Revolving Credit Maturity Date. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If the Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Company shall reimburse such LC Disbursement by paying to the Administrative Agent in Dollars the Dollar Amount equal to such LC Disbursement, calculated as of the date the Issuing Bank made such LC Disbursement (or if the Issuing Bank shall so elect in its sole discretion by notice to the Company, in such other Agreed Currency which was paid by the Issuing Bank pursuant to such LC Disbursement in an amount equal to such LC Disbursement) not later than 12:00 noon, Local Time, on the date that such LC Disbursement is made, if the Company shall have received notice of such LC Disbursement prior to 10:00 a.m., Local Time, on such date, or, if such notice has not been received by the Company prior to 10:00 a.m., Local Time on such date, then not later than 12:00 noon, Local Time, on the Business Day immediately following the day that the Company receives such notice; provided that, if such LC Disbursement is not less than the Dollar Amount of \$1,000,000, the Company may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 or 2.05 that such payment be financed with (i) to the extent such LC Disbursement was made in Dollars, an ABR Revolving Borrowing, Term Benchmark Revolving Borrowing or Swingline Loan in Dollars in an amount equal to such LC Disbursement or (ii) to the extent that such LC Disbursement was made in a Foreign Currency, a Term Benchmark Revolving Borrowing or an RFR Revolving Borrowing in such Foreign Currency in an amount equal to such LC Disbursement and, in

each case, to the extent so financed, the Company's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Borrowing, Term Benchmark Revolving Borrowing, RFR Revolving Borrowing or Swingline Loan, as applicable. If the Company fails to make such payment when due, the Administrative Agent shall notify each Revolving Lender of the applicable LC Disbursement, the payment then due from the Company in respect thereof and such Revolving Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Revolving Lender shall pay to the Administrative Agent its Applicable Percentage of the payment then due from the Company, in the same manner as provided in Section 2.07 with respect to Loans made by such Revolving Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Revolving Lenders), and the Administrative Agent shall promptly pay to the Issuing Bank the amounts so received by it from the Revolving Lenders. Promptly following receipt by the Administrative Agent of any payment from the Company pursuant to this paragraph, the Administrative Agent shall distribute such payment to the Issuing Bank or, to the extent that Revolving Lenders have made payments pursuant to this paragraph to reimburse the Issuing Bank, then to such Revolving Lenders and the Issuing Bank as their interests may appear. Any payment made by a Revolving Lender pursuant to this paragraph to reimburse the Issuing Bank for any LC Disbursement (other than the funding of Revolving Loans or a Swingline Loan as contemplated above) shall not constitute a Loan and shall not relieve the Company of its obligation to reimburse such LC Disbursement. If the Company's reimbursement of, or obligation to reimburse, any amounts in any Foreign Currency would subject the Administrative Agent, the Issuing Bank or any Revolving Lender to any stamp duty, ad valorem charge or similar tax that would not be payable if such reimbursement were made or required to be made in Dollars, the Company shall, at its option, either (x) pay the amount of any such tax requested by the Administrative Agent, the Issuing Bank or the relevant Revolving Lender or (y) reimburse each LC Disbursement made in such Foreign Currency in Dollars, in an amount equal to the Dollar Amount thereof calculated on the date such LC Disbursement is made.

(f) Obligations Absolute. The Company's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit, any Letter of Credit Agreement or this Agreement, or any term or provision therein or herein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) any payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Company's obligations hereunder or (v) any adverse change in the relevant exchange rates or in the availability of the relevant Foreign Currency to the Company or any Subsidiary or in the relevant currency markets generally. Neither the Administrative Agent, the Revolving Lenders nor the Issuing Bank, nor any of their respective Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms, any error in translation or any consequence arising from causes beyond the control of the Issuing Bank. Notwithstanding anything to the contrary in this paragraph, nothing herein shall be construed to excuse the Issuing Bank from liability to the Company to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Company to the extent permitted by applicable law) suffered by the Company that are caused by the Issuing Bank's failure to exercise care when determining whether drafts

and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The Issuing Bank shall, within the time allowed by applicable law or the specific terms of the applicable Letter of Credit following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall promptly after such examination notify the Administrative Agent and the Company by telephone (confirmed by telecopy or electronic mail) of such demand for payment and whether the Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Company of its obligation to reimburse the Issuing Bank and the Revolving Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If the Issuing Bank shall make any LC Disbursement, then, unless the Company shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Company reimburses such LC Disbursement, at the rate per annum then applicable to ABR Revolving Loans (or in the case such LC Disbursement is denominated in a Foreign Currency, at the Overnight Rate for such Agreed Currency plus the then effective Applicable Rate with respect to Term Benchmark Revolving Loans); provided that, if the Company fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.13(d) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the Issuing Bank, except that interest accrued on and after the date of payment by any Revolving Lender pursuant to paragraph (e) of this Section to reimburse the Issuing Bank for such LC Disbursement shall be for the account of such Revolving Lender to the extent of such payment.

(i) Replacement and Resignation of the Issuing Bank. (A) The Issuing Bank may be replaced at any time by written agreement among the Company, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Revolving Lenders of any such replacement of the Issuing Bank. At the time any such replacement shall become effective, the Company shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.12(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of the Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit then outstanding and issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit or extend or otherwise amend any existing Letter of Credit.

(B) Subject to the appointment and acceptance of a successor Issuing Bank, the Issuing Bank may resign as the Issuing Bank at any time upon thirty days' prior written notice to the



Administrative Agent, the Company and the Revolving Lenders, in which case, the resigning Issuing Bank shall be replaced in accordance with Section 2.06(i)(A) above.

(j) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Company receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Revolving Lenders with LC Exposure representing greater than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Company shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Revolving Lenders (the “LC Collateral Account”), an amount in cash equal to 105% of the Dollar Amount of the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that (i) the portions of such amount attributable to undrawn Foreign Currency Letters of Credit or LC Disbursements in a Foreign Currency that the Company is not late in reimbursing shall be deposited in the applicable Foreign Currencies in the actual amounts of such undrawn Letters of Credit and LC Disbursements and (ii) the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to any Borrower described in Section 7.01(h) or 7.01(i). For the purposes of this paragraph, the Dollar Amount of the Foreign Currency LC Exposure shall be calculated on the date notice demanding cash collateralization is delivered to the Company. The Company also shall deposit cash collateral pursuant to this paragraph as and to the extent required by Section 2.11(b). Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the Secured Obligations. In addition, and without limiting the foregoing or Section 2.06(c), if any LC Exposure remains outstanding after the expiration date specified in Section 2.06(c), the Company shall immediately deposit into the LC Collateral Account an amount in cash equal to 105% of the Dollar Amount of such LC Exposure as of such date plus any accrued and unpaid interest thereon. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account and the Company hereby grants the Administrative Agent a security interest in the LC Collateral Account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Company’s risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Bank for LC Disbursements for which it has not been reimbursed, together with related fees, costs and customary processing charges, and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Company for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Revolving Lenders with LC Exposure representing greater than 50% of the total LC Exposure), be applied to satisfy other Secured Obligations. If the Company is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Company within three (3) Business Days after all such Events of Default have been cured or waived.

(k) Conversion. In the event that the Revolving Loans become immediately due and payable on any date pursuant to Article VII, all amounts (i) that the Company is at the time or thereafter becomes required to reimburse or otherwise pay to the Administrative Agent in respect of LC Disbursements made under any Foreign Currency Letter of Credit (other than amounts in respect of which the Company has deposited cash collateral pursuant to paragraph (j) above, if such cash collateral was deposited in the applicable Foreign Currency to the extent so deposited or applied), (ii) that the Revolving Lenders are at the time or thereafter become required to pay to the Administrative Agent and the Administrative Agent is at the time or thereafter becomes required to distribute to the Issuing Bank pursuant to paragraph (e) of this Section in respect of unreimbursed LC Disbursements made under any Foreign Currency Letter of Credit and (iii) of each Revolving Lender’s participation in any Foreign Currency Letter of Credit under which an LC Disbursement has been made shall, automatically and with

no further action required, be converted into the Dollar Amount thereof on such date (or in the case of any LC Disbursement made after such date, on the date such LC Disbursement is made), of such amounts. On and after such conversion, all amounts accruing and owed to the Administrative Agent, the Issuing Bank or any Revolving Lender in respect of the obligations described in this paragraph shall accrue and be payable in Dollars at the rates otherwise applicable hereunder.

(l) Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the amount of such Letter of Credit available to be drawn at such time; provided that with respect to any Letter of Credit that, by its terms or the terms of any Letter of Credit Agreement related thereto, provides for one or more automatic increases in the available amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum amount is available to be drawn at such time.

(m) Letters of Credit Issued for Account of Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder supports any obligations of, or is for the account of, a Subsidiary, or states that a Subsidiary is the “account party,” “applicant,” “customer,” “instructing party,” or the like of or for such Letter of Credit, and without derogating from any rights of the Issuing Bank (whether arising by contract, at law, in equity or otherwise) against such Subsidiary in respect of such Letter of Credit, the Company (i) shall reimburse, indemnify and compensate the Issuing Bank hereunder for such Letter of Credit (including to reimburse any and all drawings thereunder) as if such Letter of Credit had been issued solely for the account of the Company and (ii) irrevocably waives any and all defenses that might otherwise be available to it as a guarantor or surety of any or all of the obligations of such Subsidiary in respect of such Letter of Credit (other than the defense of payment and performance in full in cash). The Company hereby acknowledges that the issuance of such Letters of Credit for its Subsidiaries inures to the benefit of the Company, and that the Company’s business derives substantial benefits from the businesses of such Subsidiaries.

SECTION 2.07. Funding of Borrowings. (d) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof (which shall be the Omega Closing Date in the case of the Term Loans) solely by wire transfer of immediately available funds (i) in the case of Loans denominated in Dollars, by 12:00 noon, Chicago time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders and (ii) in the case of each Loan denominated in a Foreign Currency, by 12:00 noon, Local Time, in the city of the Administrative Agent’s Foreign Currency Payment Office for such currency and at such Foreign Currency Payment Office for such currency; provided (i) Term Loans shall be made as provided in Section 2.01(b) and (ii) that Swingline Loans shall be made as provided in Section 2.05. Except in respect of the provisions of this Agreement covering the reimbursement of Letters of Credit, the Administrative Agent will make such Loans available to the relevant Borrower by promptly crediting the funds so received in the aforesaid account of the Administrative Agent to (x) an account of such Borrower maintained with the Administrative Agent in New York City or Chicago and designated by such Borrower in the applicable Borrowing Request, in the case of Loans denominated in Dollars and (y) an account of such Borrower in the relevant jurisdiction and designated by such Borrower in the applicable Borrowing Request, in the case of Loans denominated in a Foreign Currency; provided that Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e) shall be remitted by the Administrative Agent to the Issuing Bank.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing (or in the case of an ABR Borrowing, prior to 12:00 noon, Chicago time, on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender’s share of such Borrowing, the Administrative Agent may assume that

such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the relevant Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and such Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the applicable Overnight Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of such Borrower, the interest rate applicable to ABR Loans, or in the case of Foreign Currencies, in accordance with such market practice, in each case, as applicable. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.08. Interest Elections. (e) Each Borrowing initially shall be of the Type and Agreed Currency specified in the applicable Borrowing Request and, in the case of a Term Benchmark Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the relevant Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Term Benchmark Borrowing, may elect Interest Periods therefor, all as provided in this Section. A Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section, a Borrower, or the Company on its behalf, shall notify the Administrative Agent of such election (by irrevocable written notice via an Interest Election Request signed by such Borrower, or the Company on its behalf) by the time that a Borrowing Request would be required under Section 2.03 if such Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Notwithstanding any contrary provision herein, this Section shall not be construed to permit any Borrower to (i) change the currency of any Borrowing, (ii) elect an Interest Period for Term Benchmark Loans that does not comply with Section 2.02(d) or (iii) convert any Borrowing to a Borrowing of a Type not available under the Class of Commitments pursuant to which such Borrowing was made.

(c) Each Interest Election Request shall specify the following information in compliance with Section 2.02:

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

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

(iii) whether the resulting Borrowing is to be an ABR Borrowing (in the case of Borrowings denominated in Dollars), a Term Benchmark Borrowing or an RFR Borrowing; and

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

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

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

(e) If the relevant Borrower fails to deliver a timely Interest Election Request with respect to a Term Benchmark Borrowing denominated in Dollars prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing at the end of such Interest Period. If the relevant Borrower fails to deliver a timely and complete Interest Election Request with respect to a Term Benchmark Borrowing denominated in a Foreign Currency prior to the end of the Interest Period applicable thereto, then, unless such Term Benchmark Borrowing is repaid as provided herein, the relevant Borrower shall be deemed to have selected that such Term Benchmark Borrowing shall automatically be continued as a Term Benchmark Borrowing in its original Agreed Currency with an Interest Period of one (1) month at the end of such Interest Period. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Company, then, so long as an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a Term Benchmark Borrowing and (ii) unless repaid, (w) each Term Benchmark Borrowing and each RFR Borrowing, in each case, denominated in Dollars shall be converted to an ABR Borrowing (in the case of a Term Benchmark Borrowing) at the end of the Interest Period applicable thereto or (in the case of an RFR Borrowing) on the next Interest Payment Date in respect thereof and (y) each Term Benchmark Borrowing and each RFR Borrowing, in each case, denominated in a Foreign Currency shall bear interest at the Central Bank Rate for the applicable Agreed Currency plus the CBR Spread (or in the case of Japanese Yen, the Japanese Prime Rate plus the Applicable Rate applicable to ABR Revolving Loans); provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Agreed Currency (or in the case of Japanese Yen, the Japanese Prime Rate) cannot be determined, any outstanding affected Term Benchmark Loans or RFR Loans denominated in any Foreign Currency shall either be (A) converted to an ABR Borrowing denominated in Dollars (in an amount equal to the Dollar Amount of such Foreign Currency) at the end of the Interest Period or on the Interest Payment Date, as applicable, therefor or (B) prepaid at the end of the applicable Interest Period or on the Interest Payment Date, as applicable, in full; provided that if no election is made by the relevant Borrower by the earlier of (x) the date that is three (3) Business Days after receipt by the relevant Borrower of such notice and (y) the last day of the current Interest Period for the applicable Term Benchmark Loan, the relevant Borrower shall be deemed to have elected clause (A) above.

(f) Notwithstanding anything in this Agreement or any other Loan Document to the contrary, interest on all "Eurocurrency Loans" (as defined in this Agreement immediately prior to the Amendment No. 1 Effective Date) denominated in Dollars outstanding under this Agreement immediately prior to the Amendment No. 1 Effective Date shall continue to accrue and be paid based upon the "Adjusted LIBO Rate" (as defined in this Agreement immediately prior to the Amendment No. 1 Effective Date) applicable pursuant to the terms of this Agreement immediately prior to the Amendment No. 1 Effective Date solely until the expiration of the current "Interest Period" (as defined in this



Agreement immediately prior to the Amendment No. 1 Effective Date) applicable thereto (at which time such Loans may be reborrowed as or converted to ABR Borrowings or Term Benchmark Borrowings, as applicable, in accordance with this Section 2.08).

SECTION 2.09. Termination and Reduction of Commitments. (f) Unless previously terminated, (i) the Term Loan Commitments shall terminate on the Term Loan Commitment Expiration Date and (ii) the Revolving Commitments shall terminate on the Revolving Credit Maturity Date. On the Omega Closing Date (after giving effect to the funding of the Term Loans to be made on such date), the Term Loan Commitment of each Lender shall terminate.

(b) The Company may at any time terminate, or from time to time reduce, the Commitments; provided that (i) each reduction of the Revolving Commitments or the Term Loan Commitments, as applicable, shall be in an amount that is an integral multiple of \$5,000,000 and not less than \$10,000,000 (or, if less, the remaining amount of the Revolving Commitments or the Term Loan Commitments, as applicable) and (ii) the Company shall not terminate or reduce the Revolving Commitments if, after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.11, (A) the Dollar Amount of any Lender's Revolving Credit Exposure would exceed its Revolving Commitment or (B) the Dollar Amount of the Total Revolving Credit Exposure would exceed the aggregate Revolving Commitments.

(c) The Company shall notify the Administrative Agent of any election to terminate or reduce the Revolving Commitments or the Term Loan Commitments under paragraph (b) of this Section at least three (3) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the applicable Class of the contents thereof. Each notice delivered by the Company pursuant to this Section shall be irrevocable; provided that a notice of termination of the Revolving Commitments or the Term Loan Commitments delivered by the Company may state that such notice is conditioned upon the effectiveness of other credit facilities or other transactions specified therein, in which case such notice may be revoked by the Company (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments of an applicable Class shall be made ratably among the Lenders of such Class in accordance with their respective Commitments of such Class.

SECTION 2.10. Repayment and Amortization of Loans; Evidence of Debt. (g) Each Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Revolving Lender the then unpaid principal amount of each Revolving Loan made to such Borrower on the Revolving Credit Maturity Date in the currency of such Loan and (ii) in the case of the Company, to the Administrative Agent for the account of the Swingline Lender the then unpaid principal amount of each Swingline Loan on the earlier of the Revolving Credit Maturity Date and the first date after such Swingline Loan is made that is the 15<sup>th</sup> or last day of a calendar month and is at least two Business Days after such Swingline Loan is made; provided that on each date that a Revolving Borrowing is made, the Company shall repay all Swingline Loans then outstanding and the proceeds of any such Borrowing shall be applied by the Administrative Agent first to repay any Swingline Loans outstanding.

(b) The Company shall repay the Term Loans in installments as follows: (i) on the last day of the first full Fiscal Quarter ending immediately following the Fiscal Quarter during which the Omega Closing Date occurs (such full Fiscal Quarter, the "Specified Quarter") and on the last day of the eight Fiscal Quarters ending immediately after the Specified Quarter, 1.25% of the aggregate principal amount of the Term Loans actually funded on the Omega Closing Date (the "Funded Amount"); and (ii) on the last day of each Fiscal Quarter ending after such eighth Fiscal Quarter (and prior to the Term Loan

Maturity Date), 2.50% of the Funded Amount (in each of the foregoing cases, as adjusted from time to time pursuant to Section 2.11). To the extent not previously repaid, all unpaid Term Loans shall be paid in full in Dollars by the Company on the Term Loan Maturity Date.

(c) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of each Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(d) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class, Agreed Currency and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(e) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein absent manifest error; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of any Borrower to repay the Loans in accordance with the terms of this Agreement.

(f) Any Lender may request that Loans made by it to any Borrower be evidenced by a promissory note. In such event, the relevant Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in substantially the form attached hereto as Exhibit H-1 or Exhibit H-2, as applicable. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form. Upon either (i) payment in full of the Loans evidenced by any such promissory note and termination of the relevant Commitments relating thereto, or (ii) the assignment of such Loans and Commitments in accordance with Section 9.04 hereof, each such Lender that received a promissory note shall use commercially reasonable efforts to cause each such promissory note be returned to the applicable Borrower at the request of such Borrower.

#### SECTION 2.11. Prepayment of Loans.

(a) Any Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part without premium or penalty (except as provided in Section 2.16) and any such payment shall be applied as directed by the Company, subject to prior notice in accordance with the provisions of this Section 2.11(a). The applicable Borrower, or the Company on behalf of the applicable Borrower, shall notify the Administrative Agent (and, in the case of prepayment of a Swingline Loan, the Swingline Lender) by written notice of any prepayment hereunder (i)(w) in the case of prepayment of a Term Benchmark Borrowing denominated in Dollars, not later than 12:00 noon, New York City time, three (3) Business Days before the date of prepayment, (x) in the case of prepayment of a Term Benchmark Borrowing denominated in euro or Japanese Yen, not later than 12:00 noon, New York City time, three (3) Business Days before the date of prepayment, (y) in the case of prepayment of an RFR Borrowing denominated in Pounds Sterling, not later than 12:00 noon, New York City time, five (5) RFR Business Days before the date of prepayment and (z) in the case of prepayment of an RFR Borrowing denominated in Swiss Francs, not later than 12:00 noon, New York City time, five (5) RFR Business Days before the date of prepayment, (ii) in the case of prepayment of an ABR Borrowing, not later than 11:00 a.m., Chicago time, on the date of prepayment or (iii) in the case of prepayment of a Swingline Loan, not later than 12:00 noon, Chicago time, on the date of prepayment. Each such notice

shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.09, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.09. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Revolving Borrowing shall be applied ratably to the Revolving Loans included in the prepaid Revolving Borrowing, each voluntary prepayment of a Term Loan Borrowing shall be applied ratably to the Term Loans included in the prepaid Term Loan Borrowing in such order of application as directed by the Company, and each mandatory prepayment of a Term Loan Borrowing shall be applied in accordance with Section 2.11(d). Prepayments shall be accompanied by (i) accrued interest to the extent required by Section 2.13 and (ii) any break funding payments required by Section 2.16.

(b) If at any time, (i) other than as a result of fluctuations in currency exchange rates, (A) the aggregate principal Dollar Amount of the Total Revolving Credit Exposure (calculated, with respect to those Credit Events denominated in Foreign Currencies, as of the most recent Computation Date with respect to each such Credit Event) exceeds the aggregate Revolving Commitments or such sum in respect of Foreign Subsidiary Borrowers exceeds the Foreign Subsidiary Borrower Sublimit or (B) the aggregate principal Dollar Amount of the Total Revolving Credit Exposure denominated in Foreign Currencies (the “Foreign Currency Exposure”) (so calculated), as of the most recent Computation Date with respect to each such Credit Event, exceeds the Foreign Currency Sublimit or (ii) solely as a result of fluctuations in currency exchange rates, (A) the aggregate principal Dollar Amount of the Total Revolving Credit Exposure (so calculated) exceeds 105% of the aggregate Revolving Commitments or such sum in respect of Foreign Subsidiary Borrowers exceeds 105% of the Foreign Subsidiary Borrower Sublimit or (B) the Foreign Currency Exposure, as of the most recent Computation Date with respect to each such Credit Event, exceeds 105% of the Foreign Currency Sublimit, the Borrowers shall in each case immediately repay Revolving Borrowings or, if required after the payment of all Borrowings, cash collateralize LC Exposure in an account with the Administrative Agent pursuant to Section 2.06(j), as applicable, in an aggregate principal amount sufficient to cause (x) the aggregate Dollar Amount of the Total Revolving Credit Exposure (so calculated) to be less than or equal to the aggregate Revolving Commitments, (y) the Foreign Currency Exposure to be less than or equal to the Foreign Currency Sublimit and (z) the aggregate Dollar Amount of all Revolving Credit Exposures in respect of the Foreign Subsidiary Borrowers to be less than or equal to the Foreign Subsidiary Borrower Sublimit.

(c) In the event and on each occasion that any Net Proceeds are received by or on behalf of the Company or any of its Subsidiaries in respect of any Prepayment Event, the Company shall, within five (5) Business Days after such Net Proceeds are received, prepay the Obligations as set forth in Section 2.11(d) below in an aggregate amount equal to 100% of such Net Proceeds; provided that, in the case of any event described in clause (a) or (b) of the definition of the term “Prepayment Event”, (x) the amount of such prepayment as a result of the receipt of Net Proceeds in excess of \$10,000,000 shall be the amount of such Net Proceeds received in excess of \$10,000,000, and (y) if the Company shall deliver to the Administrative Agent a certificate of a Financial Officer to the effect that the Company or its relevant Subsidiaries intend to apply the Net Proceeds from such event (or a portion thereof specified in such certificate), within 365 days after receipt of such Net Proceeds, to reinvest in assets used or useful in the business of the Company and/or its Subsidiaries, then no prepayment shall be required pursuant to this paragraph in respect of the Net Proceeds specified in such certificate; provided further that to the extent of any such Net Proceeds therefrom that have not been so applied by the end of such 365-day period (or within a period of 180 days thereafter if by the end of such initial 365-day period the Company or one or more Subsidiaries shall have entered into an agreement with an unaffiliated third party to acquire such

assets with such Net Proceeds), at which time a prepayment shall be required in an amount equal to such Net Proceeds that have not been so applied; provided further that, in the case of any event described in clause (a) or (b) of the definition of the term “Prepayment Event” which is attributable to a Foreign Subsidiary, if a Restricted Payment or other distribution to the Company is required (notwithstanding the Loan Parties’ commercially reasonable efforts to make such prepayment without making such Restricted Payment or other payment) in connection with such prepayment (or portion thereof), no prepayment (or a portion thereof) shall be made if the Company or any Subsidiary determines in good faith that it would incur a liability in respect of Taxes (including any withholding tax) in connection with making such Restricted Payment or other distribution which the Company, in its reasonable judgment, deems to be material (taking into account any foreign tax credit or benefit that will be actually realized in connection with such prepayment); provided further, that when the Company determines in good faith that such prepayment would no longer result in such a material tax liability (taking into account any foreign tax credit or benefit actually realized in connection with such prepayment), such prepayment shall then be promptly applied.

(d) All such mandatory prepayment amounts pursuant to Section 2.11(c) shall be applied, first, to the scheduled installments of the Term Loans occurring within the next four (4) scheduled installments in direct order of maturity and, second, to the remaining scheduled installments of the Term Loans on a pro rata basis.

(e) Except as otherwise contemplated by this Agreement or provided in, or intended with respect to, any Incremental Term Loan Amendment (provided, that such Incremental Term Loan Amendment may not, without the consent of the requisite Lenders in accordance with Section 9.02, provide that the applicable Class of Incremental Term Loans receive a greater than pro rata portion of mandatory prepayments of Term Loans pursuant to Section 2.11(c) than would otherwise be permitted by this Agreement), in each case effectuated or issued in a manner consistent with this Agreement, each prepayment of Term Loans pursuant to Section 2.11(c) shall be allocated ratably to the Term Loans and Incremental Term Loans (if any) then outstanding.

SECTION 2.12. Fees. (h) The Company agrees to pay to the Administrative Agent for the account of each Revolving Lender a commitment fee, which shall accrue at the Applicable Rate on the average daily unused Dollar Amount of the Revolving Commitment of such Revolving Lender during the period from and including the Effective Date to but excluding the date on which such Revolving Commitment terminates. Accrued commitment fees shall be payable in arrears on the fifteenth (15<sup>th</sup>) day immediately following the last day of March, June, September and December of each year and on the date on which the Revolving Commitments terminate, commencing on the first such date to occur after the date hereof. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day and the last day of each period but excluding the date on which the Revolving Commitments terminate). For purposes of computing commitment fees, (i) the Revolving Commitment of a Revolving Lender (other than the Swingline Lender) shall be deemed to be used to the extent of the outstanding Revolving Loans and LC Exposure of such Revolving Lender, and (ii) the Revolving Commitment of the Revolving Lender acting as Swingline Lender shall be deemed to be used to the extent of the outstanding Revolving Loans, LC Exposure and Swingline Loans of such Revolving Lender.

(b) The Company agrees to pay (i) to the Administrative Agent for the account of each Revolving Lender a participation fee with respect to its participations in each outstanding Letter of Credit, which shall accrue on the daily maximum amount then available to be drawn under such Letter of Credit at the same Applicable Rate used to determine the interest rate applicable to Term Benchmark Revolving Loans, during the period from and including the Effective Date to but excluding the later of the date on which such Revolving Lender’s Revolving Commitment terminates and the date on which such



Revolving Lender ceases to have any LC Exposure, and (ii) to the Issuing Bank for its own account a fronting fee, which shall accrue at the rate of 0.125% per annum on the daily maximum amount then available to be drawn under each Letter of Credit during the period from and including the Effective Date to but excluding the later of the date of termination of the Revolving Commitments and the date on which there ceases to be any LC Exposure, as well as the Issuing Bank's standard fees with respect to the issuance, amendment or extension of any Letter of Credit and other processing fees, and other standard costs and charges, of such Issuing Bank relating to the Letters of Credit as from time to time in effect. Unless otherwise specified above, participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the fifteenth (15<sup>th</sup>) day following such last day, commencing on the first such date to occur after the Effective Date; provided that all such fees shall be payable on the date on which the Revolving Commitments terminate and any such fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand. Any other fees payable to the Issuing Bank pursuant to this paragraph shall be payable within ten (10) days after invoice. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). Participation fees and fronting fees in respect of Letters of Credit denominated in Dollars shall be paid in Dollars, and participation fees and fronting fees in respect of Letters of Credit denominated in a Foreign Currency shall be paid in Dollars in the Dollar Amount thereof.

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

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

SECTION 2.13. Interest. (i) The Loans comprising each ABR Borrowing (including each Swingline Loan) shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Term Benchmark Borrowing shall bear interest at the Adjusted Term SOFR Rate, the Adjusted EURIBO Rate or the Adjusted TIBO Rate, as applicable, for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Each RFR Loan shall bear interest at a rate per annum equal to the applicable Adjusted Daily Simple RFR plus the Applicable Rate.

(d) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by any Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(e) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, (x) in the case of Revolving Loans, upon termination of the Revolving Commitments and (y) in the case of Term Loans, on the Term Loan Maturity Date; provided that (i) interest accrued pursuant to paragraph (d) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the end of the Revolving Credit Availability Period or the Term Loan Maturity Date, as applicable), accrued

interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Term Benchmark Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(f) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Daily Simple RFR with respect to Pounds Sterling, the TIBO Rate or the Alternate Base Rate only at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year). In each case interest shall be payable for the actual number of days elapsed (including the first day but excluding the last day). All interest hereunder on any Loan shall be computed on a daily basis based upon the outstanding principal amount of such Loan as of the applicable date of determination. A determination of the applicable Alternate Base Rate, Adjusted Term SOFR Rate, Term SOFR Rate, Adjusted EURIBO Rate, EURIBO Rate, Adjusted TIBO Rate, TIBO Rate, Adjusted Daily Simple RFR, Daily Simple RFR or Japanese Prime Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

(g) Interest in respect of Loans denominated in Dollars shall be paid in Dollars, and interest in respect of Loans denominated in a Foreign Currency shall be paid in such Foreign Currency.

SECTION 2.14. Alternate Rate of Interest.

