

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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended **June 30, 2023**

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 **1-8267**

<hr/> Delaware <hr/> (State or Other Jurisdiction of Incorporation or Organization) 301 Merritt Seven <hr/> Norwalk, Connecticut <hr/> (Address of Principal Executive Offices)	<hr/> 11-2125338 <hr/> (I.R.S. Employer Identification Number) <hr/> 06851-1092 <hr/> (Zip Code)
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(203) 849-7800

(Registrant’s Telephone Number, Including Area Code)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock	EME	New York Stock Exchange

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"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth 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 is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Applicable Only To Corporate Issuers

Number of shares of Common Stock outstanding as of the close of business on July 21, 2023: 47,135,026 shares.

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EMCOR Group, Inc.
TABLE OF CONTENTS

	<u>PAGE</u>
<u>PART I. - Financial Information.</u>	
Item 1. Financial Statements.	
Consolidated Balance Sheets - as of June 30, 2023 and December 31, 2022	1
Condensed Consolidated Statements of Operations - three and six months ended June 30, 2023 and 2022	2
Condensed Consolidated Statements of Comprehensive Income - three and six months ended June 30, 2023 and 2022	3
Condensed Consolidated Statements of Cash Flows - six months ended June 30, 2023 and 2022	4
Condensed Consolidated Statements of Equity - three months ended June 30, 2023 and 2022	5
Condensed Consolidated Statements of Equity - six months ended June 30, 2023 and 2022	6
Notes to Consolidated Financial Statements	7
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.	27
Item 3. Quantitative and Qualitative Disclosures about Market Risk.	39
Item 4. Controls and Procedures.	40
<u>PART II. - Other Information.</u>	
Item 1. Legal Proceedings.	41
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.	41
Item 4. Mine Safety Disclosures.	41
Item 5. Other Information.	41
Item 6. Exhibits.	42

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements. You can identify these statements by the fact that they do not relate strictly to historical or current facts. They generally contain words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “may,” “can,” “could,” “might,” variations of such wording and other words or phrases of similar meaning. Forward-looking statements in this report include discussions of our future operating or financial performance and other forward-looking commentary regarding aspects of our business, including market share growth, gross profit, remaining performance obligations, project mix, projects with varying profit margins and contractual terms, selling, general and administrative expenses, our ability to maintain a strong safety record, and trends in our business, and other characterizations of future events or circumstances, such as the effects of supply chain disruptions and delays. Each forward-looking statement included in this report is subject to risks and uncertainties, including those identified in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section, and other sections of this report, and in our Form 10-K for the year ended December 31, 2022, including, without limitation, the “Risk Factors” section of such Form 10-K. Applicable risks and uncertainties include, but are not limited to:

- adverse effects of general economic conditions;
- changes in interest rates;
- domestic and international political developments;
- changes in the specific markets for EMCOR’s services;
- adverse business conditions, including scarcity of skilled labor, productivity challenges, the nature and extent of supply chain disruptions impacting availability and pricing of materials, and inflationary trends more generally, including fluctuations in energy costs;
- the impact of legislation and/or government regulations;
- the availability of adequate levels of surety bonding;
- increased competition;
- unfavorable developments in the mix of our business; and
- other factors discussed elsewhere in this report.

Such risks and uncertainties could cause actual results to differ materially from those that might be anticipated from, or projected or implied by, our forward-looking statements. Accordingly, these statements do not guarantee future performance or events. The forward-looking statements contained in this report speak only as of the filing date of this report. We undertake no obligation to update any forward-looking statements unless required by law. However, any further disclosures made on related subjects in our subsequent reports filed with the Securities and Exchange Commission (the “SEC”) should be consulted. We caution investors not to place undue reliance on forward-looking statements, due to their inherent uncertainty.