(a) Subject to clauses (b), (c), (d), (e) and (f) of this Section 2.14, if:

(i) the Administrative Agent reasonably determines (which determination shall be conclusive absent manifest error) (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, that adequate and reasonable means do not exist for ascertaining the Adjusted Term SOFR Rate, the Adjusted EURIBO Rate or the Adjusted TIBO Rate (including because the Relevant Screen Rate is not available or published on a current basis) for the applicable Agreed Currency and such Interest Period or (B) at any time, that adequate and reasonable means do not exist for ascertaining the applicable Adjusted Daily Simple RFR for the applicable Agreed Currency; or

(ii) the Administrative Agent is advised by the Required Lenders that (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, the Adjusted Term SOFR Rate, the Adjusted EURIBO Rate or the Adjusted TIBO Rate for the applicable Agreed Currency and such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for the applicable Agreed Currency and such Interest Period or (B) at any time, the applicable Adjusted Daily Simple RFR for the applicable Agreed Currency will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for the applicable Agreed Currency;

then the Administrative Agent shall give notice thereof to the Company and the Lenders by telephone, telecopy or electronic mail as promptly as practicable thereafter and, until (x) the Administrative Agent notifies the Company and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the applicable Borrower delivers a new Interest Election Request in accordance with the terms of Section 2.08 or a new Borrowing Request in accordance with the terms of Section 2.03, (A) for Loans denominated in Dollars, any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Term Benchmark Borrowing and any Borrowing Request that requests a Term Benchmark Borrowing shall instead be deemed to be an

Interest Election Request or a Borrowing Request, as applicable, for (x) an RFR Borrowing denominated in Dollars so long as the Adjusted Daily Simple RFR for Dollar Borrowings is not also the subject of Section 2.14(a)(i) or (ii) above or (y) an ABR Borrowing if the Adjusted Daily Simple RFR for Dollar Borrowings also is the subject of Section 2.14(a)(i) or (ii) above and (B) for Loans denominated in a Foreign Currency, any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Term Benchmark Borrowing and any Borrowing Request that requests a Term Benchmark Borrowing or an RFR Borrowing, in each case, for the relevant Benchmark, shall be ineffective; provided that if the circumstances giving rise to such notice affect only one Type of Borrowing, then all other Types of Borrowings shall be permitted. Furthermore, if any Term Benchmark Loan or RFR Loan in any Agreed Currency is outstanding on the date of the Company's receipt of the notice from the Administrative Agent referred to in this Section 2.14(a) with respect to a Relevant Rate applicable to such Term Benchmark Loan or RFR Loan, then until (x) the Administrative Agent notifies the Company and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the applicable Borrower delivers a new Interest Election Request in accordance with the terms of Section 2.08 or a new Borrowing Request in accordance with the terms of Section 2.03, (A) for Loans denominated in Dollars, any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan, be converted by the Administrative Agent to, and shall constitute, (x) an RFR Borrowing denominated in Dollars so long as the Adjusted Daily Simple RFR for Dollar Borrowings is not also the subject of Section 2.14(a)(i) or (ii) above or (y) an ABR Loan if the Adjusted Daily Simple RFR for Dollar Borrowings also is the subject of Section 2.14(a)(i) or (ii) above, on such day, (B) for Term Benchmark Loans denominated in Japanese Yen, on the last day of the Interest Period applicable to such Term Benchmark Loan such Term Benchmark Loan shall be converted by the Administrative Agent to, and shall constitute, a Loan that bears interest at the Japanese Prime Rate plus the Applicable Rate applicable to ABR Revolving Loans and (C) for Loans denominated in a Foreign Currency other than Japanese Yen, (1) any Term Benchmark Loan shall, on the last day of the Interest Period applicable to such Loan bear interest at the Central Bank Rate for the applicable Foreign Currency plus the CBR Spread; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Foreign Currency (or in the case of Japanese Yen, the Japanese Prime Rate) cannot be determined, any outstanding affected Term Benchmark Loans denominated in such Foreign Currency shall, at the applicable Borrower's election prior to such day: (A) be prepaid by the applicable Borrower on such day or (B) solely for the purpose of calculating the interest rate applicable to such Term Benchmark Loan, such Term Benchmark Loan denominated in such Foreign Currency shall be deemed to be a Term Benchmark Loan denominated in Dollars and shall accrue interest at the same interest rate applicable to Term Benchmark Loans denominated in Dollars at such time and (2) any RFR Loan shall bear interest at the Central Bank Rate for the applicable Foreign Currency plus the CBR Spread; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Foreign Currency cannot be determined, any outstanding affected RFR Loans denominated in any Foreign Currency, at the applicable Borrower's election, shall either (A) be converted into ABR Loans denominated in Dollars (in an amount equal to the Dollar Amount of such Foreign Currency) immediately or (B) be prepaid in full immediately.

(b) Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of "Benchmark Replacement" with respect to Dollars for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (2) of the definition of "Benchmark Replacement"

with respect to any Agreed Currency for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m., New York City time, on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(c) In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(d) The Administrative Agent will promptly notify the Company and the Lenders of (i) any occurrence of a Benchmark Transition Event, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (e) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.14, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.14.

(e) Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Rate, the EURIBO Rate or the TIBO Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of “Interest Period” for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of “Interest Period” for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(f) Upon the Company’s receipt of notice of the commencement of a Benchmark Unavailability Period, the applicable Borrower may revoke any request for a Term Benchmark Borrowing or RFR Borrowing of, conversion to or continuation of Term Benchmark Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, either (x) the applicable Borrower will be deemed to have converted any request for a Term Benchmark Borrowing denominated in Dollars into a request for a Borrowing of or conversion to (A) an RFR Borrowing denominated in Dollars so long as the Adjusted Daily Simple RFR for Dollar Borrowings is not the subject of a Benchmark Transition Event or (B) an ABR Borrowing if the Adjusted Daily Simple RFR for Dollar



Borrowings is the subject of a Benchmark Transition Event or (y) any request for a Term Benchmark Borrowing or RFR Borrowing denominated in a Foreign Currency shall be ineffective. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR. Furthermore, if any Term Benchmark Loan or RFR Loan in any Agreed Currency is outstanding on the date of the Company's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a Relevant Rate applicable to such Term Benchmark Loan or RFR Loan, then until such time as a Benchmark Replacement for such Agreed Currency is implemented pursuant to this Section 2.14, (A) for Loans denominated in Dollars any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan, be converted by the Administrative Agent to, and shall constitute, (x) an RFR Borrowing denominated in Dollars so long as the Adjusted Daily Simple RFR for Dollar Borrowings is not the subject of a Benchmark Transition Event or (y) an ABR Loan if the Adjusted Daily Simple RFR for Dollar Borrowings is the subject of a Benchmark Transition Event, on such day, (B) for Loans denominated in Japanese Yen, on the last day of the Interest Period applicable to such Term Benchmark Loan such Term Benchmark Loan shall be converted by the Administrative Agent to, and shall constitute, a Loan that bears interest at the Japanese Prime Rate plus the Applicable Rate applicable to ABR Loans and (C) for Loans denominated in a Foreign Currency other than Japanese Yen, (1) any Term Benchmark Loan shall, on the last day of the Interest Period applicable to such Loan bear interest at the Central Bank Rate for the applicable Foreign Currency plus the CBR Spread; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Foreign Currency (or in the case of Japanese Yen, the Japanese Prime Rate) cannot be determined, any outstanding affected Term Benchmark Loans denominated in any Foreign Currency shall, at the applicable Borrower's election prior to such day: (A) be prepaid by the applicable Borrower on such day or (B) solely for the purpose of calculating the interest rate applicable to such Term Benchmark Loan, such Term Benchmark Loan denominated in any Foreign Currency shall be deemed to be a Term Benchmark Loan denominated in Dollars and shall accrue interest at the same interest rate applicable to Term Benchmark Loans denominated in Dollars at such time and (2) any RFR Loan shall bear interest at the Central Bank Rate for the applicable Foreign Currency plus the CBR Spread; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Foreign Currency cannot be determined, any outstanding affected RFR Loans denominated in any Foreign Currency, at the applicable Borrower's election, shall either (A) be converted into ABR Loans denominated in Dollars (in an amount equal to the Dollar Amount of such Foreign Currency) immediately or (B) be prepaid in full immediately.

SECTION 2.15. Increased Costs. (j) If any Change in Law shall:

- (i) impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted EURIBO Rate or the Adjusted TIBO Rate, as applicable) or the Issuing Bank;
- (ii) impose on any Lender or the Issuing Bank or the London or other applicable offshore interbank market for the applicable Agreed Currency any other condition, cost or expense affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein; or
- (iii) subject any Recipient to any Taxes on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable

thereto (other than the imposition or change in rate of any (A) Indemnified Taxes, (B) Excluded Taxes or (C) Other Taxes);

and the result of any of the foregoing shall be to increase the cost to such Person of making, continuing, converting or maintaining any Loan or of maintaining its obligation to make any such Loan or to increase the cost to such Person of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Person hereunder, whether of principal, interest or otherwise, then the applicable Borrower will pay to such Person such additional amount or amounts as will compensate such Person for such additional costs incurred or reduction suffered as reasonably determined by such Person (which determination shall be made in good faith (and not on an arbitrary or capricious basis) and generally consistent with similarly situated customers of such Person and in each case as determined by such Person) under agreements having provisions similar to this Section 2.15, after consideration of such factors as such Person then reasonably determines to be relevant.

(b) If any Lender or the Issuing Bank reasonably determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or the Issuing Bank's capital or on the capital of such Lender's or the Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit or Swingline Loans held by, such Lender, or the Letters of Credit issued by the Issuing Bank, to a level below that which such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company could have achieved with respect thereto but for such Change in Law (taking into consideration such Lender's or the Issuing Bank's policies and the policies of such Lender's or the Issuing Bank's holding company with respect to capital adequacy and liquidity), then from time to time the applicable Borrower will pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company for any such reduction suffered as reasonably determined by such Lender or the Issuing Bank (which determination shall be made in good faith (and not on an arbitrary or capricious basis) and generally consistent with similarly situated customers of such Lender or the Issuing Bank, as applicable and in each case as determined by such Lender or the Issuing Bank under agreements having provisions similar to this Section 2.15, after consideration of such factors as such Lender or the Issuing Bank, as applicable, then reasonably determines to be relevant).

(c) A certificate of a Lender or the Issuing Bank describing the Change in Law in reasonable detail and setting forth the amount or amounts necessary to compensate such Lender or the Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Company and shall be conclusive absent manifest error. The Company shall pay, or cause the other Borrowers to pay, such Lender or the Issuing Bank, as the case may be, the amount shown as due on any such certificate within 30 days after receipt thereof.

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

#### SECTION 2.16. Break Funding Payments.

(a) With respect to Term Benchmark Loans, in the event of (i) the payment of any principal of any Term Benchmark Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or as a result of any prepayment pursuant to Section 2.11), (ii) the conversion of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto, (iii) the failure to borrow, convert, continue or prepay any Term Benchmark Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(a) and is revoked in accordance therewith), (iv) the assignment of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Company pursuant to Section 2.19 or 9.02(e) or (v) the failure by any Borrower to make any payment of any Loan or drawing under any Letter of Credit (or interest due thereof) denominated in a Foreign Currency on its scheduled due date or any payment thereof in a different currency, then, in any such event, the Borrowers shall compensate each Lender for the loss, cost and expense attributable to such event; provided that each such Lender shall use reasonable efforts to mitigate such loss, cost and expense in accordance with Section 2.19. Such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (x) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted EURIBO Rate or the Adjusted TIBO Rate, as applicable, that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (y) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits in the relevant Agreed Currency of a comparable amount and period from other banks in the applicable offshore market for such Agreement Currency, whether or not such Term Benchmark Loan was in fact so funded. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section, including, if requested by the Company, a description in reasonable detail of the basis for such compensation and a calculation of such amount or amounts (but excluding any confidential or proprietary information of such Lender), shall be delivered to the applicable Borrower and shall be conclusive absent manifest error. The applicable Borrower shall pay such Lender the amount shown as due on any such certificate within thirty (30) days after receipt thereof.

(b) With respect to RFR Loans, in the event of (i) the payment of any principal of any RFR Loan other than on the Interest Payment Date applicable thereto (including as a result of an Event of Default or as a result of any prepayment pursuant to Section 2.11), (ii) the failure to borrow or prepay any RFR Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(a) and is revoked in accordance therewith), (iii) the assignment of any RFR Loan other than on the Interest Payment Date applicable thereto as a result of a request by the Company pursuant to Section 2.19 or 9.02(e) or (iv) the failure by any Borrower to make any payment of any Loan or drawing under any Letter of Credit (or interest due thereof) denominated in a Foreign Currency on its scheduled due date or any payment thereof in a different currency, then, in any such event, the Borrowers shall compensate each Lender for the loss and any reasonable cost and expense attributable to such event. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section, including, if requested by the Company, a description in reasonable detail of the basis for such compensation and a calculation of such amount or amounts (but excluding any confidential or proprietary information of such Lender), shall be delivered to the applicable Borrower and shall be conclusive absent manifest error. The applicable Borrower shall pay such Lender the amount shown as due on any such certificate within thirty (30) days after receipt thereof.

SECTION 2.17. Taxes. (k) Any and all payments by or on account of any obligation of any Loan Party hereunder or any other Loan Document shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if any Loan Party or Administrative Agent shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the

sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Loan Party shall make such deductions and (iii) such Loan Party shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, each Loan Party shall pay, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes related to such Loan Party and imposed on or incurred by the Administrative Agent or a Lender to the relevant Governmental Authority in accordance with applicable law.

(c) The relevant Loan Party shall indemnify the Administrative Agent or each Lender, within ten (10) days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid or payable by the Administrative Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of such Loan Party hereunder or any other Loan Document (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Company by a Lender or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.17, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under this Agreement or any other Loan Document shall deliver to the Borrowers (with a copy to the Administrative Agent) at the time or times reasonably requested by a Borrower, such properly completed and executed documentation reasonably requested by such Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate. In addition, any Lender, if reasonably requested by the Borrowers or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by a Borrower or the Administrative Agent as will enable the Borrowers or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 2.17(e)(ii)(A), 2.17(ii)(B) and 2.17(h) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Company is the Borrower:

(A) any Lender that is a United States person (as defined in Section 7701(a)(30) of the Code) shall deliver to such Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of such Borrower or the



Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to such Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of such Borrower or the Administrative Agent), whichever of the following is applicable:

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

(2) in the case of a Foreign Lender claiming that its extension of credit will generate U.S. effectively connected income, executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit I-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Company within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, a U.S. Tax Compliance Certificate substantially in the form of Exhibit I-2 or Exhibit I-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit I-4 on behalf of each such direct and indirect partner; and

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to such Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of such Borrower or the Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such

supplementary documentation as may be prescribed by applicable law to permit such Borrower or the Administrative Agent to determine the withholding or deduction required to be made.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Company and the Administrative Agent in writing of its legal inability to do so.

(f) If the Administrative Agent or a Lender determines, in its reasonable discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by a Loan Party or with respect to which a Loan Party has paid additional amounts pursuant to this Section 2.17, it shall pay over such refund to such Loan Party (but only to the extent of indemnity payments made, or additional amounts paid, by such Loan Party under this Section 2.17 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that such Loan Party, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to such Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (f), in no event will the Administrative Agent or Lender be required to pay any amount to a Loan Party pursuant to this paragraph (f) the payment of which would place the Administrative Agent or Lender in a less favorable net after-Tax position than the Administrative Agent or Lender would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section shall not be construed to require the Administrative Agent or any Lender to make available its Tax returns (or any other information relating to its Taxes which it deems confidential) to any Loan Party or any other Person.

(g) Each Lender shall severally indemnify the Administrative Agent for any Taxes (but, in the case of any Indemnified Taxes or Other Taxes, only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes or Other Taxes and without limiting the obligation of each Loan Party to do so) attributable to such Lender that are paid or payable by the Administrative Agent in connection with this Agreement (including any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(c) relating to the maintenance of a Participant Register) and any reasonable expenses arising therefrom or with respect thereto, whether or not such amounts were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 2.17(g) shall be paid within ten (10) days after the Administrative Agent delivers to the applicable Lender a certificate stating the amount so paid or payable by the Administrative Agent. Such certificate shall be conclusive of the amount so paid or payable absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (g).

(h) If a payment made to a Lender under this Agreement would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Company and the Administrative Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Company or the

Administrative Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Company or the Administrative Agent as may be necessary for each Borrower and the Administrative Agent to comply with its obligations under FATCA, to determine that such Lender has or has not complied with such Lender's obligations under FATCA or, as necessary, to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 2.17(h), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(i) For purposes of determining withholding Taxes imposed under FATCA, the Borrowers and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) this Agreement and the Loans as not qualifying as "grandfathered obligations" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

(j) For the purposes of this Section 2.17, references to "Lender" includes the Issuing Bank.

SECTION 2.18. Payments Generally; Allocation of Proceeds; Pro Rata Treatment; Sharing of Set-offs.

(a) (i) Except with respect to principal of and interest on Loans denominated in a Foreign Currency, each Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) in Dollars prior to 12:00 noon, Chicago time, on the date when due or the date fixed for any prepayment hereunder and (ii) all payments with respect to principal and interest on Loans denominated in a Foreign Currency shall be made in such Foreign Currency not later than the Applicable Time specified by the Administrative Agent on the dates specified herein, in each case, in immediately available funds, without setoff, recoupment or counterclaim (but without prejudice to any Borrowers' rights with respect to any Defaulting Lender hereunder). Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made (i) in the same currency in which the applicable Credit Event was made (or where such currency has been converted to euro, in euro) and (ii) to the Administrative Agent at its offices at 10 South Dearborn Street, Chicago, Illinois 60603 or, in the case of a Credit Event denominated in a Foreign Currency, the Administrative Agent's Foreign Currency Payment Office for such currency, except payments to be made directly to the Issuing Bank or the Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments denominated in the same currency received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. Notwithstanding the foregoing provisions of this Section, if, after the making of any Credit Event in any Foreign Currency, currency control or exchange regulations are imposed in the country which issues such currency with the result that the type of currency in which the Credit Event was made (the "Original Currency") no longer exists or any Borrower is not able to make payment to the Administrative Agent for the account of the Lenders in such Original Currency, then all payments to be made by such Borrower hereunder in such currency shall instead be made when due in Dollars in an amount equal to the Dollar Amount (as of the date of repayment) of such payment due, it being the intention of the parties hereto that the Borrowers take all risks of the imposition of any such currency control or exchange regulations.

(b) All payments and any proceeds of Collateral received by the Administrative Agent (i) not constituting either (A) a specific payment of principal, interest, fees or other sum payable under the Loan Documents (which shall be applied as specified by the Company) or (B) a mandatory prepayment (which shall be applied in accordance with Section 2.11) or (ii) after an Event of Default has occurred and is continuing and the Administrative Agent so elects or the Required Lenders so direct, shall be applied ratably first, to pay any fees, indemnities, or expense reimbursements including amounts then due to the Administrative Agent and the Issuing Bank from any Borrower, second, to pay any fees or expense reimbursements then due to the Lenders from any Borrower, third, to pay interest then due and payable on the Loans ratably, fourth, to prepay principal on the Loans and unreimbursed LC Disbursements and any other amounts owing with respect to Banking Services Obligations and Swap Obligations ratably, fifth, to pay an amount to the Administrative Agent equal to one hundred five percent (105%) of the aggregate undrawn face amount of all outstanding Letters of Credit and the aggregate amount of any unpaid LC Disbursements, to be held as cash collateral for such Obligations, and sixth, to the payment of any other Secured Obligation due to the Administrative Agent or any Lender by any Borrower. Notwithstanding the foregoing, amounts received from any Loan Party shall not be applied to any Excluded Swap Obligation of such Loan Party. Notwithstanding anything to the contrary contained in this Agreement, unless so directed by the Company, or unless an Event of Default is in existence, none of the Administrative Agent or any Lender shall apply any payment which it receives to any Term Benchmark Loan of a Class, except (a) on the expiration date of the Interest Period applicable to any such Term Benchmark Loan or (b) in the event, and only to the extent, that there are no outstanding ABR Loans of the same Class and, in any event, the Borrowers shall pay the break funding payment required in accordance with Section 2.16. The Administrative Agent and the Lenders shall have the continuing and exclusive right to apply and reverse and reapply any and all such proceeds and payments to any portion of the Secured Obligations. Notwithstanding the foregoing, (x) any such applicable proceeds from property of the Domestic Loan Parties shall be applied to the Secured Obligations (other than the Foreign Secured Obligations and the Secured Obligations that constitute a Guarantee of the Foreign Secured Obligations) before being applied to any of the Foreign Secured Obligations and (y) the application of any such applicable proceeds from Collateral securing solely the Foreign Secured Obligations shall only be made in respect of the Foreign Secured Obligations in the same order set forth above.

(c) At the election of the Administrative Agent, all payments of principal, interest, LC Disbursements, fees, premiums, reimbursable expenses (including, without limitation, all reimbursement for fees and expenses pursuant to Section 9.03), and other sums payable under the Loan Documents, may be paid from the proceeds of Borrowings made hereunder whether made following a request by a Borrower (or the Company on behalf of a Borrower) pursuant to Section 2.03 or a deemed request as provided in this Section or may be deducted from any deposit account of such Borrower maintained with the Administrative Agent. Each Borrower hereby irrevocably authorizes (i) the Administrative Agent to make a Borrowing for the purpose of paying each payment of principal, interest and fees as it becomes due hereunder or any other amount due under the Loan Documents and agrees that all such amounts charged shall constitute Loans (including Swingline Loans) and that all such Borrowings shall be deemed to have been requested pursuant to Section 2.03 or 2.05, as applicable, and (ii) if an Event of Default exists or the Company agrees in writing, the Administrative Agent to charge any deposit account of the relevant Borrower maintained with the Administrative Agent for each payment of principal, interest and fees as it becomes due hereunder or any other amount due under the Loan Documents.

(d) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in LC Disbursements or Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements and Swingline Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such



greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements and Swingline Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in LC Disbursements and Swingline Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by any Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements and Swingline Loans to any assignee or participant, other than to the Company or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower under this Agreement in the amount of such participation.

(e) Unless the Administrative Agent shall have received, prior to any date on which any payment is due to the Administrative Agent for the account of the relevant Lenders or the Issuing Bank pursuant to the terms of this Agreement or any other Loan Document (including any date that is fixed for prepayments by notice from the applicable Borrower to the Administrative Agent pursuant to Section 2.11(a)), notice from the applicable Borrower that such Borrower will not make such payment or prepayment, the Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the relevant Lenders or the Issuing Bank, as the case may be, the amount due. In such event, if such Borrower has not in fact made such payment, then each of the relevant Lenders or the Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the applicable Overnight Rate.

(f) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.05(c), 2.06(d) or (e), 2.07(b), 2.18(e) or 9.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender and for the benefit of the Administrative Agent, the Swingline Lender or the Issuing Bank to satisfy such Lender's obligations to it under such Section until all such unsatisfied obligations are fully paid and/or (ii) hold any such amounts in a segregated account over which the Administrative Agent shall have exclusive control as cash collateral for, and application to, any future funding obligations of such Lender under any such Section; in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders. (l) If any Lender (or its Affiliate) requests compensation under Section 2.15, or if any Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender (or its Affiliate) or any Governmental Authority for the account of any Lender (or its Affiliate) pursuant to Section 2.17, then such Lender (or its Affiliate) shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender (or its Affiliate), such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.17, as the case may be, in the future and (ii) would not subject such Lender (or its Affiliate) to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender (or its Affiliate). The Company hereby agrees to pay all reasonable costs

and expenses incurred by any Lender (or its Affiliate) in connection with any such designation or assignment.

(b) If (i) any Lender (or its Affiliate) requests compensation under Section 2.15, (ii) any Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender (or its Affiliate) or any Governmental Authority for the account of any Lender (or its Affiliate) pursuant to Section 2.17 or (iii) any Lender becomes a Defaulting Lender, then the Company may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights (other than its existing rights to payments pursuant to Section 2.15 or 2.17) and obligations under this Agreement and the other Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Company shall have received the prior written consent of the Administrative Agent (and if a Revolving Commitment is being assigned, the Issuing Bank and the Swingline Lender), which consent shall not unreasonably be withheld, (ii) subject to the Borrowers' rights with respect to Defaulting Lenders hereunder, such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and funded participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Company (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Company to require such assignment and delegation cease to apply. Each party hereto agrees that (i) an assignment required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Company, the Administrative Agent and the assignee (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and such parties are participants), and (ii) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to and be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender, provided that any such documents shall be without recourse to or warranty by the parties thereto.

SECTION 2.20. Expansion Option. The Company may from time to time after the earlier of (x) the Omega Closing Date and (y) the Term Loan Commitment Expiration Date, elect to increase the Revolving Commitments (such increase an "Incremental Revolving Commitment") or enter into one or more tranches of term loans (each an "Incremental Term Loan"; Incremental Term Loans and Incremental Revolving Commitments are collectively referred to herein as the "Incremental Facilities"), in each case in minimum increments of \$25,000,000 so long as, after giving effect thereto, the aggregate amount of such increases and all such Incremental Term Loans does not exceed the sum of (A) the greater of (x) \$150,000,000 and (y) 100% of the Consolidated EBITDA of the Company as of the end of each Fiscal Quarter of the Company for the then most-recently ended four Fiscal Quarters, plus (B) the amount of any voluntary prepayments of the Term Loans and voluntary permanent reductions of the Revolving Commitments (to the extent not funded with the proceeds of Long Term Debt) (it being understood that any prepayment of Term Loans with the proceeds of substantially concurrent borrowings of new Loans hereunder or any reduction of Revolving Commitments in connection with a substantially concurrent issuance of new revolving commitments hereunder shall not increase the calculation of the amount under this clause (B)) plus (C) an unlimited additional amount such that, in the case of this clause (C) only, after giving effect (including pro forma effect) thereto (assuming full drawing under such Incremental

Facilities), the First Lien Leverage Ratio calculated on a Pro Forma Basis as of the end of each Fiscal Quarter of the Company for the then most-recently ended four Fiscal Quarters shall not exceed 3.00 to 1.00 (other than to the extent such Incremental Facilities are incurred pursuant to this clause (C) concurrently with the incurrence of Incremental Facilities in reliance on clause (A) above, in which case the First Lien Leverage Ratio shall be permitted to exceed 3.00 to 1.00 to the extent of such Incremental Facilities incurred in reliance on such clause (A)); provided that, for the avoidance of doubt, Incremental Facilities may be incurred pursuant to this clause (C) prior to utilization of the amount set forth in clause (A) above. The Company may arrange for any such increase or tranche to be provided by one or more Lenders (each Lender so agreeing to an increase in its Revolving Commitment, or to participate in such Incremental Term Loans, an “Increasing Lender”), or by one or more new banks, financial institutions or other entities (each such new bank, financial institution or other entity, an “Augmenting Lender”; provided that no Ineligible Institution may be an Augmenting Lender), which agree to increase their existing Revolving Commitments, or to participate in such Incremental Term Loans, or provide new Revolving Commitments, as the case may be; provided that (i) each Augmenting Lender, shall be subject to the approval of the Company and the Administrative Agent (such approval not to be unreasonably withheld, conditioned or delayed) and (ii) (x) in the case of an Increasing Lender, the Company and such Increasing Lender execute an agreement substantially in the form of Exhibit C hereto, and (y) in the case of an Augmenting Lender, the Company and such Augmenting Lender execute an agreement substantially in the form of Exhibit D hereto. No consent of any Lender (other than the Lenders participating in the increase or any Incremental Term Loan) shall be required for any increase in Revolving Commitments or Incremental Term Loan pursuant to this Section 2.20. No Lender will be required to participate in any Incremental Facility. Increases and new Revolving Commitments and Incremental Term Loans created pursuant to this Section 2.20 shall become effective on the date agreed by the Company, the Administrative Agent and the relevant Increasing Lenders or Augmenting Lenders, and the Administrative Agent shall notify each Lender thereof. Notwithstanding the foregoing, no increase in the Revolving Commitments (or in the Revolving Commitment of any Lender) or tranche of Incremental Term Loans shall become effective under this paragraph unless (other than with respect to the incurrence of Incremental Term Loans the proceeds of which shall be used to consummate a Limited Conditionality Acquisition as to which the immediately following condition (i) below shall not apply), (i) on the proposed date of the effectiveness of such increase or Incremental Term Loans, (A) the conditions set forth in paragraphs (a) and (b) of Section 4.03 shall be satisfied or waived by the Required Lenders and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer of the Company and (B) the Company shall be in compliance (on a Pro Forma Basis) with the covenants contained in Section 6.11 and (ii) the Administrative Agent shall have received (x) documents and opinions consistent with those delivered on the Effective Date as to the organizational power and authority of the Borrowers to borrow hereunder after giving effect to such increase or Incremental Term Loan and (y) reaffirmations from the Loan Parties; provided that no Incremental Term Loans in respect of a Limited Conditionality Acquisition shall become effective unless (1) as of the date of execution of the Limited Conditionality Acquisition Agreement by the parties thereto, no Default or Event of Default shall have occurred and be continuing or would result from entry into the Limited Conditionality Acquisition Agreement, (2) as of the date of the borrowing of such Incremental Term Loans, no Event of Default under Section 7.01(a), (b), (h), (i) or (j) is in existence immediately before or after giving effect (including on a Pro Forma Basis) to such borrowing and to any concurrent transactions and any substantially concurrent use of proceeds thereof, (3) the representations and warranties of each Loan Party set forth in the Loan Documents shall be true and correct in all material respects (or, in the case of any representation or warranty qualified by materiality or Material Adverse Effect, in all respects) as of the date of execution of the applicable Limited Conditionality Acquisition Agreement by the parties thereto, (4) as of the date of the borrowing of such Incremental Term Loans, customary “Sungard” representations and warranties (with such representations and warranties to be reasonably determined by the Lenders providing such Incremental Term Loans) shall be true and correct in all material respects (or, in the case of any representation or warranty qualified by materiality or Material Adverse Effect, in all

respects) immediately prior to, and after giving effect to, the incurrence of such Incremental Term Loans and (5) as of the date of execution of the related Limited Conditionality Acquisition Agreement by the parties thereto, the Company shall be in compliance (on a Pro Forma Basis) with the covenants contained in Section 6.11. On the effective date of any increase in the Revolving Commitments or any Incremental Term Loans being made, (i) each relevant Increasing Lender and Augmenting Lender shall make available to the Administrative Agent such amounts in immediately available funds as the Administrative Agent shall determine, for the benefit of the other Lenders, as being required in order to cause, after giving effect to such increase and the use of such amounts to make payments to such other Lenders, each Lender's portion of the outstanding Revolving Loans of all the Lenders to equal its Applicable Percentage of such outstanding Revolving Loans, and (ii) except in the case of any Incremental Term Loans, the Borrowers shall be deemed to have repaid and reborrowed all outstanding Revolving Loans as of the date of any increase in the Revolving Commitments (with such reborrowing to consist of the Types of Revolving Loans, with related Interest Periods if applicable, specified in a notice delivered by the applicable Borrower, or the Company on behalf of the applicable Borrower, in accordance with the requirements of Section 2.03). The deemed payments made pursuant to clause (ii) of the immediately preceding sentence shall be accompanied by payment of all accrued interest on the amount prepaid and, in respect of each Term Benchmark Loan, shall be subject to indemnification by the Borrowers pursuant to the provisions of Section 2.16 if the deemed payment occurs other than on the last day of the related Interest Periods. The Incremental Term Loans (a) shall rank pari passu or junior in right of payment and/or security, as applicable, with the Revolving Loans and the initial Term Loans, (b) shall not be guaranteed by any Person which is not a Loan Party or secured by any assets other than the Collateral, (c) shall not mature earlier than the Term Loan Maturity Date (without giving effect to any prepayment thereof), (d) shall not have a shorter the Weighted Average Life to Maturity than the remaining Weighted Average Life to Maturity of any then-existing tranche of Term Loans (but, in case of clauses (c) and (d) above, may have amortization and customary prepayment requirements prior to such date) and (e) shall otherwise be treated substantially the same as (and in any event no more favorably than) the Revolving Loans and the initial Term Loans; provided that (i) the terms and conditions applicable to any tranche of Incremental Term Loans maturing after the Term Loan Maturity Date may provide for material additional or different financial or other covenants applicable only during periods after the Term Loan Maturity Date, (ii) the Incremental Term Loans may be priced (including as to any fees, original issue discount and interest) differently than the Revolving Loans and the initial Term Loans, as determined by the Company and the applicable Increasing Lenders and/or Augmenting Lenders at such time and (iii) to the extent the terms and conditions applicable to any tranche of Incremental Term Loans are not consistent with the existing Revolving Commitments or Term Loans (except to the extent permitted by clauses (c) or (d) above or clauses (i) or (ii) to this proviso), they shall be reasonably satisfactory to the Administrative Agent. Incremental Term Loans may be made hereunder pursuant to an amendment or restatement (an "Incremental Term Loan Amendment") of this Agreement and, as appropriate, the other Loan Documents, executed by the Borrowers, each Increasing Lender participating in such tranche, each Augmenting Lender participating in such tranche, if any, and the Administrative Agent. The proceeds of the Incremental Facilities shall be used for general corporate purposes of the Company and its subsidiaries, including permitted acquisitions, investments and other uses not prohibited by the Loan Documents. The Incremental Term Loan Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to effect the provisions of this Section 2.20. Nothing contained in this Section 2.20 shall constitute, or otherwise be deemed to be, a commitment on the part of any Lender to increase its Revolving Commitment hereunder, or provide Incremental Term Loans, at any time.

SECTION 2.21. Market Disruption. Notwithstanding the satisfaction of all conditions referred to in Article II and Article IV with respect to any Credit Event to be effected in any Foreign Currency, if (i) there shall occur on or prior to the date of such Credit Event any change in



national or international financial, political or economic conditions or currency exchange rates or exchange controls which would in the reasonable opinion of the Administrative Agent, the Issuing Bank (if such Credit Event is a Letter of Credit) or the Required Lenders make it impracticable for the Term Benchmark Borrowings or Letters of Credit comprising such Credit Event to be denominated in the Agreed Currency specified by the applicable Borrower or (ii) the Dollar Amount of such currency is not readily calculable, then the Administrative Agent shall forthwith give notice thereof to such Borrower, the Lenders and, if such Credit Event is a Letter of Credit, the Issuing Bank, and such Credit Events shall not be denominated in such Agreed Currency but shall, except as otherwise set forth in Section 2.07, be made on the date of such Credit Event in Dollars, (a) if such Credit Event is a Borrowing, in an aggregate principal amount equal to the Dollar Amount of the aggregate principal amount specified in the related Credit Event Request or Interest Election Request, as the case may be, as ABR Loans, unless such Borrower notifies the Administrative Agent at least one Business Day before such date that (i) it elects not to borrow on such date or (ii) it elects to borrow on such date in a different Agreed Currency, as the case may be, in which the denomination of such Loans would in the reasonable opinion of the Administrative Agent and the Required Lenders be practicable and in an aggregate principal amount equal to the Dollar Amount of the aggregate principal amount specified in the related Credit Event Request or Interest Election Request, as the case may be or (b) if such Credit Event is a Letter of Credit, in a face amount equal to the Dollar Amount of the face amount specified in the related request or application for such Letter of Credit, unless such Borrower notifies the Administrative Agent at least one (1) Business Day before such date that (i) it elects not to request the issuance of such Letter of Credit on such date or (ii) it elects to have such Letter of Credit issued on such date in a different Agreed Currency, as the case may be, in which the denomination of such Letter of Credit would in the reasonable opinion of the Issuing Bank, the Administrative Agent and the Required Lenders be practicable and in face amount equal to the Dollar Amount of the face amount specified in the related request or application for such Letter of Credit, as the case may be.

SECTION 2.22. Judgment Currency. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from any Borrower hereunder in the currency expressed to be payable herein (the “specified currency”) into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the specified currency with such other currency at the Administrative Agent’s main New York City office on the Business Day preceding that on which final, non appealable judgment is given. The obligations of each Borrower in respect of any sum due to any Lender or the Administrative Agent hereunder shall, notwithstanding any judgment in a currency other than the specified currency, be discharged only to the extent that on the Business Day following receipt by such Lender or the Administrative Agent (as the case may be) of any sum adjudged to be so due in such other currency such Lender or the Administrative Agent (as the case may be) may in accordance with normal, reasonable banking procedures purchase the specified currency with such other currency. If the amount of the specified currency so purchased is less than the sum originally due to such Lender or the Administrative Agent, as the case may be, in the specified currency, each Borrower agrees, to the fullest extent that it may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender or the Administrative Agent, as the case may be, against such loss, and if the amount of the specified currency so purchased exceeds (a) the sum originally due to any Lender or the Administrative Agent, as the case may be, in the specified currency and (b) any amounts shared with other Lenders as a result of allocations of such excess as a disproportionate payment to such Lender under Section 2.18, such Lender or the Administrative Agent, as the case may be, agrees to remit such excess to such Borrower.

SECTION 2.23. Designation of Foreign Subsidiary Borrowers. The Company may at any time and from time to time designate any Eligible Foreign Subsidiary as a Foreign Subsidiary Borrower by delivery to the Administrative Agent of a Borrowing Subsidiary Agreement executed by

such Subsidiary and the Company and the satisfaction of the other conditions precedent set forth in Section 4.04, and upon such delivery and satisfaction such Subsidiary shall for all purposes of this Agreement be a Foreign Subsidiary Borrower and a party to this Agreement. Each Foreign Subsidiary Borrower shall remain a Foreign Subsidiary Borrower until the Company shall have executed and delivered to the Administrative Agent a Borrowing Subsidiary Termination with respect to such Subsidiary, whereupon such Subsidiary shall cease to be a Foreign Subsidiary Borrower and a party to this Agreement. Notwithstanding the preceding sentence, no Borrowing Subsidiary Termination will become effective as to any Foreign Subsidiary Borrower at a time when any principal of or interest on any Loan to such Borrower shall be outstanding hereunder, provided that such Borrowing Subsidiary Termination shall be effective to terminate the right of such Foreign Subsidiary Borrower to make further Borrowings under this Agreement. As soon as practicable upon receipt of a Borrowing Subsidiary Agreement, the Administrative Agent shall furnish a copy thereof to each Lender.

SECTION 2.24. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 2.12(a);

(b) any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 2.18(b) or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 9.08 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Issuing Bank or Swingline Lender hereunder; third, to cash collateralize the Issuing Bank's LC Exposure with respect to such Defaulting Lender in accordance with this Section; fourth, as the Company may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Company, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) cash collateralize the Issuing Bank's future LC Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with this Section; sixth, to the payment of any amounts owing to the Lenders, the Issuing Bank or Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the Issuing Bank or Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement or under any other Loan Document; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Company as a result of any judgment of a court of competent jurisdiction obtained by the Company against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement or under any other Loan Document; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or LC Disbursements in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.03 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and LC Disbursements owed to, all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or LC Disbursements owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in the Borrowers' obligations corresponding to such Defaulting Lender's LC Exposure and Swingline Loans are held by the

Lenders pro rata in accordance with the Commitments without giving effect to clause (d) below. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this Section shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto;

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

(d) if any Swingline Exposure or LC Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the Swingline Exposure and LC Exposure of such Defaulting Lender (other than, in the case of a Defaulting Lender that is a Swingline Lender, the portion of such Swingline Exposure referred to in clause (b) of the definition of such term) shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages but only to the extent that such reallocation does not, as to any non-Defaulting Lender, cause such non-Defaulting Lender's Revolving Credit Exposure to exceed its Revolving Commitment;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Company shall within three (3) Business Days following notice by the Administrative Agent (x) first, prepay such Swingline Exposure and (y) second, cash collateralize for the benefit of the Issuing Bank only the Borrowers' obligations corresponding to such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.06(j) for so long as such LC Exposure is outstanding;

(iii) if the Company cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Borrowers shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.12(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Sections 2.12(a) and 2.12(b) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; and

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of the Issuing Bank or any other Lender hereunder, all letter of credit fees payable under Section 2.12(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the Issuing Bank until and to the extent that such LC Exposure is reallocated and/or cash collateralized; and

(e) so long as such Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding LC Exposure will be 100% covered by the Revolving Commitments of the

non-Defaulting Lenders and/or cash collateral will be provided by the Company in accordance with Section 2.24(d), and Swingline Exposure related to any such newly made Swingline Loan or LC Exposure related to any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.24(d)(i) (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event or a Bail-In Action with respect to a Lender Parent shall occur following the date hereof and for so long as such event shall continue or (ii) the Swingline Lender or the Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless the Swingline Lender or the Issuing Bank, as the case may be, shall have entered into arrangements with the Company or such Lender, satisfactory to the Swingline Lender or the Issuing Bank, as the case may be, to defease any risk to it in respect of such Lender hereunder.

In the event that the Administrative Agent, the Company, the Swingline Lender and the Issuing Bank each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders (other than Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage.

SECTION 2.25. Extension of Maturity Date.

(a) Requests for Extension. The Company may, by notice to the Administrative Agent (who shall promptly notify the applicable Class of Lenders) at any time (each such date, an "Extension Date"), request that each applicable Lender extend such Lender's Revolving Credit Maturity Date and/or Term Loan Maturity Date, as the case may be, to the date that is one year after the applicable Maturity Date then in effect for such Lender (the "Existing Maturity Date"); provided that any such request shall be made no later than 30 days prior to the applicable Existing Maturity Date. For the avoidance of doubt, the Borrower may request extensions of any Class without requesting an extension of the other Class.

(b) Lender Elections to Extend. Each Lender of the applicable Class, acting in its sole and individual discretion, shall, by notice to the Administrative Agent given not later than the date that is 15 days after the date on which the Administrative Agent received the Company's extension request (the "Lender Notice Date"), advise the Administrative Agent whether or not such Lender agrees to such extension (each Lender of the applicable Class that determines to so extend its Existing Maturity Date, an "Extending Lender"). Each Lender of the applicable Class that determines not to so extend its Existing Maturity Date (a "Non-Extending Lender") shall notify the Administrative Agent of such fact promptly after such determination (but in any event no later than the Lender Notice Date), and any Lender of the applicable Class that does not so advise the Administrative Agent on or before the Lender Notice Date shall be deemed to be a Non-Extending Lender. The election of any Lender to agree to such extension shall not obligate any other Lender to so agree, and it is understood and agreed that no Lender shall have any obligation whatsoever to agree to any request made by the Company for extension of the Existing Maturity Date.

(c) Notification by Administrative Agent. The Administrative Agent shall notify the Company of each applicable Lender's determination under this Section no later than the date that is 15



days prior to the applicable Extension Date (or, if such date is not a Business Day, on the next preceding Business Day).

(d) Additional Commitment Lenders. The Company shall have the right, but shall not be obligated, on or before the applicable Maturity Date for any Non-Extending Lender to replace such Non-Extending Lender with, and add as “Revolving Lender” (in the case of an extension of the Revolving Credit Maturity Date) or as a “Term Lender” (in the case of any extension of the Term Loan Maturity Date) under this Agreement in place thereof, one or more financial institutions that are not Ineligible Institutions (each, an “Additional Commitment Lender”) approved by the Administrative Agent and, in the case of an Additional Commitment Lender assuming a new or additional Revolving Commitment, the Issuing Lenders and the Swingline Lenders in accordance with the procedures provided in Section 2.19(b), each of which applicable Additional Commitment Lenders shall have entered into an Assignment and Assumption (in accordance with and subject to the restrictions contained in Section 9.04, with the Company or replacement Lender obligated to pay any applicable processing or recordation fee) with such Non-Extending Lender, pursuant to which such Additional Commitment Lenders shall, effective on or before the applicable Maturity Date for such Non-Extending Lender, assume a Revolving Commitment and/or Term Loans, as the case may be (and, if any such Additional Commitment Lender is already a Lender of the applicable Class, its Revolving Commitment and/or its outstanding Term Loans, as applicable, so assumed shall be in addition to such Lender’s Revolving Commitment and its outstanding Term Loans, as applicable, hereunder on such date). Prior to any Non-Extending Lender being replaced by one or more Additional Commitment Lenders pursuant hereto, such Non-Extending Lender may elect, in its sole discretion, by giving irrevocable notice thereof to the Administrative Agent and the Company (which notice shall set forth such Lender’s new Maturity Date), to become an Extending Lender. The Administrative Agent may effect such amendments to this Agreement as are reasonably necessary to provide for any such extensions with the consent of the Company but without the consent of any other Lenders.

(e) Minimum Extension Requirement. If (and only if) the total of the applicable Revolving Commitments or the applicable outstanding Term Loans of the Lenders of the applicable Class that have agreed to extend their applicable Maturity Date and the new or increased Revolving Commitments or the applicable newly assumed outstanding Term Loans of any Additional Commitment Lenders is more than 50% of the aggregate amount of the Revolving Commitments or the outstanding Term Loans, as applicable, in effect immediately prior to the applicable Extension Date, then, effective as of the applicable Extension Date, the applicable Maturity Date of each Extending Lender and of each Additional Commitment Lender of the applicable Class shall be extended to the date that is one year after the Existing Maturity Date (except that, if such date is not a Business Day, such Maturity Date as so extended shall be the next preceding Business Day) and each Additional Commitment Lender of such Class shall thereupon become a “Revolving Lender” and/or a “Term Lender”, as the case may be, for all purposes of this Agreement and shall be bound by the provisions of this Agreement as a Revolving Lender and/or a Term Lender, as the case may be, hereunder and shall have the obligations of a Revolving Lender and/or a Term Lender, as the case may be, hereunder.

(f) Conditions to Effectiveness of Extension. Notwithstanding the foregoing, (x) no more than two (2) extensions of the applicable Maturity Date shall be permitted hereunder and (y) any extension of any applicable Maturity Date pursuant to this Section 2.25 shall not be effective with respect to any Extending Lender unless:

(i) no Default or Event of Default shall have occurred and be continuing on the applicable Extension Date and immediately after giving effect thereto;

(ii) the representations and warranties of the Borrowers set forth in this Agreement are true and correct in all material respects (or, in the case of any representation or warranty qualified by materiality or Material Adverse Effect, in all respects) on and as of the applicable Extension Date and after giving effect thereto, as though made on and as of such date (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects (or, in the case of any representation or warranty qualified by materiality or Material Adverse Effect, in all respects) only as of such specified date); and

(iii) the Administrative Agent shall have received a certificate from the Company signed by a Financial Officer of the Company (A) certifying the accuracy of the foregoing clauses (i) and (ii) and (B) certifying and attaching the resolutions adopted by each Borrower approving or consenting to such extension.

(g) Maturity Date for Non-Extending Lenders. On the applicable Maturity Date of each Non-Extending Lender with respect to any Class, (i) to the extent of the Revolving Commitments of each Non-Extending Lender of the relevant Class not assigned to the Additional Commitment Lenders of such Class, the Revolving Commitment of each Non-Extending Lender of such Class shall automatically terminate and (ii) the relevant Borrower shall repay such Non-Extending Lender of such Class in accordance with Section 2.10 (and shall pay to such Non-Extending Lender all of the other Obligations due and owing to it under this Agreement, including any additional amounts required pursuant to Section 2.16) and the Administrative Agent shall administer any necessary reallocation of the applicable Credit Exposures with respect to Revolving Commitments to the extent necessary to keep outstanding Revolving Loans of the applicable Class ratable with any revised Applicable Percentages of the respective Lenders of such Class effective as of such date (without regard to any minimum borrowing, pro rata borrowing and/or pro rata payment requirements contained elsewhere in this Agreement).

(h) Conflicting Provisions. This Section shall supersede any provisions in Section 2.18 or Section 9.02 to the contrary.

### ARTICLE III\_\_

#### Representations and Warranties

Each Borrower represents and warrants to the Lenders that:

SECTION 3.01. Organization; Powers; Subsidiaries. Each Loan Party is duly organized, validly existing and in good standing (to the extent such concept is applicable in the relevant jurisdiction) under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing (to the extent such concept is applicable) in, every jurisdiction where such qualification is required. As of the date hereof, Schedule 3.01 hereto identifies each Subsidiary, if such Subsidiary is a Material Subsidiary, the jurisdiction of its incorporation or organization, as the case may be, and the percentage of issued and outstanding shares of each class of its capital stock or other equity interests owned by the Company and the other Subsidiaries. All of the outstanding shares of capital stock and other equity interests of each Loan Party (other than the Company) are validly issued and outstanding and fully paid and nonassessable (to the extent such concept is applicable) and all such shares and other equity interests indicated on Schedule 3.01 as owned by the Company or another Loan Party are owned, beneficially and of record, by the Company or any other Loan Party free and clear of all Liens, other than Liens created under the Loan Documents or Permitted Liens arising by operation of law.

There are no outstanding commitments or other obligations of any Loan Party to issue, and no options, warrants or other rights of any Person to acquire, any shares of any class of capital stock or other equity interests of any Loan Party, except pursuant to compensation plans of the Loan Parties. Each Foreign Subsidiary Borrower incorporated in an EU jurisdiction represents and warrants to the Lenders that its centre of main interest (as that term is used in Article 3(1) of the Insolvency Regulation) is in its jurisdiction of incorporation and it has no establishment (as that term is used in Article 2(10) of the Insolvency Regulation) in any other jurisdiction.

SECTION 3.02. Authorization; Enforceability. The Transactions are within each Loan Party's organizational powers and have been duly authorized by all necessary organizational and, if required, shareholder action. The Loan Documents to which each Loan Party is a party have been duly executed and delivered by such Loan Party and constitute a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except for filings necessary to perfect Liens created pursuant to the Loan Documents, (b) will not violate (x) any applicable law or regulation or any order of any Governmental Authority, except as could not reasonably be expected to result in a Material Adverse Effect or (y) the charter, by-laws or other organizational documents of any Loan Party, (c) will not violate or result in a default under any indenture or material agreement or other instrument binding upon any Loan Party or its assets, or give rise to a right thereunder to require any payment to be made by any Loan Party, and (d) will not result in the creation or imposition of any Lien (other than a Permitted Lien) on any asset of any Loan Party, except Liens created pursuant to the Loan Documents.

SECTION 3.04. Financial Condition; No Material Adverse Change. (m) The Company has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, stockholders equity and cash flows (i) as of and for the Fiscal Year ended December 31, 2020 reported on by Ernst & Young LLP, independent public accountants, and (ii) as of and for the Fiscal Quarter and the portion of the Fiscal Year ended April 2, 2021, July 2, 2021 and October 1, 2021, in each case certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Company and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) above.

(b) Since December 31, 2020, there has been no material adverse change in the business, assets, property or financial condition of the Company and its Subsidiaries, taken as a whole.

SECTION 3.05. Properties. (n) Each Loan Party has good title to, or valid leasehold interests in, all its real and personal property material to its business, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes.

(b) Each Loan Party owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, and the use thereof by the Loan

Parties does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06. Litigation and Environmental Matters. (o) There are no actions, suits, proceedings or investigations by or before any arbitrator or Governmental Authority pending against or, to the knowledge of any Borrower, threatened against or affecting any Loan Party (i) that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that question the validity of this Agreement or the Transactions. There are no labor controversies pending against or, to the knowledge of the Company, threatened against or affecting any Loan Party (i) which could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect, or (ii) that question the validity of this Agreement or the Transactions.

(b) Except with respect to any matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, none of the Loan Parties (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

SECTION 3.07. Compliance with Laws. Each Loan Party is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. Furthermore, the Dutch Borrower does not qualify as a credit institution subject to the Dutch Financial Supervision Act, or otherwise falls within an applicable exemption from such act.

SECTION 3.08. Investment Company Status. None of the Loan Parties is an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.09. Taxes. Each Loan Party has timely filed or caused to be filed all Tax returns and related reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which such Loan Party has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.11. Disclosure. Neither the Information Memorandum nor any of the other reports, financial statements, certificates or other written factual information (other than projections, forward-looking statements and information of a general economic nature) furnished by or on behalf of the Company or any other Loan Party to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished), when taken as a whole, contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, when taken as a whole, in the light of the circumstances under which they were made, not materially misleading; provided that, with respect to projected financial information, the Borrowers represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time. As of the Effective Date, to the best knowledge of the Company, the information included in the Beneficial Ownership Certification, if any,

provided on or prior to the Effective Date to any Lender in connection with this Agreement is true and correct in all respects.

SECTION 3.12. Federal Reserve Regulations. No part of the proceeds of any Loan have been used or will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X. No Borrower is engaged and no Borrower will engage, principally or as one of its important activities, in the business of purchasing or carrying Margin Stock, or extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds of any Borrowing or Letter of Credit extension hereunder will be used to buy or carry any Margin Stock. Following the application of the proceeds of each Borrowing or drawing under each Letter of Credit, not more than 25% of the value of the assets (either of the Company only or of the Company and its Subsidiaries on a consolidated basis) will be Margin Stock.

SECTION 3.13. [Intentionally Omitted].

SECTION 3.14. No Default. No Default or Event of Default has occurred and is continuing.

SECTION 3.15. [Intentionally Omitted].

SECTION 3.16. Solvency.

(a) Immediately after the consummation of the Transactions to occur on the Effective Date, the Company and its Subsidiaries, taken as a whole, are Solvent.

(b) The Company does not intend to, nor will it permit any of the other Loan Parties to, and the Company does not believe that it or any of the other Loan Parties will, incur debts beyond its ability to pay such debts as they mature, taking into account the timing of and amounts of cash to be received by it or any such Loan Party and the timing of the amounts of cash to be payable on or in respect of its Indebtedness or the Indebtedness of any such Loan Party.

(c) Immediately after the consummation of the Omega Closing Date Transactions, with respect to the Company and its Subsidiaries on a consolidated basis, (i) the sum of the liabilities of the Company and its Subsidiaries, taken as a whole, does not exceed the present fair saleable value of the assets of the Company and its Subsidiaries, taken as a whole; (ii) the capital of the Company and its Subsidiaries, taken as a whole, is not unreasonably small in relation to the business of the Company and its Subsidiaries, taken as a whole, contemplated on the Omega Closing Date and (iii) the Company and its Subsidiaries, taken as a whole, do not intend to incur, or believe that they will incur, debts including current obligations beyond their ability to pay such debt as they mature in the ordinary course of business. For the purposes hereof, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

SECTION 3.17. Insurance. Except as qualified below, the Company maintains, and has caused each other Loan Party to maintain, with financially sound and reputable insurance companies, insurance on all their real and personal property in such amounts, subject to such deductibles and self-insurance retentions and covering such properties and risks as are adequate and customarily



maintained by companies engaged in the same or similar businesses operating in the same or similar locations. The Company and the other Loan Parties are self-insured for general liability coverage.

SECTION 3.18. Security Interest in Collateral. The provisions of this Agreement and the other Loan Documents create legal and valid Liens on all the Collateral in favor of the Administrative Agent, for the benefit of the Holders of Secured Obligations, and provided that the Administrative Agent does what is required to continue the perfection of such Liens under the UCC or other applicable law, such Liens constitute perfected and continuing Liens on the Collateral, securing the Secured Obligations, enforceable against the applicable Loan Party and all third parties, and having priority over all other Liens on the Collateral except in the case of (a) Permitted Liens, to the extent any such Permitted Liens would have priority over the Liens in favor of the Administrative Agent pursuant to any applicable law or any Intercreditor Agreements and (b) Liens perfected only by possession (including possession of any certificate of title) to the extent the Administrative Agent has not obtained or does not maintain possession of such Collateral.

SECTION 3.19. Anti-Corruption Laws and Sanctions. The Company has in its reasonable business judgment implemented and maintains in effect policies and procedures designed to ensure compliance in all material respects by the Company, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws applicable to the Company and its Subsidiaries and applicable Sanctions, and the Company, its Subsidiaries and their respective officers and directors and to the knowledge of the Company its employees and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects and, in the case of any Foreign Subsidiary Borrower, is not knowingly engaged in any activity that could reasonably be expected to result in such Borrower being designated as a Sanctioned Person. None of (a) the Company, any Subsidiary, any of their respective directors or officers or to the knowledge of the Company or such Subsidiary employees, or (b) to the knowledge of the Company, any agent of the Company or any Subsidiary that will act in any capacity in connection with or benefit from the credit facilities established hereby, is a Sanctioned Person. No Borrowing or Letter of Credit, use of proceeds or other Transactions will violate any Anti-Corruption Law or applicable Sanctions. The foregoing representations in this Section 3.19 will not apply to any party hereto to which the Blocking Regulation applies, if and to the extent that such representations are or would be unenforceable pursuant to, or would otherwise result in a breach and/or violation of, (i) any provision of the Blocking Regulation (or any law or regulation implementing the Blocking Regulation in any member state of the European Union) or (ii) any similar blocking or anti-boycott law in the United Kingdom.

SECTION 3.20. Affected Financial Institutions. No Loan Party is an Affected Financial Institution.

SECTION 3.21. Dutch Fiscal Unity. Any fiscal unity (*fiscale eenheid*) for Dutch corporate income tax (*vennootschapsbelasting*) or Dutch value added tax (*omzetbelasting*) purposes in which a Loan Party is included consists of Loan Parties only, unless with the prior written consent of the Administrative Agent.

SECTION 3.22. Residency for Tax Purposes. Each Dutch Loan Party is resident for tax purposes in the Netherlands only and does not have any permanent establishment or other taxable presence outside the Netherlands, unless with the prior written consent of the Administrative Agent.

## ARTICLE IV\_\_

### Conditions

SECTION 4.01. Effective Date. The obligations of the Lenders to make its initial Loans (other than the Omega Closing Date Loans which shall only be subject to the conditions set forth in Section 4.02 hereof) and of the Issuing Bank to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent (or its counsel) shall have received (i) from each party hereto a counterpart of this Agreement signed on behalf of such party (which, subject to Section 9.06, may include any Electronic Signatures transmitted by telecopy, emailed pdf, or any other electronic means that reproduces an image of an actual executed signature page) that such party has signed a counterpart of this Agreement and (ii) duly executed copies of the other Loan Documents and such other legal opinions, certificates, documents, instruments and agreements as the Administrative Agent shall reasonably request in connection with the Transactions, all in form and substance satisfactory to the Administrative Agent and its counsel and as further described in the list of closing documents attached as Exhibit E.

(b) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders, and dated the Effective Date) of Jones Day with respect to the Loan Parties covering such matters relating to the Loan Parties, the Loan Documents or the Transactions as the Administrative Agent shall reasonably request. The Company hereby requests such counsel to deliver such opinions.

(c) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the initial Loan Parties, the authorization of the Transactions and any other legal matters relating to such Loan Parties, the Loan Documents or the Transactions, all in form and substance satisfactory to the Administrative Agent and its counsel and as further described in the list of closing documents attached as Exhibit E.

(d) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of the Company, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.03, as further described in the list of closing documents attached as Exhibit E.

(e) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Company hereunder.

(f) The Administrative Agent shall have received from the Dutch Borrower a confirmation by an authorized signatory of the Dutch Borrower that there is no works council with jurisdiction over the transactions as envisaged by any Loan Document to which it is a party and that there is no obligation for the Dutch Borrower to establish a works council pursuant to the Works Council Act (*Wet op de ondernemingsraden*), or, if a works council is established, a confirmation that all consultation obligations in respect of such works council have been



complied with and that positive unconditional advice has been obtained, attaching a copy of such advice and a copy of the request for such advice.

(g) (i) The Administrative Agent shall have received, at least five (5) days prior to the Effective Date, all documentation and other information regarding the Borrowers requested in connection with applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act, to the extent requested in writing of the Company at least ten (10) days prior to the Effective Date and (ii) to the extent any Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, at least five (5) days prior to the Effective Date, any Lender that has requested, in a written notice to the Company at least ten (10) days prior to the Effective Date, a Beneficial Ownership Certification in relation to such Borrower shall have received such Beneficial Ownership Certification (provided that, upon the execution and delivery by such Lender of its signature page to this Agreement, the condition set forth in this clause (g) shall be deemed to be satisfied).

The Administrative Agent shall notify the Company and the Lenders of the Effective Date, and such notice shall evidence the satisfaction (or waiver in accordance with Section 9.02) of all of the conditions in this Section 4.01 and shall be conclusive and binding.

SECTION 4.02. Omega Closing Date. Subject to the Omega Closing Date Limited Conditionality Provision, the obligations of the Lenders to make the Omega Closing Date Loans hereunder shall be subject solely to the satisfaction (or waiver in accordance with Section 9.02) of only the following conditions:

(a) The Effective Date shall have occurred or shall occur concurrently with the Omega Closing Date.

(b) The Omega Acquisition shall, substantially concurrently with the initial funding of the Omega Closing Date Loans, be consummated in all material respects pursuant to the Omega Purchase Agreement, and no provision thereof shall have been amended or waived, and no consent or request shall have been given under the Omega Purchase Agreement, without the prior written consent of the Administrative Agent (not to be unreasonably withheld, delayed or conditioned), in any way that is materially adverse to the Lenders in their capacities as such (it being understood and agreed that any modification, amendment or express waiver or consents by the Company that results in (a) an increase to the purchase price shall be deemed to not be materially adverse to the Lenders so long as such increase in excess of 10% is funded solely with common equity of the Company or cash on hand or borrowing capacity under this Agreement and (b) a decrease to the purchase price shall be deemed to not be materially adverse to the Lenders if and so long as such reduction is allocated to ratably reduce the Term Loan Commitments).

(c) The Specified Representations shall be true and correct in all material respects (provided that any representation or warranty that is qualified by materiality, Material Adverse Effect or similar language shall be true and correct in all respects) on and as of the Omega Closing Date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such date).

(d) The Omega Purchase Agreement Representations shall be true and correct in all material respects (provided that any representation or warranty that is qualified by materiality, Material Adverse Effect or similar language shall be true and correct in all respects).

(e) Omega shall have been, or substantially concurrently with the funding of the Omega Closing Date Loans shall be, released and discharged from all liabilities and obligations under the Indebtedness identified in Section 2.1(c)(i) of the Disclosure Schedules to the Omega Purchase Agreement as in effect on September 19, 2021, and all Liens encumbering assets or shares of Omega related to the Indebtedness identified in Section 2.1(c)(i) of the Disclosure Schedules to the Omega Purchase Agreement as in effect on September 19, 2021 shall be released, discharged, terminated and/or retransferred, as applicable (or arrangements for discharge, termination and/or retransfer shall have been made).

(f) The Administrative Agent shall have received (i) a Solvency Certificate of the chief financial officer of the Company substantially in the form of Exhibit B, (ii) a certificate signed by a Responsible Officer of the Company certifying as to the conditions set forth in Sections 4.02(b), (c) and (d) above, and the Administrative Agent shall be entitled to rely conclusively on such certificate with respect to the matters covered by such certificate, (iii) a certificate of the Secretary or an Assistant Secretary of Omega certifying (A) that there have been no changes in the Certificate of Incorporation of Omega, as attached thereto and as certified as of a recent date by the Secretary of State of the State of Delaware, since the date of the certification thereof by such governmental entity, (B) the By-Laws or other applicable organizational document, as attached thereto, of Omega as in effect on the date of such certification, (C) resolutions of the Board of Directors or other governing body of Omega authorizing the execution, delivery and performance of each Loan Document to which it is a party, and (D) the names and true signatures of the incumbent officers of Omega authorized to sign the Loan Documents to which it is a party, (iv) a good standing certificate for Omega from the Secretary of State of the State of Delaware and (v) legal opinions in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(g) The Administrative Agent shall have received: (i) audited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the Company and its Subsidiaries, for the three most recently completed fiscal years ended at least 90 days before the Omega Closing Date and (ii) unaudited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the Company and its Subsidiaries, for each subsequent fiscal quarter ended at least 60 days before the Omega Closing Date; provided that filing of the required financial statements on form 10-K and/or form 10-Q by the Company, as applicable will satisfy the foregoing applicable requirements. The Administrative Agent acknowledges receipt of (i) audited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the Company and its Subsidiaries for the fiscal years ended December 31, 2018, December 31, 2019 and December 31, 2020 and (ii) the unaudited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the Company and its Subsidiaries, for the fiscal quarters ending March 31, 2021 and June 30, 2021.

(h) The Administrative Agent shall have received the Financial Statements (as defined in the Omega Purchase Agreement).

(i) The Administrative Agent shall have received a pro forma consolidated balance sheet and related pro forma consolidated statement of income of the Company as of and for the twelve-month period ending on the last day of the most recently completed four-fiscal quarter period ended at least 45 days prior to the Omega Closing Date (or, if the end of such most recently completed fiscal period is the end of a fiscal year, ended at least 90 days before the Omega Closing Date), prepared after giving effect to the Omega Closing Date Transactions (including the Omega Acquisition) as if the Omega Closing Date Transactions had occurred as of such date (in the case of

such balance sheet) or at the beginning of such period (in the case of such statement of income), which need not be prepared in compliance with Regulation S-X of the Securities Act of 1933, as amended, or include adjustments for purchase accounting.

(j) The Administrative Agent shall have received, at least three (3) Business Days prior to the Omega Closing Date, all documentation and other information about the Borrowers and Guarantors as shall have been reasonably requested in writing by the Administrative Agent at least ten (10) Business Days prior to the Omega Closing Date and required by U.S. regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the PATRIOT Act (including a Beneficial Ownership Certification from the Borrowers in respect of the Beneficial Ownership Regulation).

(k) Subject to the Omega Closing Date Limited Conditionality Provision all actions necessary to establish that the Administrative Agent will have a perfected first priority security interest (subject to Liens permitted under the Loan Documents) in the Collateral shall have been taken (including a collateral assignment of insurance with respect to any representation and warranty insurance policy obtained in connection with the Omega Acquisition and joinder documentation in respect of the Subsidiary Guaranty and the Domestic Security Agreement (in each case in the forms contemplated thereby) pursuant to which Omega agrees to be bound by the terms and provisions thereof).

(l) All fees and expenses due and payable to the Administrative Agent and the Lenders and required to be paid on or prior to the Omega Closing Date shall have been paid or shall have been authorized to be deducted from the proceeds of the initial fundings under the Omega Closing Date Loans, so long as any such fees or expenses not expressly set forth in any letter agreement have been invoiced not less than two (2) Business Days prior to the Omega Closing Date (except as otherwise reasonably agreed by the Company).