PART I. – FINANCIAL INFORMATION.
ITEM 1. FINANCIAL STATEMENTS.
EMCOR Group, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	(Unaudited) June 30, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 503,052	\$ 456,439
Accounts receivable, less allowance for credit losses of \$20,707 and \$22,382, respectively	2,852,103	2,567,371
Contract assets	289,368	273,176
Inventories	106,080	85,641
Prepaid expenses and other	59,018	79,346
Total current assets	3,809,621	3,461,973
Property, plant and equipment, net	162,594	157,819
Operating lease right-of-use assets	299,672	268,063
Goodwill	927,485	919,151
Identifiable intangible assets, net	574,475	593,975
Other assets	133,822	123,626
Total assets	\$ 5,907,669	\$ 5,524,607
LIABILITIES AND EQUITY		
Current liabilities:		
Current maturities of long-term debt and finance lease liabilities	\$ 15,399	\$ 15,567
Accounts payable	790,158	849,284
Contract liabilities	1,357,740	1,098,263
Accrued payroll and benefits	444,143	465,000
Other accrued expenses and liabilities	270,837	258,190
Operating lease liabilities, current	71,185	67,218
Total current liabilities	2,949,462	2,753,522
Long-term debt and finance lease liabilities	231,454	231,625
Operating lease liabilities, long-term	250,926	220,764
Other long-term obligations	357,740	344,405
Total liabilities	3,789,582	3,550,316
Equity:		
EMCOR Group, Inc. stockholders' equity:		
Preferred stock, \$0.10 par value, 1,000,000 shares authorized, zero issued and outstanding	—	—
Common stock, \$0.01 par value, 200,000,000 shares authorized, 61,062,601 and 60,947,947 shares issued, respectively	611	609
Capital surplus	81,556	74,795
Accumulated other comprehensive loss	(86,527)	(93,451)
Retained earnings	3,450,553	3,214,281
Treasury stock, at cost 13,932,485 and 13,281,222 shares, respectively	(1,328,808)	(1,222,645)
Total EMCOR Group, Inc. stockholders' equity	2,117,385	1,973,589
Noncontrolling interests	702	702
Total equity	2,118,087	1,974,291
Total liabilities and equity	\$ 5,907,669	\$ 5,524,607

See Notes to Consolidated Financial Statements.

EMCOR Group, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Revenues	\$ 3,045,622	\$ 2,707,388	\$ 5,936,054	\$ 5,299,937
Cost of sales	2,555,562	2,324,380	5,009,932	4,564,374
Gross profit	490,060	383,008	926,122	735,563
Selling, general and administrative expenses	293,393	245,364	574,545	497,962
Operating income	196,667	137,644	351,577	237,601
Net periodic pension (cost) income	(282)	1,094	(556)	2,263
Interest expense, net	(2,692)	(1,751)	(4,524)	(3,040)
Income before income taxes	193,693	136,987	346,497	236,824
Income tax provision	53,098	36,323	94,429	62,774
Net income	<u>\$ 140,595</u>	<u>\$ 100,664</u>	<u>\$ 252,068</u>	<u>\$ 174,050</u>
Basic earnings per common share	<u>\$ 2.97</u>	<u>\$ 1.99</u>	<u>\$ 5.30</u>	<u>\$ 3.37</u>
Diluted earnings per common share	<u>\$ 2.95</u>	<u>\$ 1.99</u>	<u>\$ 5.28</u>	<u>\$ 3.36</u>
Dividends declared per common share	<u>\$ 0.18</u>	<u>\$ 0.13</u>	<u>\$ 0.33</u>	<u>\$ 0.26</u>

See Notes to Consolidated Financial Statements.

EMCOR Group, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Net income	\$ 140,595	\$ 100,664	\$ 252,068	\$ 174,050
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	3,614	(7,703)	5,871	(10,545)
Post-retirement plans, amortization of actuarial loss included in net income ⁽¹⁾	534	429	1,053	884
Other comprehensive income (loss)	<u>4,148</u>	<u>(7,274)</u>	<u>6,924</u>	<u>(9,661)</u>
Comprehensive income	<u>\$ 144,743</u>	<u>\$ 93,390</u>	<u>\$ 258,992</u>	<u>\$ 164,389</u>

(1) Net of tax of \$0.2 million and \$0.1 million for the three months ended June 30, 2023 and 2022, respectively, and net of tax of \$0.4 million and \$0.3 million for the six months ended June 30, 2023 and 2022, respectively.

See Notes to Consolidated Financial Statements.

EMCOR Group, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)(Unaudited)

	Six months ended June 30,	
	2023	2022
Cash flows - operating activities:		
Net income	\$ 252,068	\$ 174,050
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	25,393	23,106
Amortization of identifiable intangible assets	32,100	30,031
Non-cash share-based compensation expense	7,535	6,463
Other reconciling items	(3,685)	2,290
Changes in operating assets and liabilities, excluding the effect of businesses acquired	(98,479)	(254,791)
Net cash provided by (used in) operating activities	214,932	(18,851)
Cash flows - investing activities:		
Payments for acquisitions of businesses, net of cash acquired	(22,384)	(26,614)
Proceeds from sale or disposal of property, plant and equipment	10,514	1,033
Purchases of property, plant and equipment	(36,564)	(27,747)
Net cash used in investing activities	(48,434)	(53,328)
Cash flows - financing activities:		
Proceeds from revolving credit facility	100,000	100,000
Repayments of revolving credit facility	(100,000)	(100,000)
Repayments of finance lease liabilities	(1,477)	(1,889)
Dividends paid to stockholders	(15,714)	(13,619)
Repurchases of common stock	(105,299)	(454,317)
Taxes paid related to net share settlements of equity awards	(5,295)	(7,239)
Issuances of common stock under employee stock purchase plan	4,441	4,023
Payments for contingent consideration arrangements	(3,026)	(2,049)
Net cash used in financing activities	(126,370)	(475,090)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	5,856	(11,757)
Increase (decrease) in cash, cash equivalents, and restricted cash	45,984	(559,026)
Cash, cash equivalents, and restricted cash at beginning of year ⁽¹⁾	457,068	822,568
Cash, cash equivalents, and restricted cash at end of period ⁽²⁾	\$ 503,052	\$ 263,542

(1) Includes \$0.6 million and \$1.2 million of restricted cash classified as “Prepaid expenses and other” in the Consolidated Balance Sheets as of December 31, 2022 and 2021, respectively.

(2) Includes \$1.2 million of restricted cash classified as “Prepaid expenses and other” in the Consolidated Balance Sheets as of June 30, 2022.

See Notes to Consolidated Financial Statements.

EMCOR Group, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
For the three months ended June 30, 2022 and 2023
(In thousands)(Unaudited)

		EMCOR Group, Inc. Stockholders						Noncontrolling interests
		Total	Common stock	Capital surplus	Accumulated other comprehensive loss ⁽¹⁾	Retained earnings	Treasury stock	
Balance, March 31, 2022	\$	2,135,798	\$ 608	\$ 62,374	\$ (85,949)	\$ 2,901,909	\$ (743,846)	\$ 702
Net income		100,664	—	—	—	100,664	—	—
Other comprehensive loss		(7,274)	—	—	(7,274)	—	—	—
Common stock issued under share-based compensation plans		1	1	—	—	—	—	—
Tax withholding for common stock issued under share-based compensation plans		(2,295)	—	(2,295)	—	—	—	—
Common stock issued under employee stock purchase plan		2,068	—	2,068	—	—	—	—
Common stock dividends		(6,689)	—	40	—	(6,729)	—	—
Repurchases of common stock		(272,507)	—	—	—	—	(272,507)	—
Share-based compensation expense		3,025	—	3,025	—	—	—	—
Balance, June 30, 2022	\$	<u>1,952,791</u>	<u>\$ 609</u>	<u>\$ 65,212</u>	<u>\$ (93,223)</u>	<u>\$ 2,995,844</u>	<u>\$ (1,016,353)</u>	<u>\$ 702</u>
Balance, March 31, 2023	\$	2,066,325	\$ 610	\$ 75,850	\$ (90,675)	\$ 3,318,560	\$ (1,238,722)	\$ 702
Net income		140,595	—	—	—	140,595	—	—
Other comprehensive income		4,148	—	—	4,148	—	—	—
Common stock issued under share-based compensation plans		—	1	(1)	—	—	—	—
Tax withholding for common stock issued under share-based compensation plans		(53)	—	(53)	—	—	—	—
Common stock issued under employee stock purchase plan		2,273	—	2,273	—	—	—	—
Common stock dividends		(8,563)	—	39	—	(8,602)	—	—
Repurchases of common stock		(90,086)	—	—	—	—	(90,086)	—
Share-based compensation expense		3,448	—	3,448	—	—	—	—
Balance, June 30, 2023	\$	<u>2,118,087</u>	<u>\$ 611</u>	<u>\$ 81,556</u>	<u>\$ (86,527)</u>	<u>\$ 3,450,553</u>	<u>\$ (1,328,808)</u>	<u>\$ 702</u>

(1) Represents cumulative foreign currency translation adjustments and post-retirement liability adjustments.