The availability of the Omega Closing Date Loans shall be subject solely to the satisfaction (or waiver in accordance of Section 9.02) of only the conditions set forth in this Section 4.02; it being understood that there shall be no conditions (implied or otherwise) to the availability of the Omega Closing Date Loans (including compliance with the terms of this Agreement or the other Loan Documents) other than those that are expressly stated in this Section 4.02.

The Administrative Agent shall notify the Company and the Lenders of the Omega Closing Date, and such notice shall evidence the satisfaction (or waiver in accordance of Section 9.02) of all of the conditions in this Section 4.02 and shall be conclusive and binding.

SECTION 4.03. Each Credit Event. Other than with respect to any funding of the Omega Closing Date Loans on the Omega Closing Date (which shall only be subject to the conditions set forth in Section 4.02 hereof), the obligation of each Lender to make a Loan on the occasion of any Borrowing (excluding, for the avoidance of doubt, any conversion or continuation of a Loan), and of the Issuing Bank to issue, amend or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrowers set forth in this Agreement shall be true and correct in all material respects (or, in the case of any representation or warranty qualified by materiality or Material Adverse Effect, in all respects) on and as of the date of such Borrowing or the date of issuance, amendment or extension of such Letter of Credit, as applicable (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects (or, in the case

of any representation or warranty qualified by materiality or Material Adverse Effect, in all respects) only as of such specified date).

(b) At the time of and immediately after giving effect to such Borrowing (other than a conversion or continuation of a Loan) or the issuance, amendment or extension of such Letter of Credit, as applicable, no Default shall have occurred and be continuing.

Each Borrowing (excluding any conversion or continuation of an existing Loan, or any Borrowing in respect of the Omega Closing Date Loans) and each issuance, amendment or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrowers on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

SECTION 4.04. Designation of a Foreign Subsidiary Borrower. The designation of a Foreign Subsidiary Borrower pursuant to Section 2.23 is subject to the condition precedent that the Company or such proposed Foreign Subsidiary Borrower shall have furnished or caused to be furnished to the Administrative Agent:

(a) Copies, certified by the Secretary or Assistant Secretary (or comparable officer) of such Subsidiary, of its Board of Directors' resolutions (and resolutions of other bodies, if any are deemed necessary by counsel for the Administrative Agent) approving the Borrowing Subsidiary Agreement and any other Loan Documents to which such Subsidiary is becoming a party and such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of such Subsidiary;

(b) An incumbency certificate, executed by the Secretary or Assistant Secretary (or comparable officer) of such Subsidiary, which shall identify by name and title and bear the signature of the officers of such Subsidiary authorized to request Borrowings hereunder and sign the Borrowing Subsidiary Agreement and the other Loan Documents to which such Subsidiary is becoming a party, upon which certificate the Administrative Agent and the Lenders shall be entitled to rely until informed of any change in writing by the Company or such Subsidiary;

(c) Opinions of counsel to such Subsidiary, in form and substance reasonably satisfactory to the Administrative Agent and its counsel, with respect to the laws of its jurisdiction of organization and such other matters as are reasonably requested by counsel to the Administrative Agent and addressed to the Administrative Agent and the Lenders;

(d) Any documentation and other information related to such Subsidiary reasonably requested by the Administrative Agent or any Lender under applicable "know your customer" or similar rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation; and

(e) Any promissory notes requested by any Lender, and any other instruments and documents reasonably requested by the Administrative Agent.

#### ARTICLE V\_\_

##### Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated (or have been cash collateralized in accordance with Section 2.06), in each

case, without any pending draw, and all LC Disbursements shall have been reimbursed, the Company covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements and Other Information. The Company will furnish to the Administrative Agent for distribution to each Lender:

(a) within ninety (90) days after the end of each Fiscal Year of the Company, its audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all reported on by Ernst & Young LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit in any material respect) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Company and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied (except as may be described as required by paragraph (c)(iii) of this Section);

(b) within forty-five (45) days after the end of each of the first three Fiscal Quarters of each Fiscal Year of the Company, its consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such Fiscal Quarter and the then elapsed portion of the Fiscal Year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous Fiscal Year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Company and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments, the absence of footnotes and any matters described as required by paragraph (c)(iii) of this Section;

(c) concurrently with any delivery (including any deemed delivery pursuant to the last paragraph of this Section 5.01) of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Company (i) certifying as to whether a Default has occurred and is continuing and, if a Default has occurred and is continuing, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.11 and (iii) stating whether any material change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 3.04 and, if any such material change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(d) concurrently with any delivery of financial statements under clause (a) above, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Default (which certificate may be limited to the extent required by accounting rules or guidelines);

(e) as soon as available, but in any event no later than the end of, and no earlier than thirty (30) days prior to the end of, each Fiscal Year of the Company, a copy of the plan and forecast (including a projected consolidated and consolidating balance sheet, income statement and funds flow statement) of the Company for the upcoming Fiscal Year in form reasonably satisfactory to the Administrative Agent; and



(f) promptly following any request therefor, (x) such other information regarding the operations, business affairs and financial condition of the Company or any Subsidiary, or compliance with the terms of this Agreement, as the Administrative Agent or any Lender (acting through the Administrative Agent) may reasonably request and (y) information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation.

Documents required to be delivered pursuant to clauses (a) and (b) of this Section 5.01 may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which such documents are filed for public availability on the SEC’s Electronic Data Gathering and Retrieval System; provided that the Company shall notify (which may be by facsimile or electronic mail) the Administrative Agent of the filing of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Notwithstanding anything contained herein, in every instance the Company shall be required to provide paper copies or PDF of the compliance certificates required by clause (c) of this Section 5.01 to the Administrative Agent.

SECTION 5.02. Notices of Material Events. The Company will furnish to the Administrative Agent for distribution to each Lender prompt written notice of the following, promptly after a Responsible Officer of the Company having actual knowledge thereof:

- (a) the occurrence of any Default;
- (b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Company or any Affiliate thereof that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect;
- (c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;
- (d) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect; and
- (e) any change in the information provided in the Beneficial Ownership Certification delivered to such Lender that would result in a change to the list of beneficial owners identified in such certification.

Each notice delivered under this Section (i) shall contain a heading or a reference line that reads “Notice under Section 5.02 of the Materion Corporation Fourth Amended and Restated Credit Agreement dated October 27, 2021” and (ii) shall be accompanied by a statement of a Financial Officer or other executive officer of the Company setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Existence; Conduct of Business. The Company will, and will cause each other Loan Party to, do or cause to be done (i) all things necessary to preserve, renew and keep in full force and effect its legal existence and (ii) take, or cause to be taken, all reasonable actions to maintain the rights, qualifications, licenses, permits, privileges, franchises, governmental authorizations and intellectual property rights material to the conduct of its business, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted, except, in the case of this clause (ii), to the extent failure to do so could not reasonably be expected to result in a Material Adverse Effect; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution

permitted under Section 6.03. The Company will cause each Subsidiary incorporated in an EU jurisdiction to cause its centre of main interest (as that term is used in Article 3(1) of the Insolvency Regulation) to be situated solely in its jurisdiction of incorporation and not to have an establishment (as that term is used in Article 2(10) of the Insolvency Regulation) situated outside its jurisdiction of incorporation.

SECTION 5.04. Payment of Obligations. The Company will, and will cause each other Loan Party to, pay its obligations, including Tax liabilities, that, if not paid, could result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) (i) the validity or amount thereof is being contested in good faith by appropriate proceedings, and (ii) the Company or such other Loan Party has set aside on its books adequate reserves with respect thereto in accordance with GAAP or (b) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05. Maintenance of Properties; Insurance. The Company will, and will cause each other Loan Party to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, except to the extent any failure to do so could not reasonably be expected to result in a Material Adverse Effect and (b) maintain with financially sound and reputable carriers (i) insurance in such amounts (with no greater risk retention) and against such risks (including loss or damage by fire and loss in transit; theft, burglary, pilferage, larceny, embezzlement, and other criminal activities; and general liability) and such other hazards, as is customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations and (ii) all insurance required pursuant to the Collateral Documents; provided, that the Loan Parties shall be entitled to self-insure for general liability in a manner consistent with historical practices. The Company will furnish to the Administrative Agent, upon request, information in reasonable detail as to the insurance so maintained. The Company shall deliver to the Administrative Agent endorsements (x) to all "All Risk" physical damage insurance policies on all of the Loan Parties' tangible personal property and assets naming the Administrative Agent as lender loss payee, and (y) to all general liability policies naming the Administrative Agent an additional insured. In the event the Company or any other Loan Party at any time or times hereafter shall fail to obtain or maintain any of the policies or insurance required herein or to pay any premium in whole or in part relating thereto, then after notice to the Company and a reasonable time to cure, the Administrative Agent, without waiving or releasing any obligations or resulting Default hereunder, may at any time or times thereafter (but shall be under no obligation to do so) obtain and maintain such policies of insurance and pay such premiums and take any other action with respect thereto which the Administrative Agent deems reasonably advisable. All sums so disbursed by the Administrative Agent shall constitute part of the Obligations, payable as provided in this Agreement. The Company will furnish to the Administrative Agent and the Lenders prompt written notice of any casualty or other insured damage to any material portion of the Collateral or the commencement of any action or proceeding for the taking of any material portion of the Collateral or interest therein under power of eminent domain or by condemnation or similar proceeding.

SECTION 5.06. Books and Records; Inspection Rights. The Company will, and will cause each other Loan Party to, keep proper books of record and account in which full, true and correct entries in all material respects, are made of all dealings and transactions in relation to its business and activities. The Company will, and will cause each other Loan Party to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, including environmental assessment reports and Phase I or Phase II studies commissioned previously by the Company or any other Loan Party (it being understood that the Administrative Agent and Lenders will not be entitled to conduct their own environmental studies with respect to the Company or any of the Loan Parties), and to discuss its affairs, finances and condition with its officers and, provided that the Company or such Loan Party is



afforded the opportunity to participate in such discussions, independent accountants, all at such reasonable times during normal business hours and as often as reasonably requested; provided, that unless an Event of Default has occurred and is continuing at the time such inspection commences, (a) the Company shall not be required to pay expenses relating to more than one inspection by the Administrative Agent in any twelve consecutive calendar months and (b) the Company shall not be required to pay the expenses of any Lender for any inspection; provided, further, that when an Event of Default exists the Administrative Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing at the reasonable expense of the Company at any time during normal business hours, without advance notice and without limitation as to frequency. During any inspection or examination, the Administrative Agent will make reasonable efforts to cause all of its representatives to comply in all material respects with all health, safety and security requirements of general application of the Company or applicable Loan Party, or otherwise applicable to the relevant location. The Company acknowledges that the Administrative Agent, after exercising its rights of inspection, may prepare and distribute to the Lenders certain reports pertaining to the Company and the other Loan Parties' assets for internal use by the Administrative Agent and the Lenders.

SECTION 5.07. Compliance with Laws and Material Contractual Obligations. The Company will, and will cause each other Loan Party to, (i) comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property (including without limitation Environmental Laws) and (ii) perform in all material respects its obligations under material agreements to which it is a party, in each case except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Company will in its reasonable business judgment maintain in effect and enforce policies and procedures designed to ensure compliance in all material respects by the Company, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws applicable to the Company and its Subsidiaries and applicable Sanctions.

SECTION 5.08. Use of Proceeds. The proceeds of the Loans will be used only to finance the working capital needs, and for general corporate purposes, of the Company and its Subsidiaries; provided that the proceeds of the Term Loans and the Omega Closing Date Revolving Loans on the Omega Closing Date will be used first to finance the Omega Acquisition and to pay Omega Closing Date Transaction Costs in respect of the Omega Acquisition. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X. No Borrower will request any Borrowing or Letter of Credit, and no Borrower shall use, and the Company shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing or Letter of Credit (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, except to the extent permitted for a Person required to comply with Sanctions or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto. The foregoing clauses (ii) and (iii) of this Section 5.08 will not apply to any party hereto to which the Blocking Regulation applies, if and to the extent that such representations are or would be unenforceable pursuant to, or would otherwise result in a breach and/or violation of, (i) any provision of the Blocking Regulation (or any law or regulation implementing the Blocking Regulation in any member state of the European Union) or (ii) any similar blocking or anti-boycott law in the United Kingdom.

SECTION 5.09. Subsidiary Guarantors; Pledges; Additional Collateral; Further Assurances.

(a) Additional Guarantors.

(i) Domestic Subsidiary Guarantors. As promptly as possible but in any event within thirty (30) days (or such later date as may be agreed upon by the Administrative Agent) after any Person becomes, or is designated by the Company as, or qualifies independently as a Domestic Subsidiary Guarantor pursuant to the definitions of “Material Subsidiary” and “Domestic Subsidiary Guarantor”, the Company shall provide the Administrative Agent with written notice thereof and shall cause each such Subsidiary to deliver to the Administrative Agent a joinder to the Subsidiary Guaranty and the Domestic Security Agreement (in each case in the form contemplated thereby) pursuant to which such Subsidiary agrees to be bound by the terms and provisions thereof, such Subsidiary Guaranty and the Domestic Security Agreement to be accompanied by appropriate corporate resolutions, other corporate documentation and legal opinions in form and substance reasonably satisfactory to the Administrative Agent and its counsel. Upon execution and delivery thereof, each such Subsidiary (i) shall automatically become a Domestic Subsidiary Guarantor hereunder and thereupon shall have all of the rights, benefits, duties and obligations in such capacity under the Loan Documents, (ii) shall guarantee repayment of all of the Secured Obligations and (iii) shall grant Liens in respect of its assets (other than Excluded Assets) to the Administrative Agent, for the benefit of the Holders of Secured Obligations, in order to secure repayment of all of the Secured Obligations. Notwithstanding the foregoing no Receivables Entity shall be required to become a Subsidiary Guarantor.

(ii) Dutch Subsidiary Guarantors. As promptly as possible but in any event within thirty (30) days (or such later date as may be agreed upon by the Administrative Agent) after any Person becomes, or is designated by the Company as, or qualifies independently as a Dutch Subsidiary Guarantor pursuant to the definitions of “Material Subsidiary” and “Dutch Subsidiary Guarantor”, the Company shall provide the Administrative Agent with written notice thereof and shall cause each such Subsidiary to deliver to the Administrative Agent a joinder to the Subsidiary Guaranty, and a joinder to (or shall enter into) the relevant Dutch Collateral Documents (in each case any such joinder being in the form contemplated thereby) pursuant to which such Subsidiary agrees to be bound by the terms and provisions thereof, such Subsidiary Guaranty and Dutch Collateral Documents to be accompanied by appropriate corporate resolutions, other corporate documentation and legal opinions in form and substance reasonably satisfactory to the Administrative Agent and its counsel. Upon execution and delivery thereof, each such Subsidiary (i) shall automatically become a Dutch Subsidiary Guarantor hereunder and thereupon shall have all of the rights, benefits, duties and obligations in such capacity under the Loan Documents, (ii) shall guarantee repayment of all of the Foreign Secured Obligations and (iii) shall grant Liens in respect of its assets (other than Excluded Assets) to the Administrative Agent, for the benefit of the Holders of Secured Obligations, in order to secure repayment of all of the Foreign Secured Obligations.

(b) The Company will cause, and will cause each other Domestic Loan Party and Dutch Subsidiary Guarantor to cause, all of its owned property (whether real, personal, tangible, intangible, or mixed, but excluding Excluded Assets), to be subject at all times to first priority, perfected Liens in favor of the Administrative Agent for the benefit of the Holders of Secured Obligations to secure the Secured Obligations (or, in the case of a Dutch Subsidiary Guarantor, only the Foreign Secured Obligations) in accordance with the terms and conditions of the Collateral Documents, subject in any case to Permitted Liens. Without limiting the generality of the foregoing, the Company (i) will cause the Applicable Pledge Percentage of the issued and outstanding Equity Interests of each Pledge Subsidiary directly owned by the Company or any other Loan Party (other than Excluded Assets) to be subject at all times to a first priority, perfected Lien (subject only to Permitted Liens arising by operation of law) in

favor of the Administrative Agent to secure the Secured Obligations (or, in the case of a Dutch Subsidiary Guarantor, only the Foreign Secured Obligations) in accordance with the terms and conditions of the Collateral Documents or such other security documents as the Administrative Agent shall reasonably request and (ii) will, and will cause each Domestic Subsidiary Guarantor to, deliver Mortgages and Mortgage Instruments with respect to real mining Property owned by the Company or such Subsidiary Guarantor to the extent, and within such time period as is, reasonably required by the Administrative Agent. Notwithstanding the foregoing, (i) no such Mortgages and Mortgage Instruments are required to be delivered hereunder until the date that is sixty (60) days after the Effective Date or such later date as the Administrative Agent may agree in the exercise of its reasonable discretion with respect thereto and (ii) no such pledge agreement in respect of the Equity Interests of a Foreign Subsidiary that is a Pledge Subsidiary shall be required hereunder (A) until the date that is sixty (60) days after the Effective Date or such later date as the Administrative Agent may agree in the exercise of its reasonable discretion with respect thereto, (B) under the laws of any jurisdiction other than the United States or any state or territory thereof or, with respect to any Dutch Loan Party, the Netherlands, and (C) to the extent the Administrative Agent or its counsel determines that such pledge would not provide material credit support for the benefit of the Holders of Secured Obligations pursuant to legally valid, binding and enforceable pledge agreements.

(c) Without limiting the foregoing, the Company will, and will cause each other Domestic Loan Party and Dutch Subsidiary Guarantor to, execute and deliver, or cause to be executed and delivered, to the Administrative Agent such documents, agreements and instruments, and will take or cause to be taken such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents and such other actions or deliveries of the type required by Section 4.01, as applicable), which may be required by law or which the Administrative Agent may, from time to time, reasonably request to carry out the terms and conditions of this Agreement and the other Loan Documents and to ensure perfection and priority of the Liens created or intended to be created by the Collateral Documents, all at the expense of the Company.

(d) If any material assets that constitute Collateral (including any real mining Property or improvements thereto or any interest therein but excluding Excluded Assets) are acquired by a Domestic Loan Party or a Dutch Subsidiary Guarantor after the Effective Date (other than assets constituting Collateral under the Domestic Security Agreement or any Dutch Collateral Document, as applicable, that become subject to the Lien under the Security Agreement upon acquisition thereof), the Company will notify the Administrative Agent thereof, and, if reasonably requested by the Administrative Agent, the Company will cause such assets to be subjected to a Lien securing the Secured Obligations (or, in the case of a Dutch Subsidiary Guarantor, only the Foreign Secured Obligations) and will take, and cause the other Loan Parties to take, such actions as shall be necessary or reasonably requested by the Administrative Agent to grant and perfect such Liens, including actions described in paragraph (c) of this Section, all at the expense of the Company.

(e) Notwithstanding anything to the contrary set forth in this Agreement, it is hereby understood and agreed that no Dutch Subsidiary Guarantor shall be required to provide a Guarantee of, or grant a lien in any of its Property to secure, any Secured Obligations other than the Foreign Secured Obligations.

SECTION 5.10. Fiscal Unity for Dutch Tax Purposes. Any fiscal unity (*fiscale eenheid*) for Dutch corporate income tax (*vennootschapsbelasting*) or Dutch value added tax (*omzetbelasting*) purposes in which a Loan Party is included shall consist of Loan Parties only, unless with the prior written consent of the Administrative Agent.



SECTION 5.11. Allocation of Tax Losses and Interest Expenses. If, at any time, a Loan Party is a member of a fiscal unity (*fiscale eenheid*) for Dutch corporate income tax (*vennootschapsbelasting*) purposes and such fiscal unity is, in respect of that Loan Party, terminated (*verbroken*) or disrupted (*beëindigd*) as a result of or in connection with the Administrative Agent enforcing its rights under any Loan Document, such Loan Party shall, at the request of the Administrative Agent and together with the parent company (*moedermaatschappij*) or deemed parent company (*aangewezen moedermaatschappij*) of that fiscal unity, for no consideration and as soon as reasonably practicable lodge a request with the relevant Governmental Authority to allocate and surrender any tax losses (within the meaning of Article 20 of the Dutch Corporate Income Tax Act (*Wet op de vennootschapsbelasting 1969*)) and any interest expenses available for carry forward (within the meaning of section 15b(5) of the Dutch Corporate Income Tax Act (*Wet op de vennootschapsbelasting 1969*)) to the Loan Party leaving that fiscal unity, to the extent such tax losses and/or interests expenses are attributable (*toerekenbaar*) to the Loan Party leaving that fiscal unity (respectively, within the meaning of Article 15af and Article 15ahb of the Dutch Corporate Income Tax Act (*Wet op de vennootschapsbelasting 1969*)).

SECTION 5.12. Residency for Tax Purposes. None of the Dutch Loan Parties shall change its residency for tax purposes or create any permanent establishment or other taxable presence outside the Netherlands, unless with the prior written consent of the Administrative Agent.

SECTION 5.13. Post-Closing Matters. (a) No later than the date that is thirty (30) days after the Effective Date (or such later date as the Administrative Agent may agree to in its discretion), the Company shall deliver to the Administrative Agent, certificates of insurance listing the Administrative Agent as (i) lender loss payee for the property and casualty insurance policies of the initial Loan Parties, together with separate lender loss payable endorsements and (ii) additional insured with respect to the liability insurance of the initial Loan Parties, in each case to the extent required by Section 5.05 and (b) no later than the date that is sixty (60) days after the Effective Date (or such later date as the Administrative Agent may agree to in its discretion), the Company shall deliver to the Administrative Agent (i) an amendment to the existing Mortgages, in recordable form, in form and substance reasonably acceptable to the Administrative Agent, and (ii) date down endorsements to the title policies related to such Mortgages, insuring the lien of such Mortgages as amended by such amendment, showing no Liens other than Permitted Liens, in form and substance reasonably acceptable to the Administrative Agent.

## ARTICLE VI\_\_

### Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired or terminated (or have been cash collateralized in accordance with Section 2.06), in each case, without any pending draw, and all LC Disbursements shall have been reimbursed, the Company covenants and agrees with the Lenders that:

SECTION 6.01. Indebtedness. The Company will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

- (a) the Secured Obligations;
- (b) Indebtedness existing on the date hereof and set forth in Schedule 6.01 and extensions, renewals, refinancings and replacements of any such Indebtedness with Indebtedness of a similar type that does not increase the outstanding principal amount thereof (other than

attributable to the accretion of original issue discount, interest, capitalization of interest or payment premiums in respect of the Indebtedness being extended, renewed, refinanced or replaced and costs and expenses related thereto);

(c) Indebtedness of the Company to any Subsidiary and of any Subsidiary to the Company or any other Subsidiary; provided that Indebtedness of any Subsidiary that is not a Domestic Loan Party to any Domestic Loan Party shall be subject to Section 6.04;

(d) Guarantees by the Company of Indebtedness of any Subsidiary and by any Subsidiary of Indebtedness of the Company or any other Subsidiary; provided that Guarantees by any Domestic Loan Party of Indebtedness of any Subsidiary that is not a Domestic Loan Party shall be subject to Section 6.04;

(e) Indebtedness of the Company or any Subsidiary incurred to finance the acquisition, construction or improvement of any assets, including Capitalized Lease Obligations and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals, refinancings and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof (other than attributable to the accretion of original issue discount, interest, capitalization of interest or payment premiums in respect of the Indebtedness being extended, renewed, refinanced or replaced and costs and expenses related thereto); provided that the aggregate principal amount of Indebtedness incurred in any Fiscal Year pursuant to this clause (e) shall not exceed \$25,000,000;

(f) Contingent Obligations (i) by endorsement of instruments for deposit or collection in the ordinary course of business, (ii) consisting of the reimbursement obligations in respect of LC Disbursements hereunder, (iii) consisting of the Subsidiary Guaranty and Guarantees of Indebtedness incurred for the benefit of any other Loan Party if the primary obligation is expressly permitted elsewhere in this Section 6.01, and (iv) under the Beryllium Contracts;

(g) Indebtedness arising under Swap Agreements having a Net Mark-to-Market Exposure not exceeding \$50,000,000 at any time, which amount shall include the Swap Agreements in existence on the Effective Date;

(h) Indebtedness arising under Permitted Precious Metals Agreements in an aggregate principal amount not to exceed \$615,000,000 at any time outstanding;

(i) unsecured Indebtedness of the Company (including unsecured Subordinated Indebtedness to the extent subordinated to the Secured Obligations on terms reasonably acceptable to the Administrative Agent) in the form of publicly issued notes, to the extent not otherwise permitted under this Section 6.01, and any Indebtedness of the Company constituting refinancings, renewals or replacements of any such Indebtedness; provided that (i) both immediately prior to and after giving effect (including giving effect on a Pro Forma Basis) thereto, no Default or Event of Default shall exist or would result therefrom, (ii) such Indebtedness matures after, and does not require any scheduled amortization or other scheduled payments of principal prior to, the date that is 181 days after any Revolving Credit Maturity Date, any Term Loan Maturity Date and any maturity date of any Incremental Term Loan in effect on the date of incurrence of such Indebtedness (it being understood that any provision requiring an offer to purchase such Indebtedness as a result of change of control or asset sale shall not violate the foregoing restriction), (iii) such Indebtedness is not guaranteed by any Subsidiary of the

Company other than the Subsidiary Guarantors (which guarantees, if such Indebtedness is subordinated, shall be expressly subordinated to the Secured Obligations on terms not less favorable to the Lenders than the subordination terms of such Subordinated Indebtedness), (iv) the covenants applicable to such Indebtedness are not more onerous or more restrictive in any material respect (taken as a whole) than the applicable covenants set forth in this Agreement and (v) both immediately prior to and after giving effect (including giving effect on a Pro Forma Basis) thereto, the Company is in compliance with Section 6.11;

(j) Indebtedness of the Company or any Domestic Subsidiary incurred to finance the acquisition of any equipment to be used in the United States and extensions, renewals, refinancings and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof (other than attributable to the accretion of original issue discount, interest, capitalization of interest or payment premiums in respect of the Indebtedness being extended, renewed, refinanced or replaced and costs and expenses related thereto); provided that the aggregate principal amount of Indebtedness incurred pursuant to this clause (j) shall not exceed \$75,000,000 at any time outstanding;

(k) Indebtedness (including obligations in respect of letters of credit or bank guarantees or similar instruments) owed to any Person providing workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance, pursuant to reimbursement or indemnification obligations to such Person, in each case incurred in the ordinary course of business;

(l) Indebtedness in respect of performance bonds, performance and completion guarantees, bid bonds, customs and appeal bonds, surety bonds and similar obligations or obligations in respect of letters of credit related thereto, in each case provided in the ordinary course of business, including those incurred to secure health, safety and environmental obligations in the ordinary course of business;

(m) Indebtedness of any Person that becomes a Subsidiary or is merged into or consolidated with the Company or a Subsidiary and Indebtedness assumed in connection with the acquisition of assets, in each case, pursuant to a transaction not otherwise prohibited by this Agreement; provided that such Indebtedness exists at the time such Person becomes a Subsidiary or at the time of such merger, consolidation or acquisition, as applicable, and is not created in contemplation of or in connection with such Person becoming a Subsidiary or such merger, consolidation or acquisition, as applicable, and extensions, renewals, refinancings and replacements of any such Indebtedness with Indebtedness of a similar type that does not increase the outstanding principal amount thereof (other than attributable to the accretion of original issue discount, interest, capitalization of interest or payment premiums in respect of the Indebtedness being extended, renewed, refinanced or replaced and costs and expenses related thereto);

(n) Indebtedness representing deferred compensation to employees of the Company or any Subsidiary;

(o) Indebtedness to the extent constituting obligations providing for indemnification, the adjustment of the purchase price or similar adjustments in connection with an Acquisition or disposition permitted hereunder;



(p) Indebtedness and other obligations in respect of netting services, overdraft protections and similar arrangements in each case in connection with cash management agreements and deposit accounts in the ordinary course of business;

(q) Indebtedness consisting of (i) the financing of insurance premiums or (ii) take-or-pay obligations contained in supply arrangements, in each case, in the ordinary course of business;

(r) Indebtedness in respect of any trade letters of credit, warehouse receipts or similar facilities entered into in the ordinary course of business;

(s) Indebtedness of Foreign Subsidiaries that are not Loan Parties in an aggregate principal amount not to exceed \$25,000,000 at any time outstanding; provided that such Indebtedness is without any direct or indirect recourse to the Company or any Domestic Subsidiary; ~~and~~

**(t) Indebtedness incurred pursuant to Permitted Receivables Facilities; and**

**(tu)** other unsecured Indebtedness in an aggregate principal amount not to exceed \$150,000,000 at any time outstanding.