See Notes to Consolidated Financial Statements.

EMCOR Group, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
For the six months ended June 30, 2022 and 2023
(In thousands)(Unaudited)

		EMCOR Group, Inc. Stockholders						Noncontrolling interests
		Total	Common stock	Capital surplus	Accumulated other comprehensive loss ⁽¹⁾	Retained earnings	Treasury stock	
Balance, December 31, 2021	\$	2,253,089	\$ 607	\$ 61,874	\$ (83,562)	\$ 2,835,504	\$ (562,036)	\$ 702
Net income		174,050	—	—	—	174,050	—	—
Other comprehensive loss		(9,661)	—	—	(9,661)	—	—	—
Common stock issued under share-based compensation plans		2	2	—	—	—	—	—
Tax withholding for common stock issued under share-based compensation plans		(7,239)	—	(7,239)	—	—	—	—
Common stock issued under employee stock purchase plan		4,023	—	4,023	—	—	—	—
Common stock dividends		(13,619)	—	91	—	(13,710)	—	—
Repurchases of common stock		(454,317)	—	—	—	—	(454,317)	—
Share-based compensation expense		6,463	—	6,463	—	—	—	—
Balance, June 30, 2022	\$	<u>1,952,791</u>	<u>\$ 609</u>	<u>\$ 65,212</u>	<u>\$ (93,223)</u>	<u>\$ 2,995,844</u>	<u>\$ (1,016,353)</u>	<u>\$ 702</u>
Balance, December 31, 2022	\$	1,974,291	\$ 609	\$ 74,795	\$ (93,451)	\$ 3,214,281	\$ (1,222,645)	\$ 702
Net income		252,068	—	—	—	252,068	—	—
Other comprehensive income		6,924	—	—	6,924	—	—	—
Common stock issued under share-based compensation plans		—	2	(2)	—	—	—	—
Tax withholding for common stock issued under share-based compensation plans		(5,295)	—	(5,295)	—	—	—	—
Common stock issued under employee stock purchase plan		4,441	—	4,441	—	—	—	—
Common stock dividends		(15,714)	—	82	—	(15,796)	—	—
Repurchases of common stock		(106,163)	—	—	—	—	(106,163)	—
Share-based compensation expense		7,535	—	7,535	—	—	—	—
Balance, June 30, 2023	\$	<u>2,118,087</u>	<u>\$ 611</u>	<u>\$ 81,556</u>	<u>\$ (86,527)</u>	<u>\$ 3,450,553</u>	<u>\$ (1,328,808)</u>	<u>\$ 702</u>

(1) Represents cumulative foreign currency translation adjustments and post-retirement liability adjustments.

See Notes to Consolidated Financial Statements.

EMCOR Group, Inc. and Subsidiaries**Notes to Consolidated Financial Statements (Unaudited)****NOTE 1 - Basis of Presentation**

The accompanying unaudited consolidated financial statements have been prepared in accordance with instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Consequently, certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) have been condensed or omitted. References to the “Company,” “EMCOR,” “we,” “us,” “our,” and similar words refer to EMCOR Group, Inc. and its consolidated subsidiaries unless the context indicates otherwise. Readers of this report should refer to the consolidated financial statements and the notes thereto included in our latest Annual Report on Form 10-K filed with the Securities and Exchange Commission.

In our opinion, the accompanying unaudited consolidated financial statements contain all adjustments (consisting only of those of a normal recurring nature) necessary to present fairly our financial position and the results of our operations.

Our reportable segments and related disclosures reflect certain reclassifications of prior year amounts from our United States mechanical construction and facilities services segment to our United States building services segment due to changes in our internal reporting structure aimed at realigning our service offerings.

The results of operations for the three and six months ended June 30, 2023 are not necessarily indicative of the results to be expected for the year ending December 31, 2023.

NOTE 2 - New Accounting Pronouncements

The Financial Accounting Standards Board (the “FASB”) has issued an accounting standards update, which provides temporary optional expedients and exceptions to existing U.S. GAAP. This guidance is aimed at easing the financial reporting burdens related to reference rate reform, including the market transition from the London interbank offered rate (“LIBOR”), or other interbank offered rates, to alternative reference rates. Such accounting pronouncement, as amended, allows entities to account for and present certain contract modifications, which occur before December 31, 2024 and result from the transition to an alternative reference rate, as an event that does not require remeasurement at the modification date or reassessment of a previous accounting determination. In order to utilize such guidance, an entity must first conclude that the modified terms directly replace or have the potential to replace an eligible reference rate due to reference rate reform, and that any contemporaneous changes to other terms that change, or have the potential to change, the amount or timing of contractual cash flows are related to the replacement of a reference rate. Our credit agreement contains provisions that allow for an amendment to use alternative reference rates upon the discontinuation of LIBOR. In accordance with these provisions, we amended such agreement during the second quarter of 2023, to change the reference rate from LIBOR to an interest rate based on the secured overnight financing rate, as administered by the Federal Reserve Bank of New York (“SOFR”). As such amendment falls within the scope of the aforementioned guidance, we adopted this accounting pronouncement and utilized the optional expedients referenced above. The amendment of our credit agreement and the adoption of this accounting pronouncement did not have a material impact on our financial position and/or results of operations.

A copy of the amendment to our credit agreement is included as Exhibit 4(a) to this quarterly report. Refer to Note 7 - Debt for further information regarding our credit agreement, including our borrowing rates.

NOTE 3 - Revenue from Contracts with Customers

The Company recognizes revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services by applying the following five step model:

(1) Identify the contract with a customer

A contract with a customer exists when: (a) the parties have approved the contract and are committed to perform their respective obligations, (b) the rights of the parties can be identified, (c) payment terms can be identified, (d) the arrangement has commercial substance, and (e) collectability of consideration is probable. Judgment is required when determining if the contractual criteria are met, specifically in the earlier stages of a project when a formally executed contract may not yet exist. In these situations, the Company evaluates all relevant facts and circumstances, including the existence of other forms of documentation or historical experience with our customers that may indicate a contractual agreement is in place and revenue should be recognized. In determining if the collectability of consideration is probable, the Company considers the customer’s ability and intention to pay such consideration through an evaluation of several factors, including an assessment of the creditworthiness of the customer and our prior collection history with such customer.

EMCOR Group, Inc. and Subsidiaries**Notes to Consolidated Financial Statements (Unaudited)****NOTE 3 - Revenue from Contracts with Customers (Continued)***(2) Identify the performance obligations in the contract*

At contract inception, the Company assesses the goods or services promised in a contract and identifies, as a separate performance obligation, each distinct promise to transfer goods or services to the customer. The identified performance obligations represent the “unit of account” for purposes of determining revenue recognition. In order to properly identify separate performance obligations, the Company applies judgment in determining whether each good or service provided is: (a) capable of being distinct, whereby the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer, and (b) distinct within the context of the contract, whereby the transfer of the good or service to the customer is separately identifiable from other promises in the contract.

In addition, when assessing performance obligations within a contract, the Company considers the warranty provisions included within such contract. To the extent the warranty terms provide the customer with an additional service, other than assurance that the promised good or service complies with agreed upon specifications, such warranty is accounted for as a separate performance obligation. In determining whether a warranty provides an additional service, the Company considers each warranty provision in comparison to warranty terms which are standard in the industry.

Our contracts are often modified through change orders to account for changes in the scope and price of the goods or services we are providing. Although the Company evaluates each change order to determine whether such modification creates a separate performance obligation, the majority of our change orders are for goods or services that are not distinct within the context of our original contract and, therefore, are not treated as separate performance obligations.

(3) Determine the transaction price

The transaction price represents the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to our customers. The consideration promised within a contract may include fixed amounts, variable amounts, or both. To the extent the performance obligation includes variable consideration, including contract bonuses and penalties that can either increase or decrease the transaction price, the Company estimates the amount of variable consideration to be included in the transaction price utilizing one of two prescribed methods, depending on which method better predicts the amount of consideration to which the entity will be entitled. Such methods include: (a) the expected value method, whereby the amount of variable consideration to be recognized represents the sum of probability-weighted amounts in a range of possible consideration amounts, and (b) the most likely amount method, whereby the amount of variable consideration to be recognized represents the single most likely amount in a range of possible consideration amounts. When applying these methods, the Company considers all information that is reasonably available, including historical, current, and estimates of future performance. The expected value method is typically utilized in situations where a contract contains a large number of possible outcomes while the most likely amount method is typically utilized in situations where a contract has only two possible outcomes.