SECTION 6.02. Liens. The Company will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any Collateral, except the following (collectively, "Permitted Liens"):

(a) Liens created pursuant to any Loan Document;

(b) Liens arising in connection with Permitted Precious Metals Agreements subject to the Intercreditor Agreement referenced in clause (a) of the definition of "Intercreditor Agreements" to the extent applicable;

(c) any Lien on any property or asset of the Company or any Subsidiary existing on the date hereof and set forth in Schedule 6.02; provided that (i) such Lien shall not apply to any other property or asset of the Company or any Subsidiary (other than (x) after-acquired property that is affixed or incorporated into the property covered by such Lien and (y) proceeds and products thereof) and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals, refinancings and replacements thereof that do not increase the outstanding principal amount thereof (other than attributable to the accretion of original issue discount, interest, capitalization of interest or payment premiums in respect of the obligations being extended, renewed, refinanced or replaced and costs and expenses related thereto);

(d) any Lien existing on any property or asset prior to the acquisition thereof by the Company or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Company or any Subsidiary (other than the proceeds or products thereof and after-acquired property subject to a Lien pursuant to terms existing at the time of such acquisition) and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be, and extensions, renewals, refinancings and replacements thereof that do not increase the outstanding



principal amount thereof (other than attributable to the accretion of original issue discount, interest, capitalization of interest or payment premiums in respect of the obligations being extended, renewed, refinanced or replaced and costs and expenses related thereto);

(e) Liens on assets acquired, constructed or improved by the Company or any Subsidiary; provided that (i) such security interests secure Indebtedness permitted by clause (e) of Section 6.01, (ii) the Indebtedness secured thereby does not exceed the cost of acquiring, constructing or improving such assets and (iii) such security interests shall not apply to any other property or assets of the Company or any Subsidiary other than the property financed by such Indebtedness and any accessions thereto and the proceeds and products thereof and related property; provided further that individual financings provided by one lender may be cross-collateralized to other financings provided by such lender incurred under clause (e) of Section 6.01;

(f) Liens for taxes, fees, assessments, or other governmental charges or levies on the Property of the Company or any Subsidiary if such Liens (a) shall not at the time be delinquent by more than 30 days (after giving effect to any grace period), (b) are being contested in good faith by appropriate proceedings diligently pursued and for which adequate reserves shall have been provided on the Company or such Subsidiary's books, or (c) subject to the provisions of Section 5.04, do not secure obligations in excess of \$15,000,000 and a stay of enforcement of such Lien is in effect;

(g) Liens imposed by law, such as carrier's, warehousemen's, and mechanic's Liens and other similar Liens arising in the ordinary course of business which secure payment of obligations not more than 30 days past due or which are being contested in good faith by appropriate proceedings diligently pursued and for which adequate reserves shall have been provided on the Company or such Subsidiary's books;

(h) statutory Liens in favor of landlords of real Property leased by the Company or any Subsidiary; provided that, the Company or such Subsidiary is current with respect to payment of all rent and other material amounts due to such landlord under any lease of such real Property or is contesting such amounts in good faith by appropriate proceedings;

(i) Liens arising out of pledges or deposits under worker's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation or to secure the performance of bids, tenders, or contracts (other than for the repayment of Indebtedness) or to secure indemnity, performance, or other similar bonds for the performance of bids, tenders, or contracts (other than for the repayment of Indebtedness) and other obligations of a like nature or to secure statutory obligations (other than liens arising under ERISA or Environmental Laws) or surety or appeal bonds, or to secure indemnity, performance, or other similar bonds;

(j) utility easements, building restrictions, and such other encumbrances or charges against real Property as are of a nature generally existing with respect to properties of a similar character and which do not in any material way affect the marketability of such real Property or interfere in any material respect with the use thereof in the business of the Company or any Subsidiary;

(k) the equivalent of the types of Liens discussed in clauses (f) through (j) above, and in clauses (n) through (p) and (s) through (u) below, inclusive, in any jurisdiction in which the Company or any Subsidiary is engaged in business or owns Property or assets;

(l) Liens arising from judgments or orders under circumstances that do not constitute an Event of Default under Section 7.01(k);

(m) Liens on equipment acquired by the Company or any Domestic Subsidiary to be used in the United States; provided that (i) such security interests secure Indebtedness permitted by clause (j) of Section 6.01, (ii) the Indebtedness secured thereby does not exceed the cost of acquiring such equipment and (iii) such security interests shall not apply to any other property or assets of the Company or any Subsidiary other than the property financed by such Indebtedness and any accessions thereto and the proceeds and products thereof and related property; provided that individual financings provided by one lender may be cross-collateralized to other financings provided by such lender incurred under clause (j) of Section 6.01;

(n) Liens securing insurance premiums financing arrangements in the ordinary course of business;

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

(p) Liens of a collecting bank arising in the ordinary course of business under Section 4-208 of the UCC in effect in the relevant jurisdiction covering only the items being collected upon;

(q) (i) leases, licenses, subleases or sublicenses granted to other Persons (including with respect to intellectual property and software) which do not (x) interfere in any material respect with the business of the Company and its Subsidiaries, taken as a whole, or (y) secure any Indebtedness for borrowed money or (ii) the rights reserved or vested in any Person by the terms of any lease, license, franchise, grant or permit held by the Company or any of its Subsidiaries or by a statutory provision, to terminate any such lease, license, franchise, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(r) Liens (i) (x) on advances of cash or cash equivalents in favor of the seller of any property to be acquired in an Acquisition permitted hereunder to be applied against the purchase price for such Acquisition and (y) consisting of an agreement to dispose of any property in a disposition permitted under Section 6.03, in each case solely to the extent such Investment or disposition, as the case may be, would have been permitted on the date of the creation of such Lien, and (ii) reasonable earnest money deposits of cash or cash equivalents made by the Company or any of its Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder;

(s) Liens arising from precautionary UCC financing statement filings (or similar filings under other applicable law) in connection with Operating Leases and other ordinary course transaction and which, in each case, do not relate to any Indebtedness;

(t) Liens on cash and cash equivalents on deposit with Lenders and Affiliates of Lenders securing obligations owing to such Persons under any treasury, depository, overdraft or

other cash management services agreements or arrangements with the Company or any Subsidiary in the ordinary course of business;

(u) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of the Company or any of its Subsidiaries to permit satisfaction of overdraft of similar obligations incurred in the ordinary course of business of the Company and its Subsidiaries, including with respect to credit card chargebacks and similar obligations incurred in the ordinary course of business, or (iii) relating to purchase orders and other agreements entered into with customers, suppliers or service providers of the Company or any of its Subsidiaries in the ordinary course of business;

(v) non-recourse Liens on Equity Interests in joint ventures which are not Subsidiaries securing obligations of such joint ventures which are not prohibited by this Agreement;

(w) to the extent constituting Liens, dispositions expressly permitted under Section 6.03;

(x) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into by the Company or any of its Subsidiaries and not prohibited by this Agreement;

(y) Liens securing Indebtedness permitted under Section 6.01(s); provided that such Liens do not attach to the Collateral;

(z) Liens arising out of a Sale and Leaseback Transaction permitted by Section 6.10 to the extent that any assets subject to any such Lien are the assets subject to such Sale and Leaseback Transaction;

(aa) Liens arising under Article 24 or 26 of the general terms and conditions (*Algemene Bank Voorwaarden*) of any member of the Dutch Bankers' Association (*Nederlandse Vereniging van Banken*) or any similar term applied by a financial institution in the Netherlands pursuant to its general terms and conditions, notwithstanding any obligation of a Loan Party to obtain a partial waiver of such Lien in accordance with the provisions of the relevant Dutch Security Agreement; ~~and~~

(bb) Liens on the Equity Interests of any Receivables Entity arising under Permitted Receivables Facilities and Liens on any Permitted Receivables Facility Assets arising under Permitted Receivables Facilities; and

~~(bbcc)~~ other Liens not otherwise permitted above so long as the aggregate principal amount of the obligations subject to such Liens does not at any time exceed \$20,000,000.

SECTION 6.03. Fundamental Changes and Asset Sales. (p) The Company will not, and will not permit any Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) any of its assets, (including pursuant to a Sale and Leaseback Transaction), or any of the Equity Interests of any of its Subsidiaries (in each case, whether now owned or

hereafter acquired), or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Event of Default shall have occurred and be continuing:

(i) any Person may merge into the Company in a transaction in which the Company is the surviving corporation;

(ii) (A) any Subsidiary may merge into or consolidate with or liquidate or dissolve into a Loan Party in a transaction in which the surviving entity is such Loan Party (provided that any such merger involving the Company must result in the Company as the surviving entity), (B) any Subsidiary which is not a Loan Party may merge into another Subsidiary which is not a Loan Party and (C) the Company or any of its Subsidiaries may merge into or consolidate with or liquidate or dissolve into any other Person in order to effect an Acquisition or an Investment permitted under Section 6.04 so long as the surviving entity is or shall become a Loan Party and, if the Company is involved, the surviving entity is or shall be the Company;

(iii) any sale, transfer, lease or other disposal of assets to the Company or any Subsidiary; provided that any such sales, transfers, leases or other dispositions by a Domestic Loan Party to a Subsidiary that is not a Domestic Loan Party shall be considered an Investment and shall be required to be made in compliance with Section 6.04;

(iv) the Company and its Subsidiaries may (A) sell inventory in the ordinary course of business, (B) effect sales, trade-ins or dispositions of equipment that is obsolete or no longer useful in any meaningful way in its business, (C) enter into licenses of technology in the ordinary course of business, and (D) make any other sales, transfers, leases or dispositions that, together with all other Property of the Company and its Subsidiaries previously leased, sold or disposed of as permitted by this clause (D) during any Fiscal Year of the Company, does not represent Property with a book value that (1) is greater than 10% of the Consolidated Total Assets of the Company or (2) is responsible for more than 10% of the consolidated net sales or of the Consolidated Net Income of the Company, in each case, as would be shown in the consolidated financial statements of the Company as at the beginning of the four-quarter period ending with the quarter in which such determination is made (or if financial statements have not been delivered hereunder for that quarter which begins the four quarter period, then the financial statements delivered hereunder for the quarter ending immediately prior to that quarter);

(v) any Subsidiary may liquidate or dissolve if the Company determines in good faith that such liquidation or dissolution is in the best interests of the Company and is not materially disadvantageous to the Lenders; provided that any such merger involving a Person that is not a Wholly-Owned Subsidiary immediately prior to such merger shall not be permitted unless also permitted by Section 6.04;

(vi) any sale, transfer, lease or other disposal of accounts receivable (excluding sales or dispositions in a factoring arrangement) in connection with the compromise, settlement or collection thereof;

(vii) Sale and Leaseback Transactions permitted by Section 6.10;

(viii) any sale, transfer, lease or other disposal resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of the Company or any Subsidiary;



(ix) leases, subleases, licenses or sublicenses of real or personal property in the ordinary course of business, in each case that do not materially interfere with the business of the Company and its Subsidiaries;

(x) the termination, surrender or sublease of leases (as lessee), licenses (as licensee), subleases (as sublessee) and sublicenses (as sublicensee) in the ordinary course of business;

(xi) any sale, transfer, lease or other disposal of fixed assets which are replaced by comparable fixed assets within 180 days of such sale, transfer or lease; provided that such substitute assets, if owned by a Loan Party, constitute Collateral;

(xii) any sale, transfer, lease or other disposal of non-core assets, including Equity Interests, acquired in connection with an Acquisition permitted under Section 6.04 after the Effective Date to the extent the Company identified such assets to the Administrative Agent promptly after such Acquisition including, for the avoidance of doubt, the Omega Dispositions;

(xiii) any surrender or waiver of contractual rights or the settlement, release or surrender of contractual rights or other litigation claims in the ordinary course of business;

(xiv) the termination of any Swap Agreement;

(xv) any like kind exchange of property; ~~and~~

(xvi) Dispositions of cash and Cash Equivalent Investments; ~~and~~

(xvii) any sale, transfer or disposition of Permitted Receivables Facility Assets made pursuant to any Permitted Receivables Facility.

(b) The Company will not, and will not permit any of its Subsidiaries to, engage to any material extent in any business other than businesses of the type conducted by the Company and its Subsidiaries on the date of execution of this Agreement and businesses reasonably related thereto.

(c) The Company will not, nor will it permit any of its Subsidiaries to, change its Fiscal Year from the basis in effect on the Effective Date, except to conform the fiscal year or fiscal quarter of a Subsidiary to that of the Company.

SECTION 6.04. Investments, Loans, Advances, Guarantees and Acquisitions. The Company will not, and will not permit any of its Subsidiaries to, make or permit to exist any Investment in any other Person, or make any Acquisition, except:

(a) Cash Equivalent Investments;

(b) Investments in Subsidiaries existing as of the Effective Date and additional Investments in the Company or in Subsidiaries which are Domestic Loan Parties;

(c) other Investments in existence on the Effective Date and described in Schedule 6.04, and any modification, replacement, renewal or extension thereof that does not increase the amount thereof;

(d) Investments consisting of loans or advances made to employees of the Company or any Subsidiary on an arms-length basis in the ordinary course of business consistent with past practices

for travel and entertainment expenses, and similar purposes up to a maximum of \$50,000 to any employee and up to a maximum of \$250,000 in the aggregate at any one time outstanding and advances of payroll payments to employees in the ordinary course of business;

(e) Investments comprised of notes payable, or stock or other securities issued by account debtors to the Company or any Subsidiary pursuant to negotiated agreements with respect to settlement of such account debtor's accounts in the ordinary course of business, consistent with past practices;

(f) Investments made in connection with employee compensation arrangements, employee option plans or deferred director compensation, all in a manner consistent with the Company's historical practices;

(g) (x) Acquisitions; provided, that, at the time of and immediately after giving effect to any such Acquisition, (i) no Event of Default has occurred and is continuing or would arise after giving effect thereto, (ii) such Acquisition is not a Hostile Acquisition, (iii) such Person or division or line of business is engaged in the same or a similar line of business as the Company and the Subsidiaries or business reasonably related thereto, (iv) the Company and the Subsidiaries are in compliance, on a Pro Forma Basis after giving effect to such Acquisition (but without giving effect to any synergies or cost savings), with the covenants contained in Section 6.11 recomputed as of the last day of the most recently ended Fiscal Quarter of the Company for which financial statements are available, as if such Acquisition (and any related incurrence or repayment of Indebtedness, with any new Indebtedness being deemed to be amortized over the applicable testing period in accordance with its terms) had occurred on the first day of each relevant period for testing such compliance and, if the aggregate consideration paid in respect of such Acquisition exceeds \$100,000,000, the Company shall have delivered to the Administrative Agent a certificate of a Financial Officer of the Company to such effect, together with all relevant financial information, statements and projections reasonably requested by the Administrative Agent, (v) in the case of an Acquisition or merger involving the Company or a Subsidiary, (1) if such Subsidiary is a Loan Party, either such Subsidiary is the surviving entity of such merger and/or consolidation or the survivor shall become a Loan Party upon the consummation thereof, or (2) if such Subsidiary is not a Loan Party, the surviving entity of such merger and/or consolidation is a Subsidiary (provided that any such merger involving the Company must result in the Company as the surviving entity) and (vi) immediately prior to and immediately after giving effect (including giving effect on a Pro Forma Basis) to any such Acquisition, the Leverage Ratio does not exceed the maximum applicable Leverage Ratio permitted by Section 6.11(a) less 0.25 to 1.00; and (y) the Omega Acquisition;

(h) Investments under Permitted Precious Metal Agreements;

(i) other Investments in Subsidiaries that are not Domestic Loan Parties; provided that Investments by Domestic Loan Parties in Subsidiaries that are not Domestic Loan Parties, net of Investments by Subsidiaries that are not Domestic Loan Parties in Domestic Loan Parties, shall not exceed \$80,000,000 in the aggregate at any time outstanding;

(j) Investments of any Person existing at the time such Person becomes a Subsidiary of the Company or consolidates or merges with the Company or any of its Subsidiaries (including in connection with an Acquisition permitted under this Section 6.04), so long as such Investments were not made in contemplation of such Person becoming a Subsidiary or of such merger;

(k) Investments received in connection with the disposition of assets permitted by Section 6.03;

(l) Investments consisting of endorsements of instruments for collection or deposit in the ordinary course of business;

(m) Investments (including debt obligations and Equity Interests) received in connection with the bankruptcy or reorganization of any Person and in settlement of obligations of, or disputes with, any Person arising and upon foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment;

(n) Guarantees (i) by the Company or any of its Subsidiaries of leases (other than Capitalized Leases) or of other obligations that do not constitute Indebtedness, in each case entered into in the ordinary course of business or (ii) permitted under Section 6.01;

(o) to the extent constituting Investments, Restricted Payments permitted by Section 6.07, fundamental changes permitted by Section 6.03 and dispositions permitted by Section 6.03;

(p) Acquisitions made by any Foreign Subsidiary that is not a Loan Party; ~~and~~

(q) Investments in a Receivables Entity required or contemplated by Permitted Receivables Facilities; and

~~(qr)~~ other Investments not to exceed \$50,000,000 at any time outstanding.

SECTION 6.05. Swap Agreements. The Company will not, and will not permit any of its Subsidiaries to, enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which the Company or any Subsidiary has actual exposure (other than those in respect of Equity Interests of the Company or any of its Subsidiaries), and (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Company or any Subsidiary.

SECTION 6.06. Transactions with Affiliates. The Company will not, and will not permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) at prices and on terms and conditions, when taken as a whole, not materially less favorable to the Company or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between or among the Company and its Wholly-Owned Subsidiaries not involving any other Affiliate, (c) any Restricted Payment permitted by Section 6.07, (d) loans or advances to employees permitted under Section 6.04(d), ~~and~~ (e) the payment of reasonable fees to directors of the Company or any Subsidiary who are not employees of the Company or any Subsidiary, and compensation and employee benefit arrangements paid to, and indemnities provided for the benefit of, directors, officers or employees of the Company or its Subsidiaries in the ordinary course of business, and (f) transactions contemplated by any Permitted Receivables Facility Documents.

SECTION 6.07. Restricted Payments. The Company will not, and will not permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except (a) the Company may declare and pay dividends with respect to its Equity Interests or repurchase any of its Equity Interests, in each case, payable solely in additional shares of its common stock, (b) Subsidiaries may declare and pay dividends ratably with respect to their Equity Interests, (c) the Company may make Restricted Payments pursuant to and in accordance with stock option plans or other benefit plans for management or employees of the Company and its Subsidiaries ~~and~~, (d) any Receivables Entity may declare and pay dividends or other distributions to the Company or any



wholly-owned Subsidiary thereof and (e) the Company and its Subsidiaries may make any other Restricted Payment so long as no Default or Event of Default has occurred and is continuing prior to making such Restricted Payment or would arise after giving effect (including giving effect on a Pro Forma Basis) thereto and the aggregate amount of such Restricted Payments does not exceed 10% of Consolidated Net Worth as of the most recently ended Fiscal Quarter of the Company for which Financials have been delivered; provided, that the foregoing aggregate limitation for Restricted Payments shall not apply as long as the Leverage Ratio does not exceed 2.75 to 1.00 immediately prior to and immediately after giving effect (including giving effect on a Pro Forma Basis) to any such Restricted Payment; provided further that nothing in this Section 6.07 shall operate to prevent the making of any previously declared Restricted Payment by the Company so long as (i) at the declaration date or execution date, such Restricted Payment was permitted by the foregoing, and (ii) such Restricted Payment is consummated within the earlier of 60 days and any date under applicable law on which such dividend or repurchase must be consummated.

SECTION 6.08. Restrictive Agreements. The Company will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement (other than this Agreement and the other Loan Documents) or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Company or any Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets, or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to holders of its Equity Interests or to make or repay loans or advances to the Company or any other Subsidiary or to Guarantee Indebtedness of the Company or any other Subsidiary; provided that (i) the foregoing shall not apply to restrictions and conditions imposed by law or by any Loan Document, (ii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale or relating to any Acquisition permitted under Section 6.04; provided such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder, (iii) the foregoing shall not apply to restrictions and conditions set forth in any Permitted Precious Metals Agreement that is subject to the Intercreditor Agreement referenced in clause (a) of the definition of "Intercreditor Agreements", (iv) the foregoing shall not apply to restrictions and conditions binding on a Subsidiary at the time such Subsidiary first becomes a Subsidiary, so long as such agreements or other arrangements were not entered into in contemplation of such Person becoming a Subsidiary, (v) the foregoing shall not apply to restrictions and conditions constituting customary provisions in joint venture agreements and other similar agreements applicable to joint ventures, (vi) the foregoing shall not apply to restrictions and conditions on cash or other deposits imposed by customers under contracts entered into in the ordinary course of business, and (vii) the foregoing shall not apply to restrictions and conditions imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the agreements or arrangements referred to in clauses (i) through (vi) above; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Company, no more restrictive with respect to such terms than those in effect prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing, (viii) clause (a) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness, ~~and~~ (ix) clause (a) of the foregoing shall not apply to customary provisions in leases and other contracts restricting the assignment thereof, and (x) the foregoing shall not apply to customary restrictions and conditions applicable to a Receivables Entity in any Permitted Receivables Facility Documents.

SECTION 6.09. Subordinated Indebtedness and Amendments to Subordinated Indebtedness Documents. The Company will not, and will not permit any Subsidiary to, directly or indirectly voluntarily prepay, defease or in substance defease, purchase, redeem, retire or otherwise

acquire, any Subordinated Indebtedness or any Indebtedness from time to time outstanding under the Subordinated Indebtedness Documents (other than, for the avoidance of doubt (a) payment of regularly scheduled interest payments as and when due in respect of such Indebtedness to the extent permitted by the subordination provisions applicable thereto and (b) refinancings of such Indebtedness permitted by Section 6.01). Furthermore, the Company will not, and will not permit any Subsidiary to, amend the Subordinated Indebtedness Documents or any document, agreement or instrument evidencing any Indebtedness incurred pursuant to the Subordinated Indebtedness Documents (or any replacements, substitutions, extensions or renewals thereof) or pursuant to which such Indebtedness is issued to the extent prohibited by the terms of the subordination agreement or subordination provisions applicable thereto.

SECTION 6.10. Sale and Leaseback Transactions. The Company shall not, nor shall it permit any Subsidiary to, enter into any Sale and Leaseback Transaction other than (a) Sale and Leaseback Transactions entered into in connection with any Permitted Precious Metals Agreement, (b) Sale and Leaseback Transactions entered into in connection with any project financing involving municipal bond offerings otherwise permitted by this Agreement, and (c) Sale and Leaseback Transactions (i) made for cash consideration in an amount not less than the fair value of such fixed or capital asset, (ii) in respect of which the net cash proceeds received in connection therewith does not exceed \$20,000,000 in the aggregate for all such Sale and Leaseback Transactions after the Effective Date, and (iii) that is consummated within 180 days after the Company or such Subsidiary acquires or completes the construction of such fixed or capital asset.

SECTION 6.11. Financial Covenants.

(a) Maximum Leverage Ratio. The Company will not permit the Leverage Ratio, determined as of the end of each of its Fiscal Quarters for the then most-recently ended four Fiscal Quarters, to be more than (i) for Fiscal Quarters ending after the Effective Date and prior to the Omega Closing Date, 3.50 to 1.00, and (ii) for Fiscal Quarters ending on or after the Omega Closing Date: (x) 4.50 to 1.00 for the first four Fiscal Quarters ending after the Omega Closing Date, (y) 4.00 to 1.00 for the next two successive Fiscal Quarters ending thereafter and (z) 3.50 to 1.00 for each Fiscal Quarter ending thereafter; provided that, with respect to any period occurring on or after the completion of the sixth Fiscal Quarter ending after the Omega Closing Date, to the extent the Company or any of its Subsidiaries (x) consummates during any period of four consecutive Fiscal Quarters for which financial statements are available one or more Acquisitions for which the aggregate consideration, including assumed debt, for all such Acquisitions, is \$100,000,000 or more and (y) within 30 days of consummating such Acquisition or Acquisitions referred to in clause (x) of this proviso, the Company notifies the Administrative Agent that the Company elects to increase the maximum Leverage Ratio threshold as a result thereof, then the maximum Leverage Ratio threshold for the Fiscal Quarter in which such election is made by the Company and the immediately three following Fiscal Quarters shall be increased to 4.00 to 1.00. Not more than one such election may be made by the Company.

(b) Minimum Interest Coverage Ratio. The Company will not permit the Interest Coverage Ratio, determined as of the end of each of its Fiscal Quarters for the then most-recently ended four Fiscal Quarters, to be less than 3.00 to 1.00.

## ARTICLE VII\_

### Events of Default

SECTION 7.01. Events of Default. If any of the following events ("Events of Default") shall occur:

(a) any Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) any Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in Section 7.01(a)) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three (3) Business Days;

(c) any representation or warranty made or deemed made by or on behalf of any Loan Party in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been materially incorrect when made or deemed made;

(d) the Company shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02(a), 5.03 (with respect to any Borrower's existence) or 5.08, in Article VI or in Article X;

(e) any Loan Party, as applicable, shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in Section 7.01(a), (b) or (d)) or any other Loan Document, and such failure shall continue unremedied for a period of thirty (30) days after notice thereof from the Administrative Agent to the Company (which notice will be given at the request of any Lender);

(f) the Company or any Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Company or any other Loan Party or its debts, or of a Substantial Portion of its assets, under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or any other Loan Party



or for a Substantial Portion of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Company or any other Loan Party shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in Section 7.01(h), (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or any other Loan Party or for a Substantial Portion of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) the Company or any other Loan Party shall admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of \$20,000,000 (or the equivalent thereof in currencies other than Dollars) shall be rendered against the Company, any Subsidiary or any combination thereof and the same shall remain undischarged for a period of thirty (30) consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Company or any Subsidiary to enforce any such judgment;

(l) an ERISA Event shall have occurred that, in the opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(m) a Change in Control shall occur;

(n) the occurrence of any "Default", as defined in any Loan Document (other than this Agreement) or the breach of any of the terms or provisions of any Loan Document (other than this Agreement), which default or breach continues beyond any period of grace therein provided;

(o) any material provision of any Loan Document for any reason ceases to be valid, binding and enforceable in accordance with its terms (or any Loan Party shall challenge the enforceability of any Loan Document or shall assert in writing, or engage in any action or inaction based on any such assertion, that any provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms); or

(p) any Collateral Document shall for any reason fail to create a valid and perfected first priority security interest in any portion of the Collateral purported to be covered thereby, except as permitted by the terms of any Loan Document.

SECTION 7.02. Remedies Upon an Event of Default. If an Event of Default occurs (other than an event with respect to any Borrower described in Section 7.01(h) or 7.01(i)), and at any time thereafter during the continuance of such Event of Default, the Administrative Agent may with the consent of the Required Lenders, and shall at the request of the Required Lenders, by notice to the Company, take any or all of the following actions, at the same or different times:

(a) terminate the Commitments, and thereupon the Commitments shall terminate immediately (subject to the final paragraph of this Section 7.02);

(b) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other Secured Obligations of the Borrowers accrued hereunder and under any other Loan Document, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers;

(c) require that the Company provide cash collateral as required in Section 2.06(j); and

(d) exercise on behalf of itself, the Lenders and the Issuing Bank all rights and remedies available to it, the Lenders and the Issuing Bank under the Loan Documents and applicable law.

If an Event of Default described in Section 7.01(h) or 7.01(i) occurs with respect to any Borrower, the Commitments shall automatically terminate and the principal of the Loans then outstanding and cash collateral for the LC Exposure, together with accrued interest thereon and all fees and other Obligations accrued hereunder and under any other Loan Document, shall automatically become due and payable, and the obligation of the Company to cash collateralize the LC Exposure as provided in clause (c) above shall automatically become effective, in each case, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers.

In addition to any other rights and remedies granted to the Administrative Agent and the Lenders in the Loan Documents, the Administrative Agent on behalf of the Lenders may exercise all rights and remedies of a secured party under the UCC or any other applicable law. Without limiting the generality of the foregoing, the Administrative Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below or to the extent expressly provided in this Agreement or any other Loan Document) to or upon any Loan Party or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived by the Company on behalf of itself and its Subsidiaries), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, or consent to the use by any Loan Party of any cash collateral arising in respect of the Collateral on such terms as the Administrative Agent deems reasonable, and/or may forthwith sell, lease, assign give an option or options to purchase or otherwise dispose of and deliver, or acquire by credit bid on behalf of the Holders of Secured Obligations, the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Administrative Agent or any Lender or elsewhere, upon such terms and conditions as it may deem advisable and at such prices as it may deem best, in its reasonable judgment, for cash or on credit or for future delivery, all without assumption of any credit risk. The Administrative Agent or any Lender shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Loan Party, which right or equity is hereby waived and released by the Company on behalf of itself and its Subsidiaries. The Company further agrees on behalf of itself and its Subsidiaries, at the Administrative Agent's request, to assemble the Collateral and make it available to the Administrative Agent at places which the Administrative Agent shall reasonably select, whether at the premises of the Company, another Loan Party or elsewhere. The Administrative Agent shall apply the net proceeds of any action taken by it pursuant to this Article VII, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any other way relating to the Collateral or the rights of the Administrative Agent and

the Lenders hereunder, including reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Secured Obligations, in such order as the Administrative Agent may elect, and only after such application and after the payment by the Administrative Agent of any other amount required by any provision of law, including Section 9-615(a)(3) of the New York Uniform Commercial Code, need the Administrative Agent account for the surplus, if any, to any Loan Party. To the extent permitted by applicable law, the Company on behalf of itself and its Subsidiaries waives all Liabilities it may acquire against the Administrative Agent or any Lender arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

Notwithstanding anything herein or in any other Loan Document to the contrary, in respect of the Omega Closing Date Commitments, during the period from and including the Effective Date to and including the earlier of (x) the Omega Closing Date and (y) the Term Loan Commitment Expiration Date, and notwithstanding (a) that any representation made on the Effective Date was incorrect or (b) any provision to the contrary in this Agreement or the other Loan Documents, neither the Administrative Agent nor any Lender shall be entitled to (1) cancel, rescind or terminate any of its Omega Closing Date Commitments under this Agreement or (2) refuse to participate in making its loans in respect of the Omega Closing Date Loans when required to do so under this Agreement; provided in each case that the applicable conditions precedent to the making of such Omega Closing Date Loans set forth in Section 4.02 have been satisfied and; provided further that subsequent to the making of such Omega Closing Date Loans on the Omega Closing Date, all of the rights, remedies and entitlements of the Administrative Agent and the Lenders shall be available notwithstanding that such rights were not available prior to such time as a result of the foregoing.

## ARTICLE VIII

### The Administrative Agent

#### SECTION 8.01. Authorization and Action.

(a) Each Lender and the Issuing Bank hereby irrevocably appoints the entity named as Administrative Agent in the heading of this Agreement and its successors and assigns to serve as the administrative agent and collateral agent under the Loan Documents and each Lender and the Issuing Bank authorizes the Administrative Agent to take such actions as agent on its behalf and to exercise such powers under this Agreement and the other Loan Documents as are delegated to the Administrative Agent under such agreements and to exercise such powers as are reasonably incidental thereto. Further, each of the Lenders and the Issuing Bank, on behalf of itself and any of its Affiliates that are Holders of Secured Obligations, hereby irrevocably (i) empower and authorize JPMorgan Chase Bank, N.A. (in its capacity as Administrative Agent) to execute and deliver the Collateral Documents and all related documents or instruments as shall be necessary or appropriate to effect the purposes of the Collateral Documents and (ii) empower and authorize JPMorgan Chase Bank, N.A. (in its capacity as Administrative Agent) to execute and deliver on their behalf the Intercreditor Agreement and all related documents or instruments as shall be necessary or appropriate to effect the purposes of the Intercreditor Agreement. Each Lender shall be bound by the terms and provisions of the Intercreditor Agreement, (and the Intercreditor Agreement is hereby approved by the Lenders), so executed by the Administrative Agent, and by any further amendments thereto executed by the Administrative Agent on behalf of the Lenders provided that any such further amendment has been approved by the Required Lenders. In addition, to the extent required under the laws of any jurisdiction other than within the United States, each Lender and the Issuing Bank hereby grants to the Administrative Agent any required powers of attorney to execute and enforce any Collateral Document governed by the laws of such jurisdiction on such Lender's or the

Issuing Bank's behalf. Without limiting the foregoing, each Lender and the Issuing Bank hereby authorizes the Administrative Agent to execute and deliver, and to perform its obligations under, each of the Loan Documents to which the Administrative Agent is a party, and to exercise all rights, powers and remedies that the Administrative Agent may have under such Loan Documents.

(b) As to any matters not expressly provided for herein and in the other Loan Documents (including enforcement or collection), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the written instructions of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, pursuant to the terms in the Loan Documents), and, unless and until revoked in writing, such instructions shall be binding upon each Lender and the Issuing Bank; provided, however, that the Administrative Agent shall not be required to take any action that (i) the Administrative Agent in good faith believes exposes it to liability unless the Administrative Agent receives an indemnification and is exculpated in a manner satisfactory to it from the Lenders and the Issuing Bank with respect to such action or (ii) is contrary to this Agreement or any other Loan Document or applicable law, including any action that may be in violation of the automatic stay under any requirement of law relating to bankruptcy, insolvency or reorganization or relief of debtors or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any requirement of law relating to bankruptcy, insolvency or reorganization or relief of debtors; provided, further, that the Administrative Agent may seek clarification or direction from the Required Lenders prior to the exercise of any such instructed action and may refrain from acting until such clarification or direction has been provided. Except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Company, any Subsidiary or any Affiliate of any of the foregoing that is communicated to or obtained by the Person serving as Administrative Agent or any of its Affiliates in any capacity. Nothing in this Agreement shall require the Administrative Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(c) In performing its functions and duties hereunder and under the other Loan Documents, the Administrative Agent is acting solely on behalf of the Lenders and the Issuing Bank (except in limited circumstances expressly provided for herein relating to the maintenance of the Register), and its duties are entirely mechanical and administrative in nature. Without limiting the generality of the foregoing:

(i) the Administrative Agent does not assume and shall not be deemed to have assumed any obligation or duty or any other relationship as the agent, fiduciary or trustee of or for any Lender, the Issuing Bank or any other Holder of Secured Obligations other than as expressly set forth herein and in the other Loan Documents, regardless of whether a Default or an Event of Default has occurred and is continuing (and it is understood and agreed that the use of the term "agent" (or any similar term) herein or in any other Loan Document with reference to the Administrative Agent is not intended to connote any fiduciary duty or other implied (or express) obligations arising under agency doctrine of any applicable law, and that such term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties); additionally, each Lender agrees that it will not assert any claim against the Administrative Agent based on an alleged breach of fiduciary duty by the Administrative Agent in connection with this Agreement and/or the transactions contemplated hereby;



(ii) where the Administrative Agent is required or deemed to act as a trustee in respect of any Collateral over which a security interest has been created pursuant to a Loan Document expressed to be governed by the laws of any jurisdiction other than the United States of America, or is required or deemed to hold any Collateral "on trust" pursuant to the foregoing, the obligations and liabilities of the Administrative Agent to the Holders of Secured Obligations in its capacity as trustee shall be excluded to the fullest extent permitted by applicable law; and

(iii) nothing in this Agreement or any Loan Document shall require the Administrative Agent to account to any Lender for any sum or the profit element of any sum received by the Administrative Agent for its own account.

(d) The Administrative Agent may perform any of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any of their respective duties and exercise their respective rights and powers through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities pursuant to this Agreement. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agent except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agent.

(e) None of any Co-Syndication Agent, the Documentation Agent or any Arranger shall have obligations or duties whatsoever in such capacity under this Agreement or any other Loan Document and shall incur no liability hereunder or thereunder in such capacity, but all such persons shall have the benefit of the indemnities provided for hereunder.

(f) In case of the pendency of any proceeding with respect to any Loan Party under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, the Administrative Agent (irrespective of whether the principal of any Loan or any reimbursement obligation in respect of any LC Disbursement shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on any Loan Party) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, LC Disbursements and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuing Bank and the Administrative Agent (including any claim under Sections 2.12, 2.13, 2.15, 2.17 and 9.03) allowed in such judicial proceeding; and

(ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such proceeding is hereby authorized by each Lender, the Issuing Bank and each other Holder of Secured Obligations to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, the Issuing Bank or the other Holders of Secured Obligations, to pay to the Administrative Agent any amount due to it, in its capacity as the Administrative Agent, under the Loan Documents (including under Section 9.03). Nothing

contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or the Issuing Bank any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or the Issuing Bank or to authorize the Administrative Agent to vote in respect of the claim of any Lender or the Issuing Bank in any such proceeding.

(g) Each Lender and the Issuing Bank hereby authorizes the Administrative Agent to enter into one or more intercreditor agreements acceptable to the Administrative Agent in its sole discretion with parties to any Permitted Receivables Facility. Such intercreditor agreements may provide for, among other things, (i) the Administrative Agent's and the Lenders' forbearance of, and other limitations on, any exercise of remedies in respect of any equity interests in any Receivables Entity and/or any notes issued by any Receivables Entity to any Receivables Seller in connection with any Permitted Receivables Facility, in any case, that have been pledged to secure the Secured Obligations and/or (ii) disclaimers of interests on, and releases of security interests in, any Receivables and Permitted Receivables Facility Assets subject to such Permitted Receivables Facility.

(gh) The provisions of this Article VIII are solely for the benefit of the Administrative Agent, the Lenders and the Issuing Bank, and, except solely to the extent of the Company's rights to consent pursuant to and subject to the conditions set forth in this Article VIII, none of the Company or any Subsidiary, or any of their respective Affiliates, shall have any rights as a third party beneficiary under any such provisions. Each Holder of Secured Obligations, whether or not a party hereto, will be deemed, by its acceptance of the benefits of the Collateral and of the Guarantees of the Obligations provided under the Loan Documents, to have agreed to the provisions of this Article VIII.

#### SECTION 8.02. Administrative Agent's Reliance, Indemnification, Etc.

(a) Neither the Administrative Agent nor any of its Related Parties shall be (i) liable for any action taken or omitted to be taken by such party, the Administrative Agent or any of its Related Parties under or in connection with this Agreement or the other Loan Documents (x) with the consent of or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith to be necessary, under the circumstances as provided in the Loan Documents) or (y) in the absence of its own gross negligence or willful misconduct (such absence to be presumed unless otherwise determined by a court of competent jurisdiction by a final and non-appealable judgment) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Loan Document (including, for the avoidance of doubt, in connection with the Administrative Agent's reliance on any Electronic Signature transmitted by telecopy, emailed pdf, or any other electronic means that reproduces an image of an actual executed signature page) or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party to perform its obligations hereunder or thereunder.

(b) The Administrative Agent shall be deemed not to have knowledge of any (i) notice of any of the events or circumstances set forth or described in Section 5.02 unless and until written notice thereof stating that it is a "notice under Section 5.02" in respect of this Agreement and identifying the specific clause under said Section is given to the Administrative Agent by the Company, or (ii) notice of any Default or Event of Default unless and until written notice thereof (stating that it is a "notice of Default" or a "notice of an Event of Default") is given to the Administrative Agent by the Company, a

Lender or the Issuing Bank. Further, the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (A) any statement, warranty or representation made in or in connection with any Loan Document, (B) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (C) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document or the occurrence of any Default or Event of Default, (D) the sufficiency, validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, (E) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items (which on their face purport to be such items) expressly required to be delivered to the Administrative Agent or satisfaction of any condition that expressly refers to the matters described therein being acceptable or satisfactory to the Administrative Agent or (F) the creation, perfection or priority of Liens on the Collateral. Notwithstanding anything herein to the contrary, the Administrative Agent shall not be liable for, or be responsible for any Liabilities, costs or expenses suffered by the Company, any Subsidiary, any Lender or the Issuing Bank as a result of, any determination of the Revolving Credit Exposure, any of the component amounts thereof or any portion thereof attributable to each Lender or the Issuing Bank or any Dollar Amount thereof.

(c) Without limiting the foregoing, the Administrative Agent (i) may treat the payee of any promissory note as its holder until such promissory note has been assigned in accordance with Section 9.04, (ii) may rely on the Register to the extent set forth in Section 9.04(b), (iii) may consult with legal counsel (including counsel to the Company), independent public accountants and other experts selected by it, and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts, (iv) makes no warranty or representation to any Lender or the Issuing Bank and shall not be responsible to any Lender or the Issuing Bank for any statements, warranties or representations made by or on behalf of any Loan Party in connection with this Agreement or any other Loan Document, (v) in determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the Issuing Bank, may presume that such condition is satisfactory to such Lender or the Issuing Bank unless the Administrative Agent shall have received notice to the contrary from such Lender or the Issuing Bank sufficiently in advance of the making of such Loan or the issuance of such Letter of Credit and (vi) shall be entitled to rely on, and shall incur no liability under or in respect of this Agreement or any other Loan Document by acting upon, any notice, consent, certificate or other instrument or writing (which writing may be a fax, any electronic message, Internet or intranet website posting or other distribution) or any statement made to it orally or by telephone and believed by it to be genuine and signed or sent or otherwise authenticated by the proper party or parties (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the maker thereof).

#### SECTION 8.03. Posting of Communications.

(a) The Borrowers agree that the Administrative Agent may, but shall not be obligated to, make any Communications available to the Lenders and the Issuing Bank by posting the Communications on IntraLinks™, DebtDomain, SyndTrak, ClearPar or any other electronic platform chosen by the Administrative Agent to be its electronic transmission system (the “Approved Electronic Platform”).

(b) Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Effective Date, a user ID/password authorization system) and the Approved Electronic Platform is secured through a per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis,



each of the Lenders, the Issuing Bank and the Borrowers acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure, that the Administrative Agent is not responsible for approving or vetting the representatives or contacts of any Lender that are added to the Approved Electronic Platform, and that there may be confidentiality and other risks associated with such distribution. Each of the Lenders, the Issuing Bank and the Borrowers hereby approves distribution of the Communications through the Approved Electronic Platform and understands and assumes the risks of such distribution.

(c) THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS ARE PROVIDED “AS IS” AND “AS AVAILABLE”. THE APPLICABLE PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE APPROVED ELECTRONIC PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE APPLICABLE PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT, ANY ARRANGER, ANY CO-SYNDICATION AGENT, THE DOCUMENTATION AGENT OR ANY OF THEIR RESPECTIVE RELATED PARTIES (COLLECTIVELY, “APPLICABLE PARTIES”) HAVE ANY LIABILITY TO ANY LOAN PARTY, ANY LENDER, THE ISSUING BANK OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF ANY LOAN PARTY’S OR THE ADMINISTRATIVE AGENT’S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET OR THE APPROVED ELECTRONIC PLATFORM; EXCEPT TO THE EXTENT OF DIRECT AND ACTUAL DAMAGES AS ARE DETERMINED BY A COURT OF COMPETENT JURISDICTION BY FINAL AND NONAPPEALABLE JUDGMENT TO HAVE RESULTED FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT ON THE PART OF THE APPLICABLE PARTIES.

(d) Each Lender and the Issuing Bank agrees that notice to it (as provided in the next sentence) specifying that Communications have been posted to the Approved Electronic Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender and the Issuing Bank agrees (i) to notify the Administrative Agent in writing (which could be in the form of electronic communication) from time to time of such Lender’s or the Issuing Bank’s (as applicable) email address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such email address.

(e) Each of the Lenders, the Issuing Bank and the Company agrees that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Communications on the Approved Electronic Platform in accordance with the Administrative Agent’s generally applicable document retention procedures and policies.

(f) Nothing herein shall prejudice the right of the Administrative Agent, any Lender or the Issuing Bank to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

SECTION 8.04. The Administrative Agent Individually. With respect to its Commitment, Loans and Letters of Credit, the Person serving as the Administrative Agent shall have and may exercise

the same rights and powers hereunder and is subject to the same obligations and liabilities as and to the extent set forth herein for any other Lender or Issuing Bank, as the case may be. The terms “Issuing Bank”, “Lenders”, “Required Lenders” and any similar terms shall, unless the context clearly otherwise indicates, include the Administrative Agent in its individual capacity as a Lender, the Issuing Bank or as one of the Required Lenders, as applicable. The Person serving as the Administrative Agent and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of banking, trust or other business with, the Company, any Subsidiary or any Affiliate of any of the foregoing as if such Person was not acting as the Administrative Agent and without any duty to account therefor to the Lenders or the Issuing Bank.

**SECTION 8.05. Successor Administrative Agent.**

(a) The Administrative Agent may resign at any time by giving 30 days’ prior written notice thereof to the Lenders, the Issuing Bank and the Company, whether or not a successor Administrative Agent has been appointed. Upon any such resignation, the Required Lenders shall have the right (with the consent of the Company, such consent not to be unreasonably withheld, conditioned or delayed; provided that no such consent shall be required if an Event of Default under Section 7.01(a), (b), (h), (i) or (j) has occurred and is continuing) to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent’s giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Bank, appoint a successor Administrative Agent, which shall be a bank with an office in New York, New York or an Affiliate of any such bank. In either case, such appointment shall be subject to the prior written approval of the Company (which approval may not be unreasonably withheld and shall not be required while an Event of Default under Section 7.01(a), (b), (h), (i) or (j) has occurred and is continuing). Upon the acceptance of any appointment as Administrative Agent by a successor Administrative Agent, such successor Administrative Agent shall succeed to, and become vested with, all the rights, powers, privileges and duties of the retiring Administrative Agent. Upon the acceptance of appointment as Administrative Agent by a successor Administrative Agent, the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement and the other Loan Documents. Prior to any retiring Administrative Agent’s resignation hereunder as Administrative Agent, the retiring Administrative Agent shall take such action as may be reasonably necessary to assign to the successor Administrative Agent its rights as Administrative Agent under the Loan Documents.

(b) Notwithstanding paragraph (a) of this Section, in the event no successor Administrative Agent shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its intent to resign, the retiring Administrative Agent may give notice of the effectiveness of its resignation to the Lenders, the Issuing Bank and the Company, whereupon, on the date of effectiveness of such resignation stated in such notice, (i) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents; provided that, solely for purposes of maintaining any security interest granted to the Administrative Agent under any Collateral Document for the benefit of the Holders of Secured Obligations, the retiring Administrative Agent shall continue to be vested with such security interest as collateral agent for the benefit of the Holders of Secured Obligations, and continue to be entitled to the rights set forth in such Collateral Document and Loan Document, and, in the case of any Collateral in the possession of the Administrative Agent, shall continue to hold such Collateral, in each case until such time as a successor Administrative Agent is appointed and accepts such appointment in accordance with this Section (it being understood and agreed that the retiring Administrative Agent shall have no duty or obligation to take any further action under any Collateral Document, including any action required to maintain the perfection of any such security interest) and (ii) the Required Lenders shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent;

provided that (A) all payments required to be made hereunder or under any other Loan Document to the Administrative Agent for the account of any Person other than the Administrative Agent shall be made directly to such Person and (B) all notices and other communications required or contemplated to be given or made to the Administrative Agent shall directly be given or made to each Lender and the Issuing Bank. Following the effectiveness of the Administrative Agent's resignation from its capacity as such, the provisions of this Article VIII and Section 9.03, as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Loan Document, shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent and in respect of the matters referred to in the proviso under clause (i) above.

SECTION 8.06. Acknowledgements of Lenders and Issuing Bank.

(a) Each Lender and the Issuing Bank represents and warrants that (i) the Loan Documents set forth the terms of a commercial lending facility, (ii) that it is engaged in making, acquiring or holding commercial loans and in providing other facilities set forth herein as may be applicable to such Lender or the Issuing Bank, in each case, in the ordinary course of business, and not for the purpose of purchasing, acquiring or holding any other type of financial instrument (and each Lender and the Issuing Bank agrees not to assert a claim in contravention of the foregoing), (iii) it has, independently and without reliance upon the Administrative Agent, any Arranger, any Co-Syndication Agent, the Documentation Agent or any other Lender or Issuing Bank, or any of the Related Parties of any of the foregoing, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Loans hereunder and (iv) it is sophisticated with respect to decisions to make, acquire and/or hold commercial loans and to provide other facilities set forth herein, as may be applicable to such Lender or the Issuing Bank, and either it, or the Person exercising discretion in making its decision to make, acquire and/or hold such commercial loans or to provide such other facilities, is experienced in making, acquiring or holding such commercial loans or providing such other facilities. Each Lender and the Issuing Bank also acknowledges that it will, independently and without reliance upon the Administrative Agent, any Arranger, any Co-Syndication Agent, the Documentation Agent or any other Lender or Issuing Bank, or any of the Related Parties of any of the foregoing, and based on such documents and information (which may contain material, non-public information within the meaning of the United States securities laws concerning the Company and its Affiliates) as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

(b) Each Lender, by delivering its signature page to this Agreement on the Effective Date, or delivering its signature page to an Assignment and Assumption or any other Loan Document pursuant to which it shall become a Lender hereunder, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be delivered to, or be approved by or satisfactory to, the Administrative Agent or the Lenders on the Effective Date or the effective date of any such Assignment and Assumption or any other document pursuant to which it shall have become a Lender hereunder.

(c) (i) Each Lender hereby agrees that (x) if the Administrative Agent notifies such Lender that the Administrative Agent has determined in its sole discretion that any funds received by such Lender from the Administrative Agent or any of its Affiliates (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, a "Payment") were erroneously transmitted to such Lender (whether or not known to such Lender), and demands the return of such Payment (or a portion thereof), such Lender shall promptly, but in no event later than one (1) Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion

thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect, and (y) to the extent permitted by applicable law, such Lender shall not assert, and hereby waives, as to the Administrative Agent, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Payments received, including without limitation any defense based on “discharge for value” or any similar doctrine. A notice of the Administrative Agent to any Lender under this Section 8.06(c) shall be conclusive, absent manifest error.

(ii) Each Lender hereby further agrees that if it receives a Payment from the Administrative Agent or any of its Affiliates (x) that is in a different amount than, or on a different date from, that specified in a notice of payment sent by the Administrative Agent (or any of its Affiliates) with respect to such Payment (a “Payment Notice”) or (y) that was not preceded or accompanied by a Payment Notice, it shall be on notice, in each such case, that an error has been made with respect to such Payment. Each Lender agrees that, in each such case, or if it otherwise becomes aware a Payment (or portion thereof) may have been sent in error, such Lender shall promptly notify the Administrative Agent of such occurrence and, upon demand from the Administrative Agent, it shall promptly, but in no event later than one (1) Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(iii) The Company and each other Loan Party hereby agrees that (x) in the event an erroneous Payment (or portion thereof) are not recovered from any Lender that has received such Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights of such Lender with respect to such amount and (y) an erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations (or any other Secured Obligations) owed by the Company or any other Loan Party, except to the extent such erroneous Payment is, and solely with respect to the amount of such erroneous Payment that is, comprised of funds received by the Administrative Agent from the Company or any other Loan Party for the purpose of satisfying an Obligation (or any other Secured Obligation).

(iv) Each party’s obligations under this Section 8.06(c) shall survive the resignation or replacement of the Administrative Agent or any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations under any Loan Document.

#### SECTION 8.07. Collateral Matters.

(a) Except with respect to the exercise of setoff rights in accordance with Section 9.08 or with respect to a Holder of Secured Obligations’s right to file a proof of claim in an insolvency proceeding, no Holder of Secured Obligations shall have any right individually to realize upon any of the Collateral or to enforce any Guarantee of the Obligations, it being understood and agreed that all powers, rights and remedies under the Loan Documents may be exercised solely by the Administrative Agent on behalf of the Holders of Secured Obligations in accordance with the terms thereof. In its capacity, the Administrative Agent is a “representative” of the Holders of Secured Obligations within the meaning of



the term “secured party” as defined in the UCC. In the event that any Collateral is hereafter pledged by any Person as collateral security for the Secured Obligations, the Administrative Agent is hereby authorized, and hereby granted a power of attorney, to execute and deliver on behalf of the Holders of Secured Obligations any Loan Documents necessary or appropriate to grant and perfect a Lien on such Collateral in favor of the Administrative Agent on behalf of the Holders of Secured Obligations. The Lenders hereby authorize the Administrative Agent, at its option and in its discretion, to release any Lien granted to or held by the Administrative Agent upon any Collateral (i) as described in Section 9.02(d); (ii) as permitted by, but only in accordance with, the terms of the applicable Loan Document; or (iii) if approved, authorized or ratified in writing by the Required Lenders, unless such release is required to be approved by all of the Lenders hereunder. Upon request by the Administrative Agent at any time, the Lenders will confirm in writing the Administrative Agent’s authority to release particular types or items of Collateral pursuant hereto. Upon any sale or transfer of assets constituting Collateral which is permitted pursuant to the terms of any Loan Document, or consented to in writing by the Required Lenders or all of the Lenders, as applicable, and upon at least five (5) Business Days’ prior written request by the Company to the Administrative Agent (or such shorter period as the Administrative Agent shall agree), the Administrative Agent shall (and is hereby irrevocably authorized by the Lenders to) execute such documents as may be necessary to evidence the release of the Liens granted to the Administrative Agent for the benefit of the Holders of Secured Obligations herein or pursuant hereto upon the Collateral that was sold or transferred; provided, however, that (i) the Administrative Agent shall not be required to execute any such document on terms which, in the Administrative Agent’s reasonable opinion, would expose the Administrative Agent to liability or create any obligation or entail any consequence other than the release of such Liens without recourse or warranty, and (ii) such release shall not in any manner discharge, affect or impair the Secured Obligations or any Liens upon (or obligations of the Loan Parties in respect of) all interests retained by any Loan Party, including (without limitation) the proceeds of the sale, all of which shall continue to constitute part of the Collateral.

(b) In furtherance of the foregoing and not in limitation thereof, no Banking Services Agreement or Swap Agreement will create (or be deemed to create) in favor of any Holder of Secured Obligations that is a party thereto any rights in connection with the management or release of any Collateral or of the obligations of any Loan Party under any Loan Document. By accepting the benefits of the Collateral, each Holder of Secured Obligations that is a party to any such Banking Services Agreement or Swap Agreement, as applicable, shall be deemed to have appointed the Administrative Agent to serve as administrative agent and collateral agent under the Loan Documents and agreed to be bound by the Loan Documents as a Holder of Secured Obligations thereunder, subject to the limitations set forth in this paragraph.

(c) The Holders of Secured Obligations irrevocably authorize the Administrative Agent, at its option and in its discretion, to subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 6.02(e) or (m). The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent’s Lien thereon or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders or any other Holder of Secured Obligations for any failure to monitor or maintain any portion of the Collateral.

SECTION 8.08. Credit Bidding. The Holders of Secured Obligations hereby irrevocably authorize the Administrative Agent, at the direction of the Required Lenders, to credit bid all or any portion of the Secured Obligations (including by accepting some or all of the Collateral in satisfaction of some or all of the Secured Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the

Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code, including under Sections 363, 1123 or 1129 of the Bankruptcy Code, or any similar laws in any other jurisdictions to which a Loan Party is subject, or (b) at any other sale, foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable law. In connection with any such credit bid and purchase, the Secured Obligations owed to the Holders of Secured Obligations shall be entitled to be, and shall be, credit bid by the Administrative Agent at the direction of the Required Lenders on a ratable basis (with Secured Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that shall vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) for the asset or assets so purchased (or for the equity interests or debt instruments of the acquisition vehicle or vehicles that are issued in connection with such purchase). In connection with any such bid, (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles and to assign any successful credit bid to such acquisition vehicle or vehicles, (ii) each of the Holders of Secured Obligations' ratable interests in the Secured Obligations which were credit bid shall be deemed without any further action under this Agreement to be assigned to such vehicle or vehicles for the purpose of closing such sale, (iii) the Administrative Agent shall be authorized to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or equity interests thereof, shall be governed, directly or indirectly, by, and the governing documents shall provide for, control by the vote of the Required Lenders or their permitted assignees under the terms of this Agreement or the governing documents of the applicable acquisition vehicle or vehicles, as the case may be, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in Section 9.02 of this Agreement), (iv) the Administrative Agent on behalf of such acquisition vehicle or vehicles shall be authorized to issue to each of the Holders of Secured Obligations, ratably on account of the relevant Secured Obligations which were credit bid, interests, whether as equity, partnership interests, limited partnership interests or membership interests, in any such acquisition vehicle and/or debt instruments issued by such acquisition vehicle, all without the need for any Holder of Secured Obligations or acquisition vehicle to take any further action, and (v) to the extent that Secured Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Secured Obligations assigned to the acquisition vehicle exceeds the amount of Secured Obligations credit bid by the acquisition vehicle or otherwise), such Secured Obligations shall automatically be reassigned to the Holders of Secured Obligations pro rata with their original interest in such Secured Obligations and the equity interests and/or debt instruments issued by any acquisition vehicle on account of such Secured Obligations shall automatically be cancelled, without the need for any Holder of Secured Obligations or any acquisition vehicle to take any further action. Notwithstanding that the ratable portion of the Secured Obligations of each Holder of Secured Obligations are deemed assigned to the acquisition vehicle or vehicles as set forth in clause (ii) above, each Holder of Secured Obligations shall execute such documents and provide such information regarding the Holder of Secured Obligations (and/or any designee of the Holder of Secured Obligations which will receive interests in or debt instruments issued by such acquisition vehicle) as the Administrative Agent may reasonably request in connection with the formation of any acquisition vehicle, the formulation or submission of any credit bid or the consummation of the transactions contemplated by such credit bid.

#### SECTION 8.09. Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, and the

Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Company or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, the Arrangers, the Co-Syndication Agents and the Documentation Agent or any of their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Company or any other Loan Party, that none of the Administrative Agent, or the Arrangers, the Co-Syndication Agents, the Documentation Agent or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

(c) The Administrative Agent and the Arrangers, the Co-Syndication Agents and the Documentation Agent hereby informs the Lenders that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments, this Agreement and any other Loan Documents, (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less

than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent fees or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

SECTION 8.10. Certain Foreign Pledge Matters. The Administrative Agent is hereby authorized to execute and deliver any documents necessary or appropriate to create and perfect the rights of pledge for the benefit of the Holders of Secured Obligations including a right of pledge with respect to the Equity Interests in any Subsidiary which is organized under the laws of the Netherlands. Without prejudice to the provisions of this Agreement and the other Loan Documents, the parties hereto acknowledge and agree with the creation of parallel debt obligations of the Company or any relevant Subsidiary as will be described in any Dutch Security Agreement (a "Parallel Debt"), including that any payment received by the Administrative Agent in respect of a Parallel Debt will - conditionally upon such payment not subsequently being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency, preference, liquidation or similar laws of general application - be deemed a satisfaction of a pro rata portion of the corresponding amounts of the Secured Obligations, and any payment to the Holders of Secured Obligations in satisfaction of the Secured Obligations shall - conditionally upon such payment not subsequently being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency, preference, liquidation or similar laws of general application - be deemed as satisfaction of a pro rata portion of the corresponding amount of a Parallel Debt. The parties hereto acknowledge and agree that, for purposes of the Dutch Security Agreements, any resignation by the Administrative Agent is not effective with respect to its rights and obligations under a Parallel Debt until such rights and obligations have been assumed by the successor Administrative Agent. The Administrative Agent will reasonably cooperate in assigning its rights and obligations under any Parallel Debt to a successor agent in accordance with Section 8.05 of this Agreement and will reasonably cooperate in transferring all rights and obligations under any Dutch Security Agreement to such successor agent. All other parties hereby, in advance, irrevocably grant their cooperation (*medewerking*) to the transfer of all such rights and obligations by the Administrative Agent to a successor agent in accordance with Section 8.05 of this Agreement.

## ARTICLE IX

### Miscellaneous

SECTION 9.01. Notices. (q) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to any Borrower, to it c/o Materion Corporation, 6070 Parkland Boulevard, Mayfield Heights, Ohio 44124, Attention of Christopher Eberhardt (Telecopy No. (216) 383-4918; Telephone No. (216) 383-6820);

(ii) if to the Administrative Agent, (A) in the case of Borrowings denominated in Dollars, to JPMorgan Chase Bank, N.A., JPMorgan Loan Services, 10 South Dearborn Street, L2 Floor, Chicago, Illinois 60603, Attention: Sean Melvin (Facsimile No. (888) 499-5663; Email: [jpm.agency.cri@jpmorgan.com](mailto:jpm.agency.cri@jpmorgan.com)), (B) in the case of Borrowings denominated in Foreign Currencies, to J.P. Morgan Europe Limited, 25 Bank Street, Canary Wharf, London E14 5JP,



Attention of The Manager, Loan & Agency Services (Telecopy No. 44 207 777 2360), (C) in the case of a notification of the DQ List, to JPMDQ\_Contact@jpmorgan.com and (D) for all other notices, to JPMorgan Chase Bank, N.A., 10 South Dearborn Street, Floor 9, Chicago, Illinois 60603, Attention: Eric Bergeson (Email: eric.b.bergeson@jpmorgan.com);

(iii) if to the Issuing Bank, to it at JPMorgan Chase Bank, N.A., JPMorgan Loan Services, 10 South Dearborn Street, L2 Floor, Chicago, Illinois 60603, Attention: Chicago LC Agency Activity Team (Email: chicago.lc.agency.closing.team@jpmorgan.com; chicago.lc.agency.activity.team@jpmorgan.com);

(iv) if to the Swingline Lender, to it at JPMorgan Chase Bank, N.A., JPMorgan Loan Services, 10 South Dearborn Street, L2 Floor, Chicago, Illinois 60603, Attention: Sean Melvin (Facsimile No. (888) 499-5663; Email: jpm.agency.cri@jpmorgan.com); and

(v) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through Approved Electronic Platforms, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Notices and other communications to any Loan Party, the Lenders and the Issuing Bank hereunder may be delivered or furnished by using Approved Electronic Platforms pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Company may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(d) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto.

SECTION 9.02. Waivers; Amendments. (r) No failure or delay by the Administrative Agent, the Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of

the Administrative Agent, the Issuing Bank and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or the Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Except as provided in Section 2.20 with respect to an Incremental Term Loan Amendment, Section 2.25 with respect to an extension of the applicable Maturity Date or as provided in Section 2.14(b) and Section 2.14(c), neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrowers and the Required Lenders or by the Borrowers and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby (except that (x) any amendment or modification of the financial covenants in this Agreement (or defined terms used in the financial covenants in this Agreement) shall not constitute a reduction in the rate of interest or fees for purposes of this clause (ii) and (y) only the consent of the Required Lenders shall be necessary to reduce or waive any obligation of any Borrower to pay interest or any other amount at the applicable default rate set forth in Section 2.13(d) or to amend Section 2.13(d)), (iii) postpone the scheduled date of payment (including any scheduled date of amortization payment) of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender directly affected thereby (other than (x) any reduction of the amount of, or any extension of the payment date for, the mandatory prepayments required under Section 2.11(b), which shall only require the approval of the Required Revolving Lenders, (y) any reduction of the amount of, or any extension of the payment date for, the mandatory prepayments required under Section 2.11(c), which shall only require the approval of the Required Term Lenders, and (z) with respect to the matters set forth in clauses (ii)(x) and (ii)(y) above), (iv) change Section 2.09(c) or 2.18(b) or (d) in a manner that would alter the ratable reduction of Commitments or the pro rata sharing of payments required thereby, without the written consent of each Lender (other than any Defaulting Lender), (v) change the payment waterfall provisions of Section 2.18(b) or 2.24(b) without the written consent of each Lender, (vi) change any of the provisions of this Section or the definition of "Required Lenders", "Required Revolving Lenders", "Required Term Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender of the applicable Class (other than any Defaulting Lender) (it being understood that, solely with the consent of the parties prescribed by Section 2.20 to be parties to an Incremental Term Loan Amendment, Incremental Term Loans may be included in the determination of Required Lenders on substantially the same basis as the Commitments and the Loans are included on the Effective Date), (vii) release the Company or all or substantially all of the Subsidiary Guarantors from their obligations under Article X or the Subsidiary Guaranty, in each case, without the written consent of each Lender (other than any Defaulting Lender), (viii) (x) waive any condition set forth in Section 4.03 in respect of the making of a Revolving Loan without the written consent of the Required Revolving Lenders or (y) waive any condition set forth in Section 4.02 in respect of the making of a Term Loan without the written consent of the Required Term Lenders (it being understood and agreed that any amendment or waiver of, or any consent with respect to, any provision of this Agreement (other than any waiver expressly relating to Section 4.02 or Section 4.03, as applicable) or any other Loan Document,



including any amendment of any affirmative or negative covenant set forth herein or in any other Loan Document or any waiver of a Default or an Event of Default, shall not be deemed to be a waiver of a condition set forth in Section 4.02 or Section 4.03, as applicable, for purposes of this Section 9.02), or (ix) except as provided in clause (d) of this Section or in any Collateral Document, release all or substantially all of the Collateral, without the written consent of each Lender (other than any Defaulting Lender); provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Issuing Bank or the Swingline Lender hereunder without the prior written consent of the Administrative Agent, the Issuing Bank or the Swingline Lender, as the case may be (it being understood that any change to Section 2.24 shall require the consent of the Administrative Agent, the Issuing Bank and the Swingline Lender); and provided further that no such agreement shall amend or modify the provisions of Section 2.06 without the prior written consent of the Administrative Agent and the Issuing Bank. Notwithstanding the foregoing, no consent with respect to any amendment, waiver or other modification of this Agreement shall be required of any Defaulting Lender, except with respect to any amendment, waiver or other modification referred to in clause (i), (ii) or (iii) of the first proviso of this paragraph and then only in the event such Defaulting Lender shall be directly affected by such amendment, waiver or other modification.

(c) Notwithstanding the foregoing, (i) this Agreement and any other Loan Document may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and each Loan Party party to each relevant Loan Document (x) to add one or more credit facilities (in addition to the Incremental Term Loans pursuant to an Incremental Term Loan Amendment) to this Agreement and to permit extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Revolving Loans, Term Loans, Incremental Term Loans and the accrued interest and fees in respect thereof and (y) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and Lenders, and (ii) in connection with (x) new or increases to the Commitments and/or Incremental Term Loans pursuant to Section 2.20 or (y) any extension pursuant to Section 2.25, this Agreement and any other Loan Document may be amended (or amended and restated) with the written consent of the parties prescribed by such Sections and shall not require the consent of the Required Lenders.

(d) The Lenders hereby irrevocably authorize the Administrative Agent, at its option and in its sole discretion, to release any Liens granted to the Administrative Agent by the Loan Parties on any Collateral (i) upon the termination of all the Commitments, payment and satisfaction in full in cash of all Secured Obligations (other than Swap Obligations not yet due and payable, Banking Services Obligations not yet due and payable, Unliquidated Obligations for which no claim has been made and other Obligations expressly stated to survive such payment and termination), and the cash collateralization (or receipt of a backstop letter of credit) of all Unliquidated Obligations in a manner (and, in the case of a backstop letter of credit, by an issuer) reasonably satisfactory to the Administrative Agent, (ii) constituting property being sold or disposed of if the Company certifies to the Administrative Agent that the sale or disposition is made in compliance with the terms of this Agreement (and the Administrative Agent may rely conclusively on any such certificate, without further inquiry), and to the extent that the property being sold or disposed of constitutes 100% of the Equity Interest of a Subsidiary, the Administrative Agent is authorized to release such Subsidiary from its obligations hereunder and under the other Loan Documents, (iii) constituting property leased to the Company or any Subsidiary under a lease which has expired or been terminated in a transaction permitted under this Agreement, (iv) as required to effect any sale or other disposition of such Collateral in connection with any exercise of remedies of the Administrative Agent and the Lenders pursuant to Article VII, or (v) in the event that such Collateral (A) constitutes property of a Subsidiary in the event that such Subsidiary ceases to be a Loan Party, (B) constitutes Excluded Assets or (C) constitutes the Equity Interest of a Subsidiary that is not a Loan Party or a Pledge Subsidiary. Any such release shall not in any manner discharge, affect, or

impair the Secured Obligations or any Liens (other than those expressly being released) upon (or obligations of the Loan Parties in respect of) all interests retained by the Loan Parties, including the proceeds of any sale, all of which shall continue to constitute part of the Collateral. In addition, each of the Lenders, on behalf of itself and any of its Affiliates that are Holders of Secured Obligations, irrevocably authorizes the Administrative Agent, at its option and in its discretion, (i) to subordinate any Lien on any assets granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 6.02(e) or (m) or (ii) in the event that the Company shall have advised the Administrative Agent that, notwithstanding the use by the Company of commercially reasonable efforts to obtain the consent of such holder (but without the requirement to pay any sums to obtain such consent) to permit the Administrative Agent to retain its liens (on a subordinated basis as contemplated by clause (i) above), the holder of such other Indebtedness requires, as a condition to the extension of such credit, that the Liens on such assets granted to or held by the Administrative Agent under any Loan Document be released, to release the Administrative Agent's Liens on such assets.