Variable consideration is included in the transaction price only to the extent it is probable, in the Company’s judgment, that a significant future reversal in the amount of cumulative revenue recognized under the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved. This threshold is referred to as the variable consideration constraint. In assessing whether to apply the variable consideration constraint, the Company considers if factors exist that could increase the likelihood or the magnitude of a potential reversal of revenue, including, but not limited to, whether: (a) the amount of consideration is highly susceptible to factors outside of the Company’s influence, such as the actions of third parties, (b) the uncertainty surrounding the amount of consideration is not expected to be resolved for a long period of time, (c) the Company’s experience with similar types of contracts is limited or that experience has limited predictive value, (d) the Company has a practice of either offering a broad range of price concessions or changing the payment terms and conditions of similar contracts in similar circumstances, and (e) the contract has a large number and broad range of possible consideration amounts.

Pending change orders represent one of the most common forms of variable consideration included within contract value and typically represent contract modifications for which a change in scope has been authorized or acknowledged by our customer but the final adjustment to contract price is yet to be negotiated. In estimating the transaction price for pending change orders, the Company considers all relevant facts, including documented correspondence with the customer regarding acknowledgment of and/or agreement with the modification, as well as historical experience with the customer or similar contractual circumstances. Based upon this assessment, the Company estimates the transaction price, including whether the variable consideration constraint should be applied.

EMCOR Group, Inc. and Subsidiaries**Notes to Consolidated Financial Statements (Unaudited)****NOTE 3 - Revenue from Contracts with Customers (Continued)**

Contract claims are another form of variable consideration which is common within our industry. Claim amounts represent revenue that has been recognized for contract modifications that are not submitted or are in dispute as to both scope and price. In estimating the transaction price for claims, the Company considers all relevant facts available. However, given the uncertainty surrounding claims, including the potential long-term nature of dispute resolution and the broad range of possible consideration amounts, there is an increased likelihood that any additional contract revenue associated with contract claims is constrained. The resolution of claims involves negotiations and, in certain cases, litigation. In the event litigation costs are incurred by us in connection with claims, such litigation costs are expensed as incurred, although we may seek to recover these costs.

For some transactions, the receipt of consideration does not match the timing of the transfer of goods or services to the customer. For such contracts, the Company evaluates whether this timing difference represents a financing arrangement within the contract. Although rare, if a contract is determined to contain a significant financing component, the Company adjusts the promised amount of consideration for the effects of the time value of money when determining the transaction price of such contract. Although our customers may retain a portion of the contract price until completion of the project and final contract settlement, these retainage amounts are not considered a significant financing component as the intent of the withheld amounts is to provide the customer with assurance that we will complete our obligations under the contract rather than to provide financing to the customer. In addition, although we may be entitled to advanced payments from our customers on certain contracts, these advanced payments generally do not represent a significant financing component as the payments are used to meet working capital demands that can be higher in the early stages of a contract, as well as to protect us from our customer failing to meet its obligations under the contract.

Changes in the estimates of transaction prices are recognized on a cumulative catch-up basis in the period in which the revisions to the estimates are made. Such changes in estimates can result in the recognition of revenue in a current period for performance obligations which were satisfied or partially satisfied in prior periods. Such changes in estimates may also result in the reversal of previously recognized revenue if the ultimate outcome differs from the Company's previous estimate.

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

For contracts that contain multiple performance obligations, the Company allocates the transaction price to each performance obligation based on a relative standalone selling price. The Company determines the standalone selling price based on the price at which the performance obligation would have been sold separately in similar circumstances to similar customers. If the standalone selling price is not observable, the Company estimates the standalone selling price taking into account all available information such as market conditions and internal pricing guidelines. In certain circumstances, the standalone selling price is determined using an expected profit margin on anticipated costs related to the performance obligation.