(e) If, in connection with any proposed amendment, waiver or consent requiring the consent of "each Lender" or "each Lender directly affected thereby," the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a "Non-Consenting Lender"), then the Company may elect to replace a Non-Consenting Lender as a Lender party to this Agreement, provided that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Company and the Administrative Agent shall agree, as of such date, to purchase for cash the Loans and other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of clause (b) of Section 9.04, (ii) each Borrower shall pay to such Non-Consenting Lender in same day funds on the day of such replacement (1) all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by such Borrower hereunder to and including the date of termination, including without limitation payments due to such Non-Consenting Lender under Sections 2.15 and 2.17, and (2) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 2.16 had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender and (iii) such Non-Consenting Lender shall have received the outstanding principal amount of its Loans and participations in LC Disbursements. Each party hereto agrees that (i) an assignment required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Company, the Administrative Agent and the assignee (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and such parties are participants), and (ii) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to and be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender, provided that any such documents shall be without recourse to or warranty by the parties thereto.

(f) Notwithstanding anything herein to the contrary, as to any amendment or amendment and restatement otherwise approved in accordance with this Section, it shall not be necessary to obtain the consent or approval of any Lender that, upon giving effect to such amendment or amendment and restatement, would have no Commitment or outstanding Loans so long as such Lender receives payment in full of the principal of and interest accrued on each Loan made by, and all other amounts owing to, such Lender or accrued for the account of such Lender under this Agreement and the

other Loan Documents at the time such amendment, amendment and restatement or other modification becomes effective.

(g) Notwithstanding anything to the contrary herein the Administrative Agent may, with the consent of the Borrowers only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency.

SECTION 9.03. Expenses; Limitation of Liability; Indemnity. (s) The Company shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (which shall be limited, in the case of legal fees and expenses, to the reasonable and documented fees, disbursements and other charges of one primary counsel and one local counsel in each relevant jurisdiction) in connection with the syndication and distribution (including, without limitation, via the internet or through a service such as Intralinks) of the credit facilities provided for herein, the preparation and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable and documented out-of-pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, the Issuing Bank or any Lender (which shall be limited, in the case of legal fees and expenses, to the reasonable and documented fees, disbursements and other charges of (x) one primary counsel to the Administrative Agent (and one local counsel to the Administrative Agent in each relevant jurisdiction), (y) one counsel to all of the other Lenders taken as a whole (and one local counsel to all of the other Lenders taken as a whole in each relevant jurisdiction) and (z) solely in the event of an actual or reasonably perceived conflict of interest, one additional counsel (and one local counsel in each relevant jurisdiction) for each group of similarly affected Lenders taken as a whole) in connection with the enforcement or protection of its rights in connection with this Agreement and any other Loan Document, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses (subject to the foregoing limitations with respect to legal fees and expenses) incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Limitation of Liability. To the extent permitted by applicable law the Company and any other Loan Party shall not assert, and the Company and each other Loan Party hereby waives (i) any claim against the Administrative Agent, any Arranger, any Co-Syndication Agent, the Documentation Agent, the Issuing Bank and any Lender, and any Related Party of any of the foregoing Persons (each such Person being called a "Lender-Related Person") for any Liabilities arising from the use by others of information or other materials (including, without limitation, any personal data) obtained through telecommunications, electronic or other information transmission systems (including the Internet), and (ii) any Liabilities against any Lender-Related Person, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) incurred by the Company or any of its Subsidiaries arising out of, in connection with, or as a result of, this Agreement, any other Loan Document, or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof; provided that, nothing in this Section 9.03(b) shall relieve the Company or any other Loan Party of any obligation it may have to indemnify an Indemnitee, as provided in Section 9.03(c), against any special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

(c) The Company shall indemnify the Administrative Agent, each Arranger, the Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all Liabilities and related expenses, including the reasonable fees, charges and disbursements of any counsel for any

Indemnatee (which shall be limited, in the case of legal fees and expenses, to the reasonable and documented fees, disbursements and other charges of one primary counsel, and one local counsel in each applicable jurisdiction, for the Administrative Agent, and not more than one outside counsel, and one local counsel in each applicable jurisdiction, for all of the other Indemnitees and, solely in the case of an actual or reasonably perceived conflict of interest, one additional counsel for each affected Indemnatee), incurred by or asserted against any Indemnatee arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any agreement or instrument contemplated thereby, the performance by the parties hereto of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Company or any of its Subsidiaries, or any Environmental Liability related in any way to the Company or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation, arbitration or proceeding relating to any of the foregoing, whether or not such claim, litigation, investigation, arbitration or proceeding is brought by the Company or any other Loan Party or its or their respective equity holders, Affiliates, creditors or any other third Person and whether based on contract, tort or any other theory and regardless of whether any Indemnatee is a party thereto; provided that such indemnity shall not, as to any Indemnatee, be available to the extent that such Liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (x) the gross negligence, bad faith or willful misconduct of such Indemnatee (or any of its Controlled Related Parties (as defined below)), (y) the material breach by such Indemnatee of any of its express obligations under this Agreement pursuant to a claim initiated by the Company or (z) any disputes solely among Indemnitees and not arising out of any act or omission of the Company or any of its Affiliates (other than (A) any proceeding against any Indemnatee solely in its capacity or in fulfilling its role as Administrative Agent, Arranger, Co-Syndication Agent or Documentation Agent or any other similar role with respect to the credit facilities evidenced by this Agreement or (B) arising as a result of an act or omission by the Company or any of its Affiliates). As used in this Section 9.03(c), a “Controlled Related Party” of an Indemnatee means (1) any Controlling Person or Controlled Affiliate of such Indemnatee, (2) the respective directors, officers, or employees of such Indemnatee or any of its Controlling Persons or Controlled Affiliates and (3) the respective agents or representatives of such Indemnatee or any of its Controlling Persons or Controlled Affiliates, in the case of this clause (3), acting on behalf of or at the instructions of such Indemnatee, Controlling Person or such Controlled Affiliate; provided that each reference to a Controlled Affiliate, Controlling Person, director, officer or employee in this sentence pertains to a Controlled Affiliate, Controlling Person, director, officer or employee involved in the structuring, arrangement, negotiation or syndication of the credit facilities evidenced by this Agreement. Each of the Administrative Agent and the Lenders hereby agrees, on behalf of itself and its Controlled Related Party, that any settlement entered into by the Administrative Agent or such Lender, respectively, and its Controlled Related Party in connection with a claim or proceeding for which an indemnity claim is made against the Company pursuant to the preceding sentence shall be so entered into in good faith and not on an arbitrary or capricious basis. This Section 9.03(c) shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(d) To the extent that the Company fails to pay any amount required to be paid by it to the Administrative Agent, the Issuing Bank or the Swingline Lender under paragraph (a), (b) or (c) of this Section, each Lender severally agrees to pay to the Administrative Agent, the Issuing Bank or the Swingline Lender, as the case may be, such Lender’s Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount (it being understood that the Company’s failure to pay any such amount shall not relieve the Company of any default in the payment thereof); provided that the unreimbursed expense or indemnified Liability or



related expense, as the case may be, was incurred by or asserted against the Administrative Agent, the Issuing Bank or the Swingline Lender in its capacity as such.

(e) All amounts due under this Section shall be payable not later than fifteen (15) days after written demand therefor.

SECTION 9.04. Successors and Assigns. (t) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), except that (i) no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by any Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Bank and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more Persons (other than an Ineligible Institution) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment, participations in Letters of Credit and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld, conditioned or delayed) of:

(A) the Company (provided that the Company shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof); provided further that no consent of the Company shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default under Section 7.01(a), (b), (h), (i) or (j) has occurred and is continuing, any other assignee (but, in each case, the assignor or assignee shall send notice of such assignment to the Company);

(B) the Administrative Agent;

(C) the Issuing Bank; provided that no consent of the Issuing Bank shall be required for an assignment of all or any portion of a Term Loan Commitment or a Term Loan; and

(D) the Swingline Lender; provided that no consent of the Swingline Lender shall be required for an assignment of all or any portion of a Term Loan Commitment or a Term Loan.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the

Administrative Agent) shall not be less than \$5,000,000 unless each of the Company and the Administrative Agent otherwise consent; provided that no such consent of the Company shall be required if an Event of Default under Section 7.01(a), (b), (h), (i) or (j) has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement; provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent (x) an Assignment and Assumption or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, together with a processing and recordation fee of \$3,500, such fee to be paid by either the assigning Lender or the assignee Lender or shared between such Lenders;

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Company and its affiliates and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including federal and state securities laws; and

(E) other than assignments to an existing Lender, any assignment or transfer to or assumption by any Person of all or a portion of a Lender's rights and obligations under this Agreement (including all or a portion of its Commitments or Loans) with respect to a Borrower organized under the laws of the Netherlands shall only be permitted if such Person is a Dutch Non-Public Lender.

For the purposes of this Section 9.04(b), the terms "Approved Fund" and "Ineligible Institution" have the following meanings:

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

"Ineligible Institution" means (a) a natural person, (b) a Defaulting Lender or its Lender Parent, (c) the Company, any of its Subsidiaries or any of its Affiliates, (d) a company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person or relative(s) thereof, or (e) a Disqualified Institution.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released



from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of each Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount (and stated interest) of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrowers, the Administrative Agent, the Issuing Bank and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Company, the Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of (x) a duly completed Assignment and Assumption executed by an assigning Lender and an assignee or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.05(c), 2.06(d) or (e), 2.07(b), 2.18(e) or 9.03(d), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (ii) Any Lender may, without the consent of the Company, the Administrative Agent, the Issuing Bank or the Swingline Lender, sell participations to one or more banks or other entities, other than an Ineligible Institution (each such bank or entity, a "Participant"), in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrowers, the Administrative Agent, the Issuing Bank and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. Subject to the following clause (B) of this Section 9.04(c)(i), each Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 (subject to the requirements and limitations therein, including the requirements under Section 2.17(e) and (h) (it being understood that the documentation required under Section 2.17(e) and (h) shall be delivered to the participating Lender)) to the same extent as if it were a

Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 2.18 and 2.19 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 2.15 or 2.17, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Company's request and expense, to use reasonable efforts to cooperate with the Company to effectuate the provisions of Section 2.19(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender; provided such Participant agrees to be subject to Section 2.18(d) as though it were a Lender.

(ii) A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.17 unless the Company is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Company, to comply with Section 2.17(e) and (h) as though it were a Lender (it being understood that the documentation required under Section 2.17(e) and (h) shall be delivered to the participating Lender). Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the obligations under this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in the obligations under this Agreement) except to the extent that such disclosure is necessary to establish that such interest is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations or Section 1.163-5(b) of the Proposed United States Treasury Regulations (or, in each case, any amended or successor version). The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(e) Disqualified Institutions.

(i) No assignment or participation shall be made to any Person that was a Disqualified Institution as of the date (the "Trade Date") on which the assigning Lender entered into a binding agreement to sell and assign or grant a participation in all or a portion of its rights and obligations under this Agreement to such Person (unless the Company has consented to such assignment or participation in writing in its sole and absolute discretion, in which case such Person will not be considered a Disqualified Institution for the purpose of such assignment or participation). For the avoidance of doubt, with respect to any assignee or Participant that becomes a Disqualified Institution after the applicable Trade Date (including as a result of the delivery of a written supplement to the list of "Disqualified Institutions" referred to in, the definition of "Disqualified Institution"), (x) such assignee or Participant shall not retroactively be disqualified from becoming a Lender or Participant and (y) the execution by the Company of an

Assignment and Assumption with respect to such assignee will not by itself result in such assignee no longer being considered a Disqualified Institution. Any assignment or participation in violation of this clause (e)(i) shall not be void, but the other provisions of this clause (e) shall apply.

(ii) If any assignment or participation is made to any Disqualified Institution without the Company's prior written consent in violation of clause (i) above, or if any Person becomes a Disqualified Institution after the applicable Trade Date, the Company may, at its sole expense and effort, upon notice to the applicable Disqualified Institution and the Administrative Agent, require such Disqualified Institution to assign, without recourse (in accordance with and subject to the restrictions contained in this Section 9.04), all of its interest, rights and obligations under this Agreement to one or more Persons (other than an Ineligible Institution) at the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Institution paid to acquire such interests, rights and obligations in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder.

(iii) Notwithstanding anything to the contrary contained in this Agreement, Disqualified Institutions to whom an assignment or participation is made in violation of clause (i) above (A) will not have the right to (x) receive information, reports or other materials provided to Lenders by the Company, the Administrative Agent or any other Lender, (y) attend or participate in meetings attended by the Lenders and the Administrative Agent, or (z) access any electronic site established for the Lenders or confidential communications from counsel to or financial advisors of the Administrative Agent or the Lenders and (B) (x) for purposes of any consent to any amendment, waiver or modification of, or any action under, and for the purpose of any direction to the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) under this Agreement or any other Loan Document, each Disqualified Institution will be deemed to have consented in the same proportion as the Lenders that are not Disqualified Institutions consented to such matter, and (y) for purposes of voting on any plan of reorganization, each Disqualified Lender party hereto hereby agrees (1) not to vote on such plan of reorganization, (2) if such Disqualified Lender does vote on such plan of reorganization notwithstanding the restriction in the foregoing clause (1), such vote will be deemed not to be in good faith and shall be "designated" pursuant to Section 1126(e) of the Bankruptcy Code (or any similar provision in any other applicable laws), and such vote shall not be counted in determining whether the applicable class has accepted or rejected such plan of reorganization in accordance with Section 1126(c) of the Bankruptcy Code (or any similar provision in any other applicable laws) and (3) not to contest any request by any party for a determination by the Bankruptcy Court (or other applicable court of competent jurisdiction) effectuating the foregoing clause (2).

(iv) The Administrative Agent shall have the right, and the Company hereby expressly authorizes the Administrative Agent, to (A) post the list of Disqualified Institutions provided by the Company and any updates thereto from time to time (collectively, the "DQ List") on an Approved Electronic Platform, including that portion of such Approved Electronic Platform that is designated for "public side" Lenders and/or (B) provide the DQ List to each Lender or potential Lender requesting the same.

(v) The Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Disqualified Institutions. Without limiting the generality of the foregoing, the Administrative Agent shall not (x) be obligated to ascertain, monitor or inquire as to whether any Lender or Participant or prospective Lender or Participant is a Disqualified Institution or (y) have

any liability with respect to or arising out of any assignment or participation of Loans, or disclosure of confidential information, by any other Person to any Disqualified Institution.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

SECTION 9.06. Counterparts; Integration; Effectiveness; Electronic Execution. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any other Loan Document and/or (z) any document, amendment, approval, consent, information, notice (including, for the avoidance of doubt, any notice delivered pursuant to Section 9.01), certificate, request, statement, disclosure or authorization related to this Agreement, any other Loan Document and/or the transactions contemplated hereby and/or thereby (each an "Ancillary Document") that is an Electronic Signature transmitted by telecopy, emailed pdf, or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such other Loan Document or such Ancillary Document, as applicable. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement, any other Loan Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf, or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; provided that nothing herein shall require the Administrative Agent to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; provided, further, without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept any Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of the Company or any other Loan Party without further verification thereof and without any obligation to review the appearance or form of any such Electronic Signature and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by a manually



executed counterpart. Without limiting the generality of the foregoing, the Company and each other Loan Party hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders, the Company and the other Loan Parties, Electronic Signatures transmitted by telecopy, emailed pdf, or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement, any other Loan Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (ii) agrees that the Administrative Agent and each of the Lenders may, at its option, create one or more copies of this Agreement, any other Loan Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (iii) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such other Loan Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (iv) waives any claim against any Lender-Related Person for any Liabilities arising solely from the Administrative Agent's and/or any Lender's reliance on or use of Electronic Signatures and/or transmissions by telecopy, emailed pdf, or any other electronic means that reproduces an image of an actual executed signature page, including any Liabilities arising as a result of the failure of the Company and/or any other Loan Party to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

SECTION 9.07. Severability. Any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final and in whatever currency denominated) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of any Borrower or any Subsidiary Guarantor against any of and all the Secured Obligations held by such Lender, irrespective of whether or not such Lender shall have made any demand under the Loan Documents and although such obligations may be unmatured. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have. Each Lender and the Issuing Bank agrees to notify the Company and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process.

(a) This Agreement shall be construed in accordance with and governed by the law of the State of New York, without regard to its conflicts of laws principles.

(b) Each of the Lenders and the Administrative Agent hereby irrevocably and unconditionally agrees that, notwithstanding the governing law provisions of any applicable Loan Document, any claims brought against the Administrative Agent by any Secured Party relating to this Agreement, any other Loan Document, the Collateral or the consummation or administration of the

transactions contemplated hereby or thereby shall be construed in accordance with and governed by the law of the State of New York.

(c) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the United States District Court for the Southern District of New York sitting in the Borough of Manhattan (or if such court lacks subject matter jurisdiction, the Supreme Court of the State of New York sitting in the Borough of Manhattan), and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may (and any such claims, cross-claims or third party claims brought against the Administrative Agent or any of its Related Parties may only) be heard and determined in such Federal (to the extent permitted by law) or New York State court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(d) Each of the parties hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (c) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(e) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Each Foreign Subsidiary Borrower irrevocably designates and appoints the Company, as its authorized agent, to accept and acknowledge on its behalf, service of any and all process which may be served in any suit, action or proceeding of the nature referred to in Section 9.09(c) in any federal or New York State court sitting in New York City. The Company hereby represents, warrants and confirms that the Company has agreed to accept such appointment (and any similar appointment by a Subsidiary Guarantor which is a Foreign Subsidiary). Said designation and appointment shall be irrevocable by each such Foreign Subsidiary Borrower until all Loans, all reimbursement obligations, interest thereon and all other amounts payable by such Foreign Subsidiary Borrower hereunder and under the other Loan Documents shall have been paid in full in accordance with the provisions hereof and thereof and such Foreign Subsidiary Borrower shall have been terminated as a Borrower hereunder pursuant to Section 2.23. Each Foreign Subsidiary Borrower hereby consents to process being served in any suit, action or proceeding of the nature referred to in Section 9.09(c) in any federal or New York State court sitting in New York City by service of process upon the Company as provided in this Section 9.09(e); provided that, to the extent lawful and possible, notice of said service upon such agent shall be mailed by registered or certified air mail, postage prepaid, return receipt requested, to the Company and (if applicable to) such Foreign Subsidiary Borrower at its address set forth in the Borrowing Subsidiary Agreement to which it is a party or to any other address of which such Foreign Subsidiary Borrower shall have given written notice to the Administrative Agent (with a copy thereof to the Company). Each Foreign Subsidiary Borrower irrevocably waives, to the fullest extent permitted by law, all claim of error by reason of any such service in such manner and agrees that such service shall be deemed in every respect effective service of process upon such Foreign Subsidiary Borrower in any such suit, action or proceeding and shall, to the fullest extent permitted by law, be taken and held to be valid and personal service upon and personal delivery to such Foreign Subsidiary



Borrower. To the extent any Foreign Subsidiary Borrower has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether from service or notice, attachment prior to judgment, attachment in aid of execution of a judgment, execution or otherwise), each Foreign Subsidiary Borrower hereby irrevocably waives such immunity in respect of its obligations under the Loan Documents. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. Each of the Administrative Agent, the Issuing Bank and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), and that the disclosing Administrative Agent, Issuing Bank or Lender will be responsible for any unauthorized disclosure by any of its foregoing affiliated Persons), (b) to the extent requested by any Governmental Authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under this Agreement or any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (x) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement (other than a Disqualified Institution) (it being understood that the DQ List may be disclosed to any assignee or Participant, or prospective assignee or Participant, in reliance on this clause (f)) or (y) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to any Borrower and its obligations, (g) on a confidential basis to (x) any rating agency in connection with rating the Company or its Subsidiaries or the credit facilities provided for herein or (y) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of identification numbers with respect to the credit facilities provided for herein, (h) with the consent of the Company or (i) to the extent such Information (1) becomes publicly available other than as a result of a breach of this Section or (2) becomes available to the Administrative Agent, the Issuing Bank or any Lender on a nonconfidential basis from a source other than the Company. For the purposes of this Section, "Information" means all information received from the Company or any Subsidiary relating to the Company, any of its Subsidiaries or its business, other than any such information that is available to the Administrative Agent, the Issuing Bank or any Lender on a

nonconfidential basis prior to disclosure by the Company and other than information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

**EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN THIS SECTION 9.12 FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE COMPANY, THE OTHER LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.**

**ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE COMPANY OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE COMPANY, THE LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE COMPANY AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.**

SECTION 9.13. USA PATRIOT Act. Each Lender that is subject to the requirements of the Patriot Act and the requirements of the Beneficial Ownership Regulation hereby notifies each Loan Party that pursuant to the requirements of the Patriot Act and the Beneficial Ownership Regulation, it is required to obtain, verify and record information that identifies such Loan Party, which information includes the name, address and tax identification number of such Loan Party and other information that will allow such Lender to identify such Loan Party in accordance with the Patriot Act and the Beneficial Ownership Regulation.

SECTION 9.14. Appointment for Perfection. Each Lender hereby appoints each other Lender as its agent for the purpose of perfecting Liens, for the benefit of the Administrative Agent and the Holders of Secured Obligations, in assets which, in accordance with Article 9 of the UCC or any other applicable law can be perfected only by possession or control. Should any Lender (other than the Administrative Agent) obtain possession or control of any such Collateral, such Lender shall notify the Administrative Agent thereof, and, promptly upon the Administrative Agent's request therefor shall deliver such Collateral to the Administrative Agent or otherwise deal with such Collateral in accordance with the Administrative Agent's instructions.

SECTION 9.15. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate

of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the applicable Overnight Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.16. No Advisory or Fiduciary Responsibility.

(a) Each Borrower acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that no Credit Party will have any obligations except those obligations expressly set forth herein and in the other Loan Documents and each Credit Party is acting solely in the capacity of an arm's length contractual counterparty to such Borrower with respect to the Loan Documents and the transactions contemplated herein and therein and not as a financial advisor or a fiduciary to, or an agent of, such Borrower or any other person. Each Borrower agrees that it will not assert any claim against any Credit Party based on an alleged breach of fiduciary duty by such Credit Party in connection with this Agreement and the transactions contemplated hereby. Additionally, each Borrower acknowledges and agrees that no Credit Party is advising such Borrower as to any legal, tax, investment, accounting, regulatory or any other matters in any jurisdiction. Each Borrower shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated herein or in the other Loan Documents, and the Credit Parties shall have no responsibility or liability to any Borrower with respect thereto.

(b) Each Borrower further acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that each Credit Party, together with its Affiliates, is a full service securities or banking firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, any Credit Party may provide investment banking and other financial services to, and/or acquire, hold or sell, for its own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of, such Borrower, its Subsidiaries and other companies with which such Borrower or any of its Subsidiaries may have commercial or other relationships. With respect to any securities and/or financial instruments so held by any Credit Party or any of its customers, all rights in respect of such securities and financial instruments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion.

(c) In addition, each Borrower acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that each Credit Party and its Affiliates may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which such Borrower or any of its Subsidiaries may have conflicting interests regarding the transactions described herein and otherwise. No Credit Party will use confidential information obtained from any Borrower by virtue of the transactions contemplated by the Loan Documents or its other relationships with such Borrower in connection with the performance by such Credit Party of services for other companies, and no Credit Party will furnish any such information to other companies. Each Borrower also acknowledges that no Credit Party has any obligation to use in connection with the transactions contemplated by the Loan Documents, or to furnish to such Borrower or any of its Subsidiaries, confidential information obtained from other companies.

SECTION 9.17. Attorney Representation. If any Borrower that is organized under the laws of the Netherlands is represented by an attorney in connection with the signing and/or execution of the Agreement and/or any other Loan Document, it is hereby expressly acknowledged and accepted by

the parties to this Agreement and/or any other Loan Document that the existence and extent of the attorney's authority and the effects of the attorney's exercise or purported exercise of his or her authority shall be governed by the laws of The Netherlands.

SECTION 9.18. Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document may be subject to the Write Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

SECTION 9.19. Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Agreements or any other agreement or instrument that is a QFC (such support "QFC Credit Support" and each such QFC a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and



the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

SECTION 9.20. Releases of Subsidiary Guarantors.

(a) A Subsidiary Guarantor shall automatically be released from its obligations under the Subsidiary Guaranty upon the consummation of any transaction permitted by this Agreement as a result of which such Subsidiary Guarantor ceases to be a Subsidiary; provided that, if so required by this Agreement, the Required Lenders shall have consented to such transaction and the terms of such consent shall not have provided otherwise. In connection with any termination or release pursuant to this Section, the Administrative Agent shall (and is hereby irrevocably authorized by each Lender to) execute and deliver to any Loan Party, at such Loan Party's expense, all documents that such Loan Party shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section shall be without recourse to or warranty by the Administrative Agent.

(b) Further, the Administrative Agent may (and is hereby irrevocably authorized by each Lender to), upon the request of the Company, release any Subsidiary Guarantor from its obligations under the Subsidiary Guaranty if such Subsidiary Guarantor is no longer a Material Domestic Subsidiary or a Material Dutch Subsidiary, as applicable.

(c) At such time as the principal and interest on the Loans, all LC Disbursements, the fees, expenses and other amounts payable under the Loan Documents and the other Secured Obligations (other than Swap Obligations not yet due and payable, Banking Services Obligations not yet due and payable, Unliquidated Obligations for which no claim has been made and other Obligations expressly stated to survive such payment and termination) shall have been paid in full in cash, the Commitments shall have been terminated and no Letters of Credit shall be outstanding, the Subsidiary Guaranty and all obligations (other than those expressly stated to survive such termination) of each Subsidiary Guarantor thereunder shall automatically terminate, all without delivery of any instrument or performance of any act by any Person.

ARTICLE X       

Company Guarantee

In order to induce the Lenders to extend credit to the other Borrowers hereunder and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Company hereby irrevocably and unconditionally guarantees, as a primary obligor and not merely as a surety, the payment when and as due of the Secured Obligations. The Company further agrees that the due and punctual payment of the Secured Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee hereunder notwithstanding any such extension or renewal of any Secured Obligation.

The Company waives presentment to, demand of payment from and protest to any Subsidiary of any of the Secured Obligations, and also waives notice of acceptance of its obligations and notice of protest for nonpayment. The obligations of the Company hereunder shall not be affected by (a) the failure of the Administrative Agent, the Issuing Bank or any Lender (or any of its Affiliates) to assert any claim or demand or to enforce any right or remedy against any Subsidiary under the provisions of this Agreement, any other Loan Document, any Swap Agreement, any Banking Services Agreement or otherwise; (b) any extension or renewal of any of the Secured Obligations; (c) any rescission, waiver,

amendment or modification of, or release from, any of the terms or provisions of this Agreement, any other Loan Document, any Swap Agreement, any Banking Services Agreement or any other agreement; (d) any default, failure or delay, willful or otherwise, in the performance of any of the Secured Obligations; (e) the failure of the Administrative Agent (or any applicable Lender (or any of its Affiliates)) to take any steps to perfect and maintain any security interest in, or to preserve any rights to, any security or collateral for the Secured Obligations, if any; (f) any change in the corporate, partnership or other existence, structure or ownership of any Subsidiary or any other guarantor of any of the Secured Obligations; (g) the enforceability or validity of the Secured Obligations or any part thereof or the genuineness, enforceability or validity of any agreement relating thereto or with respect to any collateral securing the Secured Obligations or any part thereof, or any other invalidity or unenforceability relating to or against any Subsidiary or any other guarantor of any of the Secured Obligations, for any reason related to this Agreement, any other Loan Document, any Swap Agreement, any Banking Services Agreement, or any provision of applicable law, decree, order or regulation of any jurisdiction purporting to prohibit the payment by such Subsidiary or any other guarantor of the Secured Obligations, of any of the Secured Obligations or otherwise affecting any term of any of the Secured Obligations; or (h) any other act, omission or delay to do any other act which may or might in any manner or to any extent vary the risk of the Company or otherwise operate as a discharge of a guarantor as a matter of law or equity or which would impair or eliminate any right of the Company to subrogation.

The Company further agrees that its agreement hereunder constitutes a guarantee of payment when due (whether or not any bankruptcy or similar proceeding shall have stayed the accrual or collection of any of the Secured Obligations or operated as a discharge thereof) and not merely of collection, and waives any right to require that any resort be had by the Administrative Agent, the Issuing Bank or any Lender (or any of its Affiliates) to any balance of any deposit account or credit on the books of the Administrative Agent, the Issuing Bank or any Lender in favor of any Subsidiary or any other Person.

The obligations of the Company hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever, by reason of the invalidity, illegality or unenforceability of any of the Secured Obligations, any impossibility in the performance of any of the Secured Obligations or otherwise (other than the defense of payment and performance in full in cash).

The Company further agrees that its obligations hereunder shall constitute a continuing and irrevocable guarantee of all Secured Obligations now or hereafter existing and shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Secured Obligation (including a payment effected through exercise of a right of setoff) is rescinded, or is or must otherwise be restored or returned by the Administrative Agent, the Issuing Bank or any Lender (or any of its Affiliates) upon the insolvency, bankruptcy or reorganization of any Subsidiary or otherwise (including pursuant to any settlement entered into by a holder of Secured Obligations in its discretion).

In furtherance of the foregoing and not in limitation of any other right which the Administrative Agent, the Issuing Bank or any Lender (or any of its Affiliates) may have at law or in equity against the Company by virtue hereof, upon the failure of any Subsidiary to pay any Secured Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, the Company hereby promises to and will, upon receipt of written demand by the Administrative Agent, the Issuing Bank or any Lender (or any of its Affiliates), forthwith pay, or cause to be paid, to the Administrative Agent, the Issuing Bank or such Lender (or any of such Lender's Affiliates) in cash an amount equal to the unpaid principal amount of the Secured Obligations then due, together with accrued and unpaid interest thereon. The Company further agrees that if payment in respect of any Secured Obligation shall be due in a currency other than Dollars and/or at a place of payment other



than New York, Chicago or any other Foreign Currency Payment Office and if, by reason of any Change in Law, disruption of currency or foreign exchange markets, war or civil disturbance or other event, payment of such Secured Obligation in such currency or at such place of payment shall be impossible or, in the reasonable judgment of the Administrative Agent, the Issuing Bank or any Lender (or any of its Affiliates), disadvantageous to the Administrative Agent, the Issuing Bank or such Lender (or any of such Lender's Affiliates) in any material respect, then, at the election of the Administrative Agent or such Lender, the Company shall make payment of such Secured Obligation in Dollars (based upon the Dollar Amount thereof on the date of payment) and/or in New York, Chicago or such other Foreign Currency Payment Office as is designated by the Administrative Agent or such Lender and, as a separate and independent obligation, shall indemnify the Administrative Agent, the Issuing Bank and such Lender (and such Lender's Affiliates), as applicable, against any losses or reasonable out-of-pocket expenses that it shall sustain as a result of such alternative payment.

Upon payment by the Company of any sums as provided above, all rights of the Company against any Subsidiary arising as a result thereof by way of right of subrogation or otherwise shall in all respects be subordinated and junior in right of payment to the prior indefeasible payment in full in cash of all the Secured Obligations owed by such Subsidiary.

Nothing shall discharge or satisfy the liability of the Company hereunder except the full performance and payment in cash of the Secured Obligations.

[Signature Pages Follow]

## CONSENT AND REAFFIRMATION

Each of the undersigned hereby acknowledges receipt of a copy of the foregoing Amendment No. 3 to the Fourth Amended and Restated Credit Agreement dated as of October 27, 2021 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”) by and among Materion Corporation, Materion Netherlands B.V., the other Foreign Subsidiary Borrowers from time to time party thereto, the financial institutions from time to time party thereto (the “Lenders”) and JPMorgan Chase Bank, N.A., as Administrative Agent (the “Administrative Agent”), which Amendment No. 3 is dated as of December 19, 2024 (the “Amendment”). Capitalized terms used in this Consent and Reaffirmation and not defined herein shall have the meanings given to them in the Credit Agreement. Without in any way establishing a course of dealing by the Administrative Agent or any Lender, each of the undersigned consents to the Amendment and reaffirms the terms and conditions of the Subsidiary Guaranty and any other Loan Document executed by it and acknowledges and agrees that the Subsidiary Guaranty and each and every such Loan Document executed by the undersigned in connection with the Credit Agreement remains in full force and effect and is hereby reaffirmed, ratified and confirmed. All references to the Credit Agreement contained in the above-referenced documents shall be a reference to the Credit Agreement as so modified by the Amendment.

Dated: December 19, 2024

[Signature Page Follows]

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MATERION ADVANCED MATERIALS  
TECHNOLOGIES AND SERVICES INC.

Signed by:  
By: Gregory R. Chemnitz  
86327E2E139543D...  
Name: Gregory Chemnitz  
Title: Secretary

MATERION BRUSH INC.

Signed by:  
By: Gregory R. Chemnitz  
86327E2E139543D...  
Name: Gregory Chemnitz  
Title: Secretary, Vice President and  
General Counsel

MATERION NATURAL RESOURCES INC.

Signed by:  
By: Gregory R. Chemnitz  
86327E2E139543D...  
Name: Gregory Chemnitz  
Title: Secretary

MATERION NEWTON INC.

Signed by:  
By: Gregory R. Chemnitz  
86327E2E139543D...  
Name: Gregory Chemnitz  
Title: Secretary





## Exhibit 19.1

# INSIDER TRADING POLICY

### **BACKGROUND:**

Federal and state securities laws prohibit the purchase or sale of a company's securities by persons who are aware of material information about that company that is not generally known or available to the public. These laws also prohibit persons who are aware of such material non-public information from disclosing this information to others who may trade in the company's securities. Companies and their controlling persons are also subject to liability if they fail to take reasonable steps to prevent insider trading by company personnel.

It is important to understand the breadth of activities that constitute illegal insider trading and the consequences, which can be severe. The U.S. Securities and Exchange Commission (SEC), the New York Stock Exchange and the Financial Industry Regulatory Authority investigate and are very effective at detecting insider trading. The SEC, together with the U.S. Attorneys, pursue insider trading violations vigorously. Cases have been successfully prosecuted against trading by employees through foreign accounts, trading by family members and friends, and trading involving only a small number of shares.

Should you have any questions regarding this Policy, please contact a member of the Company's Law Department or Treasury Department. All references in this Policy to "**Company**" mean Materion Corporation and its subsidiaries. All references in this Policy to "**company**" mean all companies (whether U.S. or international) including but not limited to Materion Corporation and its subsidiaries.

### **PENALTIES FOR NONCOMPLIANCE:**

**Civil and Criminal Penalties.** Potential penalties for insider trading violations include (1) imprisonment for up to 20 years, (2) criminal fines of up to \$5 million, and (3) civil fines of up to three times the profit gained or loss avoided.

**Controlling Person Liability.** If the Company fails to take appropriate steps to prevent illegal insider trading, the Company may have "controlling person" liability for a trading violation, with civil penalties of up to the greater of \$1 million and three times the profit gained or loss avoided, as well as a criminal penalty of up to \$25 million. Civil penalties can extend personal liability to the Company's Directors, Officers and other supervisory personnel if they fail to take appropriate steps to prevent insider trading.

**Company Sanctions.** Failure to comply with this Policy may also subject a person to Company-imposed sanctions, including dismissal for cause, whether or not failure to comply with this Policy results in a violation of law.

### **SCOPE OF POLICY**

**Persons Covered.** This Policy applies to every Director, Officer and other employee of the Company ("**Covered Person**"). The same restrictions that apply to each Covered Person also apply to such covered person's designees, family members who reside with such covered person, anyone else who lives in such covered person's household and any family members who do not live in such covered person's household but whose transactions in Company securities are directed by such covered person or are subject to such covered person's influence or control (such as parents or children who consult with such covered person before they trade in Company securities). Every Covered Person is responsible for making sure that the purchase or sale of any such security by any such person complies with this Policy.

**Companies Covered.** The prohibition on insider trading in this Policy is not limited to trading in the Company's securities. It includes trading in the securities of other entities, such as customers or suppliers of the Company and those with which the Company may be negotiating major transactions, such as an acquisition, investment or sale. Information that is not material to the Company may nevertheless be material to one of those other entities.



**Transactions Covered.** Trading covered by this Policy includes purchases and sales of Company common stock, derivative securities such as put and call options, convertible debt securities, preferred stock, and other debt securities (debentures, bonds and notes). This Policy's trading restrictions generally apply to any exercise of a stock appreciation right ("SAR") settled in stock and to the exercise of a stock option and to the sale of stock after exercise of a SAR or stock option. In special situations, however, the exercise of a stock option alone, without any sale of the underlying stock, may be allowed with the approval of a member of the Company's Law Department or Treasury Department. The trading restrictions do NOT apply to purchases of Company stock in a 401(k) plan resulting from periodic contributions of money to the plan pursuant to payroll deduction elections; however, the restrictions DO apply to other transactions involving the Company's 401(k) plan and other employee benefit plans, such as (a) an election to begin or terminate investing in the Company stock fund of the 401(k) plan, (b) an election to increase or decrease the percentage of periodic contributions that will be allocated to the Company stock fund, (c) an election to make an intra-plan transfer of an existing account balance into or out of the Company stock fund, (d) an election to borrow money against a 401(k) plan account if the loan will result in a liquidation of some or all of the borrower's Company stock fund balance and (e) an election to pre-pay a plan loan if the pre-payment will result in allocation of loan proceeds to the Company stock fund.

#### **POLICY:**

**No Trading on Inside Information.** A Covered Person may not trade in the securities of the Company, directly or through family members or other persons or entities, if such Covered Person is aware of material non-public information relating to the Company. Similarly, a Covered Person may not trade in the securities of any other company if such Covered Person is aware of material non-public information about that company that such Covered Person obtained in the course of such Covered Person's employment with the Company. The above restrictions do not apply to transactions in Company securities pursuant to a pre-arranged trading plan under Rule 10b5-1 under the Securities Exchange Act of 1934 if the plan is entered into at a time when the Covered Person is not aware of material non-public information relating to the Company and the plan has been cleared in advance by the Treasurer or Chief Executive Officer of the Company.

**No Tipping.** A Covered Person may not pass material non-public information on to others or recommend to anyone the purchase or sale of any Company securities when they are aware of such information. This practice, known as "tipping," also violates the securities laws and can result in the same civil and criminal penalties that apply to insider trading, even though the Covered Person did not trade and did not gain any benefit from another's trading.

**No Exception for Hardship.** The existence of a personal financial emergency does not excuse a Covered Person from compliance with this Policy.

**Insider Trading Policy for Directors, Officers and Key Employees.** To help prevent inadvertent violations of the federal securities laws and to avoid even the appearance of trading on the basis of inside information, the Company has an Administrative Policy on Insider Trading that applies to Directors, Executive Officers subject to Section 16 of the Securities Exchange Act of 1934, and certain Key Employees of the Company who may frequently have access to material non-public information about the Company. The Administrative Policy generally limits persons covered by it from trading in the Company's securities to the periods beginning on the second business day following the press release announcement of the Company's annual and quarterly results and ending thirty days following such announcement, although the Insider Trading Policy for Directors, Officers & Key Employees imposes certain event-specific blackouts. Persons subject to the Administrative Policy also must pre-clear all transactions in the Company's securities. All persons who become subject to the Administrative Policy are given specific notice of these restrictions.

#### **DEFINITION OF MATERIAL NON-PUBLIC INFORMATION**

Inside information has two important elements—materiality and non-public information.

**Materiality.** Information is material if there is a substantial likelihood that a reasonable investor would consider it important in deciding whether to buy, hold or sell a security. Any information that would reasonably be expected to affect the price of the security is material. Common examples of material information are:



- Projections of future earnings or losses or other earnings guidance.
- Budgets, re-forecasts, and other internal financial analyses and reports.
- Knowledge that earnings are inconsistent with the consensus expectations of the investment community.
- A pending or proposed merger, acquisition or tender offer or an acquisition or disposition of significant assets.
- A change in management.
- Major events regarding a company's securities including the declaration of a stock split or the offering of additional securities.
- Severe financial liquidity problems, including daily revolver issues.
- Actual or threatened major litigation or the resolution of such litigation.
- New major contracts, orders, suppliers, customers or finance sources, or the loss thereof.
- Results of product trials, whether positive or negative.

Both positive and negative information can be material. Because trading that receives scrutiny will be evaluated after the fact with the benefit of hindsight, questions concerning the materiality of particular information should be resolved in favor of materiality, and trading should be avoided.

**Non-public Information.** Non-public information is information that is not generally known or available to the public. One common misconception is that material information loses its "non-public" status as soon as a press release is issued disclosing the information. In fact, information is considered to be available to the public only when it has been released broadly to the marketplace (such as by a press release or an SEC filing) *and the investing public has had time to absorb the information fully*. The Company believes that, generally, at least two full trading days should transpire after the information has been released broadly to the marketplace before the information is considered to be "public." For example, if the Company announces financial earnings before trading begins on a Tuesday, the first time a Covered Person can buy or sell Company securities is the opening of the market on Thursday (assuming the Covered Person is not aware of any other material non-public information at that time). If the Company announces financial earnings after trading begins on that Tuesday, the first time a Covered Person can buy or sell Company securities is the opening of the market on Friday (assuming the Covered Person is not aware of any other material non-public information at that time).

#### **ADDITIONAL GUIDANCE:**

The Company considers it improper and inappropriate for Covered Employees to engage in short-term or speculative transactions in the Company's securities or in other transactions in the Company's securities that may lead to inadvertent violations of the insider trading laws. Accordingly, a Covered Person's trading in **Company securities** is subject to the following additional guidance.

**Short Sales.** A Covered Person should not engage in short sales of Company securities (sales of securities that are not then owned), including a "sale against the box" (a sale with delayed delivery).

**Publicly Traded Options.** A Covered Person should not engage in transactions in publicly traded options, such as puts, calls and other derivative securities, on an exchange or in any other organized market.

**Standing Orders.** Standing orders should be used only, if at all, for a very brief period of time. A standing order placed with a broker to sell or purchase Company securities at a specified price leaves no control over the timing of the transaction. A standing order transaction executed by the broker, when a Covered Person is aware of material non-public information, may result in unlawful insider trading.

**Hedging.** In addition to the types of transactions specified above, Covered Persons are prohibited from purchasing any other financial instrument or engaging in any other transaction, such as a prepaid variable forward contract, equity swap, collar or exchange fund, that is designed to hedge or offset any decrease in the market value of Company securities.

**Margin Accounts and Pledges.** Securities held in a margin account or pledged as collateral for a loan may be sold without a person's consent by their broker if they fail to meet a margin call or by the lender in foreclosure if they default on the loan. Because a margin sale may occur at a time when a Covered Person is aware of material non-public information or otherwise is not permitted to trade in Company securities, a Covered Person should not hold Company securities in a margin account. A foreclosure sale that occurs when a Covered Person is aware of material non-public information may also result in unlawful insider trading. Because of this danger, a Covered Person should not pledge Company securities as collateral for a loan.

**POST-EMPLOYMENT TRANSACTIONS:**

This Policy continues to apply to a Covered Person's transactions in Company securities even after such Covered Person has terminated employment with the Company. Consequently, if a Covered Person is aware of material non-public information when such Covered Person's employment relationship terminates, such Covered Person may not trade in Company securities until that information has become public or is no longer material.



## DIRECTORS, OFFICERS & KEY EMPLOYEES INSIDER TRADING POLICY

### **POLICY PRINCIPLE:**

The Company wishes to facilitate compliance by directors, executive officers and certain key employees ("Insiders") with securities laws and regulations pertaining to trades in Materion Corporation securities. Preventive procedures minimize the possibility of a violation of the securities laws.

### **PRACTICE AND IMPLEMENTATION:**

Insiders should limit both sales and purchases of Company securities to the periods beginning on the second full business day following the press release announcement of annual and quarterly results and ending on the first day of the third month of the quarter immediately following the year or quarter, as applicable, covered by such announcement. At the Company's discretion, the opening of the trading window may be deferred due to the existence of material non-public information. In addition, each proposed transaction must be cleared in advance with the Treasurer or Chief Executive Officer. Transactions outside these "window" periods may be made pursuant to a pre-arranged trading plan under Rule 10b5-1 under the Securities Exchange Act of 1934 (the "Exchange Act") without further Company approval if the plan is entered into at a time when the Insider is not aware of material non-public information and the plan has been cleared by the General Counsel or the Chief Financial Officer.

If sales or purchases of Company securities by Insiders are not permitted during a window period because of the possible existence of material non-public information, the General Counsel may authorize Insider transactions in Company securities for a specified period other than a window period, but only if, in his judgment, no material non-public information is in the possession of Insiders during such period.

Pre-clearance will help prevent an Insider from buying or selling Company securities when the insider or others at the Company are in possession of material non-public information. Examples of non-public information that might be deemed material include dividend increases and decreases, earnings estimates, changes in previously announced earnings estimates, significant expansion or curtailment of operations, a significant increase or decline in business, a significant acquisition proposal or agreement, unusual borrowings or securities offerings, major litigation, liquidity problems, extraordinary management developments or purchases or sales of substantial assets.

Buying or selling securities while in possession of material non-public information, regardless of whether the transaction would have taken place even if one did not possess undisclosed material information, may give rise to a variety of individual or derivative civil claims as well as to SEC injunctive action and, in some circumstances, criminal penalties. These civil and criminal penalties apply both to transactions in Materion Corporation securities and in securities of other public companies about which the Insider possesses material non-public information, such as our customers and suppliers. The Insider Trading and Securities Fraud Enforcement Act of 1988 provides for penalties for individual offenders of up to three times the profit gained in the transaction.

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This policy is applicable to the exercise of stock appreciation rights ("SARs") settled in stock and to the sale of stock after exercise of a SAR or stock option, but may not apply to the exercise of an option alone in circumstances approved by the General Counsel or Chief Financial Officer. This policy also applies to any election made under the Savings and Investment Plan unless the Insider is advised to the contrary. The foregoing procedures also apply to the spouse, children or other members of the household of an Insider.

**NO HEDGING:**

In addition to the types of transactions specified above, Insiders are prohibited from purchasing any other financial instrument or engaging in any other transaction, such as a prepaid variable forward contract, equity swap, collar or exchange fund, that is designed to hedge or offset any decrease in the market value of Company securities.

**NO PLEDGING, SELLING SHORT OR LOANING:**

Insiders are prohibited from holding Company securities in a margin account and pledging Company securities as collateral. Insiders are also prohibited from selling short any Company securities or loaning Company securities to any short seller or otherwise.

**NO TIPPING:**

Insiders are also reminded of their obligation to maintain confidentiality of material non-public information about the Company or any other public company about which the Insider possesses material non-public information. Telling another person ("tipping") who then trades in the securities can result in prosecution of both people.

**TRADING BANS:**

From time to time, the Company, through the General Counsel, may close trading during a window period in the light of developments that could involve material non-public information. In these situations, the Treasurer will notify particular individuals that they should not engage in trading of Company securities (except as permitted under pre-arranged trading plans pursuant to Rule 10b5-1 under the Exchange Act) and should not disclose to others the fact that the trading window has been closed. If the relationship of an individual with the Company should terminate while such a notice is in effect, the prohibition will continue to apply until the General Counsel gives notice that the ban has been lifted.

**PROCEDURAL RESPONSIBILITY:**

The General Counsel is responsible for monitoring compliance and providing a schedule of allowable trade dates, subject to preclearance, to all Insiders.

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Subsidiaries of Registrant

The Company has the following subsidiaries, all of which are wholly owned and included in the consolidated financial statements.

| Name of Subsidiary                                          | State or Country of Incorporation |
|-------------------------------------------------------------|-----------------------------------|
| Egbert Corp.                                                | Ohio                              |
| Materion Newton, Inc.                                       | Delaware                          |
| Materion Advanced Chemicals Inc.                            | Wisconsin                         |
| Materion Netherlands B.V.                                   | Netherlands                       |
| Materion Advanced Materials Technologies and Services Corp. | New Mexico                        |
| Materion Singapore PTE. Ltd.                                | Singapore                         |
| Materion Advanced Materials Technologies and Services Inc.  | New York                          |
| Materion Taiwan Co. Ltd.                                    | Taiwan                            |
| Materion Advanced Materials Germany GmbH                    | Germany                           |
| Materion Japan Ltd.                                         | Japan                             |
| Materion Brush GmbH                                         | Germany                           |
| Materion Brush Inc.                                         | Ohio                              |
| Materion Brush Singapore Shanghai                           | China                             |
| Materion Brush Singapore India SRO                          | India                             |
| Materion Ireland Ltd.                                       | Ireland                           |
| Materion Natural Resources Inc.                             | Utah                              |
| Materion Korea Ltd.                                         | Korea                             |
| Materion Precision Optics (Shanghai) Limited                | China                             |
| Materion UK Limited                                         | England                           |
| Materion Precision Optics and Thin Film Coatings Inc.       | Massachusetts                     |
| Materion Services Inc.                                      | Ohio                              |
| Materion Technical Materials Inc.                           | Ohio                              |
| Materion Singapore PTE Ltd. (Philippines Branch)            | Philippines                       |
| Materion Singapore PTE Ltd. (Hong Kong Rep Office)          | Hong Kong                         |
| Materion Shanghai Co. Ltd.                                  | China                             |
| Optics Balzers AG                                           | Liechtenstein                     |
| Optics Balzers Jena GmbH                                    | Germany                           |
| Optics Balzers Malaysia Sdn. Bhd.                           | Malaysia                          |

## Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement Number 333-88994 on Form S-8 dated May 24, 2002;
- (2) Registration Statement Number 333-127130 on Form S-8 dated August 3, 2005;
- (3) Registration Statement Number 333-133428 on Form S-8 dated April 20, 2006;
- (4) Registration Statement Number 333-133429 on Form S-8 dated April 20, 2006;
- (5) Registration Statement Number 333-145149 on Form S-8 dated August 6, 2007;
- (6) Registration Statement Number 333-173915 on Form S-8 dated May 4, 2011;
- (7) Registration Statement Number 333-173916 on Form S-8 dated May 4, 2011;
- (8) Registration Statement Number 333-173917 on Form S-8 dated May 4, 2011;
- (9) Registration Statement Number 333-195761 on Form S-8 dated May 7, 2014;
- (10) Registration Statement Number 333-195762 on Form S-8 dated May 7, 2014;
- (11) Registration Statement Number 333-217633 on Form S-8 dated May 3, 2017; and
- (12) Registration Statement Number 333-217618 on Form S-8 dated May 3, 2017;

of our reports dated February 19, 2025, with respect to the consolidated financial statements and financial statement schedule of Materion Corporation and subsidiaries and the effectiveness of internal control over financial reporting of Materion Corporation and subsidiaries, included in this Annual Report (Form 10-K) of Materion Corporation and subsidiaries for the year ended December 31, 2024.

/s/ Ernst & Young LLP  
Cleveland, Ohio  
February 19, 2025

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned directors and officers of MATERION CORPORATION, an Ohio corporation (the "Corporation"), hereby constitutes and appoints Jugal K. Vijayvargiya, Shelly M. Chadwick, Gregory R. Chemnitz, and Michael J. Solecki, and each of them, their true and lawful attorney or attorneys-in-fact, with full power of substitution and revocation, for them and in their names, place and stead, to sign on their behalf as a director or officer, or both, as the case may be, of the Corporation, an Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 on Form 10-K for the fiscal year ended December 31, 2024, and to sign any and all amendments to such Annual Report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission granting unto said attorney or attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they might or could do in person, hereby ratifying and confirming all that said attorney or attorneys-in-fact or any of them or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands as of the 4th day of February, 2025.

/s/ JUGAL K. VIJAYVARGIYA

Jugal K. Vijayvargiya, President,  
Chief Executive Officer and Director  
(Principal Executive Officer)

/s/ SHELLY M. CHADWICK

Shelly M. Chadwick, Vice President, Finance  
and Chief Financial Officer  
(Principal Financial and Accounting Officer)

/s/ VINOD M. KHILNANI

Vinod M. Khilnani, Director

/s/ EMILY M. LIGGETT

Emily M. Liggett, Director

/s/ ROBERT J. PHILLIPPY

Robert J. Phillippy, Director

/s/ PATRICK PREVOST

Patrick Prevost, Director

/s/ N. MOHAN REDDY

N. Mohan Reddy, Director

/s/ CRAIG S. SHULAR

Craig S. Shular, Director

/s/ DARLENE J. S. SOLOMON

Darlene J. S. Solomon, Director

/s/ ROBERT B. TOTH

Robert B. Toth, Director

CERTIFICATIONS

I, Jugal K. Vijayvargiya, certify that:

- 1) I have reviewed this annual report on Form 10-K of Materion Corporation (the “registrant”);
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
- 5) The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Dated: February 19, 2025

/s/ Jugal K. Vijayvargiya

Jugal K. Vijayvargiya

President and Chief Executive Officer

CERTIFICATIONS

I, Shelly M. Chadwick, certify that:

- 1) I have reviewed this annual report on Form 10-K of Materion Corporation (the “registrant”);
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
- 5) The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Dated: February 19, 2025

/s/ Shelly M. Chadwick

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Shelly M. Chadwick  
Vice President, Finance and  
Chief Financial Officer

Certification Pursuant to  
18 U.S.C. Section 1350,  
As Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in connection with the filing of the Annual Report on Form 10-K of Materion Corporation (the "Company") for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, that, to such officer's knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)), and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

Dated: February 19, 2025

/s/ Jugal K. Vijayvargiya

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Jugal K. Vijayvargiya  
President and Chief Executive Officer

/s/ Shelly M. Chadwick

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Shelly M. Chadwick  
Vice President, Finance and  
Chief Financial Officer



**Materion Corporation**

**Mine Safety Disclosure Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and  
Consumer Protection Act for the Year Ended December 31, 2024**

Materion Natural Resources Inc., a wholly owned subsidiary, operates a beryllium mining complex in the State of Utah which is regulated by both the U.S. Mine Safety and Health Administration (“MSHA”) and state regulatory agencies. We endeavor to conduct our mining and other operations in compliance with all applicable federal, state and local laws and regulations. We present information below regarding certain mining safety and health citations which MSHA has levied with respect to our mining operations.

Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Section 1503(a)”) requires the Company to present certain information regarding mining safety in its periodic reports filed with the Securities and Exchange Commission.

The following table reflects citations, orders and notices issued to Materion Natural Resources Inc. by MSHA during the year ended December 31, 2024 (the “Reporting Period”) and contains certain additional information as required by Section 1503(a) and Item 104 of Regulation S-K, including information regarding mining-related fatalities, proposed assessments from MSHA and legal actions (“Legal Actions”) before the Federal Mine Safety and Health Review Commission, an independent adjudicative agency that provides administrative trial and appellate review of legal disputes arising under the Mine Act.

Included below is the information required by Section 1503(a) with respect to the beryllium mining complex (MSHA Identification Number 4200706) for the Reporting Period:

|     |                                                                                                                                                                                                                                                                                                      |         |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| (A) | Total number of alleged violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a mine safety or health hazard under Section 104 of the Mine Act for which Materion Natural Resources Inc. received a citation from MSHA | 1       |
| (B) | Total number of orders issued under Section 104(b) of the Mine Act                                                                                                                                                                                                                                   | 0       |
| (C) | Total number of citations and orders for alleged unwarrantable failure by Materion Natural Resources Inc. to comply with mandatory health or safety standards under Section 104(d) of the Mine Act                                                                                                   | 0       |
| (D) | Total number of alleged flagrant violations under Section 110(b)(2) of the Mine Act                                                                                                                                                                                                                  | 0       |
| (E) | Total number of imminent danger orders issued under Section 107(a) of the Mine Act                                                                                                                                                                                                                   | 0       |
| (F) | Total dollar value of proposed assessments from MSHA under the Mine Act                                                                                                                                                                                                                              | \$1,708 |
| (G) | Total number of mining-related fatalities                                                                                                                                                                                                                                                            | 0       |
| (H) | Received notice from MSHA of a pattern of violations under Section 104(e) of the Mine Act                                                                                                                                                                                                            | No      |
| (I) | Received notice from MSHA of the potential to have a pattern of violations under Section 104(e) of the Mine Act                                                                                                                                                                                      | No      |
| (J) | Total number of Legal Actions pending as of the last day of the Reporting Period                                                                                                                                                                                                                     | 0       |
| (K) | Total number of Legal Actions instituted during the Reporting Period                                                                                                                                                                                                                                 | 0       |
| (L) | Total number of Legal Actions resolved during the Reporting Period                                                                                                                                                                                                                                   | 0       |

## MATERION CORPORATION

Compensation Clawback Policy  
Effective October 2, 2023**Purpose**

As required pursuant to the listing standards of the New York Stock Exchange (the “**Stock Exchange**”), Section 10D of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and Rule 10D-1 under the Exchange Act, the Board of Directors (the “**Board**”) of Materion Corporation (the “**Company**”) has adopted this Compensation Clawback Policy (the “**Policy**”) to empower the Company to recover Covered Compensation (as defined below) erroneously awarded to a Covered Officer (as defined below) in the event of an Accounting Restatement (as defined below).

Notwithstanding anything in this Policy to the contrary, at all times, this Policy remains subject to interpretation and operation in accordance with the final rules and regulations promulgated by the U.S. Securities and Exchange Commission (the “**SEC**”), the final listing standards adopted by the Stock Exchange, and any applicable SEC or Stock Exchange guidance or interpretations issued from time to time regarding such Covered Compensation recovery requirements (collectively, the “**Final Guidance**”). Questions regarding this Policy should be directed to the Company’s General Counsel.

**Policy Statement**

Unless a Clawback Exception (as defined below) applies, the Company will recover reasonably promptly from each Covered Officer the Covered Compensation Received (as defined below) by such Covered Officer in the event that the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (each, an “**Accounting Restatement**”). If a Clawback Exception applies with respect to a Covered Officer, the Company may forgo such recovery under this Policy from such Covered Officer.

**Covered Officers**

For purposes of this Policy, “**Covered Officer**” is defined as any current or former “Section 16 officer” of the Company within the meaning of Rule 16a-1(f) under the Exchange Act, as determined by the Board or the Compensation and Human Capital Committee of the Board (the “**Committee**”). Covered Officers include, at a minimum, “executive officers” as defined in Rule 3b-7 under the Exchange Act and identified under Item 401(b) of Regulation S-K.

## Covered Compensation

For purposes of this Policy:

- “**Covered Compensation**” is defined as the amount of Incentive-Based Compensation (as defined below) Received during the applicable Recovery Period (as defined below) that exceeds the amount of Incentive-Based Compensation that otherwise would have been Received during such Recovery Period had it been determined based on the relevant restated amounts, and computed without regard to any taxes paid.

Incentive-Based Compensation Received by a Covered Officer will only qualify as Covered Compensation if: (i) it is Received on or after October 2, 2023; (ii) it is Received after such Covered Officer begins service as a Covered Officer; (iii) such Covered Officer served as a Covered Officer at any time during the performance period for such Incentive-Based Compensation; and (iv) it is Received while the Company has a class of securities listed on a national securities exchange or a national securities association.

For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of erroneously awarded Covered Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement, the amount of such Incentive-Based Compensation that is deemed to be Covered Compensation will be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received, and the Company will maintain and provide to the Stock Exchange documentation of the determination of such reasonable estimate.

- “**Incentive-Based Compensation**” is defined as any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure (as defined below). For purposes of clarity, Incentive-Based Compensation includes compensation that is in any plan, other than tax-qualified retirement plans, including long term disability, life insurance, and supplemental executive retirement plans, and any other compensation that is based on such Incentive-Based Compensation, such as earnings accrued on notional amounts of Incentive-Based Compensation contributed to such plans.
- “**Financial Reporting Measure**” is defined as a measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return are also Financial Reporting Measures.
- Incentive-Based Compensation is deemed “**Received**” in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period.

## Recovery Period

For purposes of this Policy, the applicable “**Recovery Period**” is defined as the three completed fiscal years immediately preceding the Trigger Date (as defined below) and, if applicable, any transition period resulting from a change in the Company’s fiscal year within or

immediately following those three completed fiscal years (provided, however, that if a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year comprises a period of nine to 12 months, such period would be deemed to be a completed fiscal year).

For purposes of this Policy, the "**Trigger Date**" as of which the Company is required to prepare an Accounting Restatement is the earlier to occur of: (i) the date that the Board, applicable Board committee, or officers authorized to take action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare the Accounting Restatement or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare the Accounting Restatement.

#### **Clawback Exceptions**

The Company is required to recover all Covered Compensation Received by a Covered Officer in the event of an Accounting Restatement unless (i) one of the following conditions are met and (ii) the Committee has made a determination that recovery would be impracticable in accordance with Rule 10D-1 under the Exchange Act (under such circumstances, a "**Clawback Exception**" applies):

- the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered (and the Company has already made a reasonable attempt to recover such erroneously awarded Covered Compensation from such Covered Officer, has documented such reasonable attempt(s) to recover, and has provided such documentation to the Stock Exchange);
- recovery would violate home country law that was adopted prior to November 28, 2022 (and the Company has already obtained an opinion of home country counsel, acceptable to the Stock Exchange, that recovery would result in such a violation, and provided such opinion to the Stock Exchange); or
- recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended, and regulations thereunder. For purposes of clarity, this Clawback Exception only applies to tax-qualified retirement plans and does not apply to other plans, including long term disability, life insurance, and supplemental executive retirement plans, or any other compensation that is based on Incentive-Based Compensation in such plans, such as earnings accrued on notional amounts of Incentive-Based Compensation contributed to such plans.

**Prohibitions**

The Company is prohibited from paying or reimbursing the cost of insurance for, or indemnifying, any Covered Officer against the loss of erroneously awarded Covered Compensation.

**Administration and Interpretation**

The Committee will administer this Policy in accordance with the Final Guidance, and will have full and exclusive authority and discretion to supplement, amend, repeal, interpret, terminate, construe, modify, replace and/or enforce (in whole or in part) this Policy, including the authority to correct any defect, supply any omission or reconcile any ambiguity, inconsistency or conflict in the Policy, subject to the Final Guidance. The Committee will review the Policy from time to time and will have full and exclusive authority to take any action it deems appropriate.

The Committee will have the authority to offset any compensation or benefit amounts that become due to the applicable Covered Officers to the extent permissible under Section 409A of the Internal Revenue Code of 1986, as amended, and as it deems necessary or desirable to recover any Covered Compensation.

Each Covered Officer, upon being so designated or assuming such position, (i) acknowledges and consents to be bound by the terms of this Policy, (ii) agrees to fully cooperate with the Company in connection with any of such Covered Officer's obligations to the Company pursuant to this Policy, and (iii) agrees that the Company may enforce its rights under this Policy through any and all reasonable means permitted under applicable law as it deems necessary or desirable under this Policy.

**Disclosure**

This Policy, and any recovery of Covered Compensation by the Company pursuant to this Policy that is required to be disclosed in the Company's filings with the SEC, will be disclosed as required by the Securities Act of 1933, as amended, the Exchange Act, and related rules and regulations, including the Final Guidance.