(5) Recognize revenue as performance obligations are satisfied

The Company recognizes revenue at the time the related performance obligation is satisfied by transferring a promised good or service to its customers. A good or service is considered to be transferred when the customer obtains control. The Company can transfer control of a good or service and satisfy its performance obligations either over time or at a point in time. The Company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognizes revenue over time if one of the following three criteria are met: (a) the customer simultaneously receives and consumes the benefits provided by the Company's performance as we perform, (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced, or (c) the Company's performance does not create an asset with an alternative use to us, and we have an enforceable right to payment for performance completed to date.

For our performance obligations satisfied over time, we recognize revenue by measuring the progress toward complete satisfaction of that performance obligation. The selection of the method to measure progress towards completion can be either an input method or an output method and requires judgment based on the nature of the goods or services to be provided.

EMCOR Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)
NOTE 3 - Revenue from Contracts with Customers (Continued)

For our construction contracts, revenue is generally recognized over time as our performance creates or enhances an asset that the customer controls as it is created or enhanced. Our fixed price construction projects generally use a cost-to-cost input method to measure our progress towards complete satisfaction of the performance obligation as we believe it best depicts the transfer of control to the customer which occurs as we incur costs on our contracts. Under the cost-to-cost measure 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. For our unit price construction contracts, progress towards complete satisfaction is measured through an output method, such as the number of units produced or delivered, when our performance does not produce significant amounts of work in process or finished goods prior to complete satisfaction of such performance obligations.

For our services contracts, revenue is also generally recognized over time as the customer simultaneously receives and consumes the benefits of our performance as we perform the service. For our fixed price service contracts with specified service periods, revenue is generally recognized on a straight-line basis over such service period when our inputs are expended evenly and the customer receives and consumes the benefits of our performance throughout the contract term.

The timing of revenue recognition for the manufacturing of new build heat exchangers within our United States industrial services segment depends on the payment terms of the contract, as our performance does not create an asset with an alternative use to us. For those contracts for which we have a right to payment for performance completed to date at all times throughout our performance, inclusive of a cancellation, we recognize revenue over time. For these performance obligations, we use a cost-to-cost input method to measure our progress towards complete satisfaction of the performance obligation as we believe it best depicts the transfer of control to the customer which occurs as we incur costs on our contracts. However, for those contracts for which we do not have a right, at all times, to payment for performance completed to date, we recognize revenue at the point in time when control is transferred to the customer. For bill-and-hold arrangements, revenue is recognized when the customer obtains control of the heat exchanger, which may be prior to shipping if certain recognition criteria are met.

For certain of our revenue streams, such as call-out repair and service work, outage services, refinery turnarounds, and specialty welding services that are performed under time and materials contracts, our progress towards complete satisfaction of such performance obligations is measured using an output method as the customer receives and consumes the benefits of our performance completed to date.

Changes in Estimates

Due to uncertainties inherent in the estimation process, as well as the significant judgment involved in determining variable consideration, it is possible that estimates of costs to complete a performance obligation, and/or our estimates of transaction prices, will be revised in the near term. For those performance obligations for which revenue is recognized using a cost-to-cost input method, changes in total estimated costs, and related progress towards complete satisfaction of the performance obligation, or changes in the estimate of transaction prices, are recognized on a cumulative catch-up basis in the period in which the revisions to the estimates are made. When the current estimate of total costs for a performance obligation indicates a loss, a provision for the entire estimated loss on the unsatisfied performance obligation is made in the period in which the loss becomes evident.

Based on an evaluation of individual projects that had revisions to total estimated costs or anticipated contract value, which resulted in a reduction of profitability in excess of \$1.0 million, our operating results were negatively impacted during the three and six months ended June 30, 2023 and 2022, as summarized in the following table (in thousands):

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
United States electrical construction and facilities services	\$ 2,616	\$ 7,721	\$ 8,345	\$ 14,261
United States mechanical construction and facilities services	—	4,110	2,686	9,533
United States building services	1,084	—	1,544	—
Total impact	<u>\$ 3,700</u>	<u>\$ 11,831</u>	<u>\$ 12,575</u>	<u>\$ 23,794</u>

EMCOR Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)
NOTE 3 - Revenue from Contracts with Customers (Continued)

During the three and six months ended June 30, 2023, we recognized revenue of approximately \$8.0 million and \$9.0 million, respectively, on individual projects that were substantially complete in prior periods, but had revisions to total estimated cost or anticipated contract value, which resulted in an increase to profitability in excess of \$1.0 million. Such revenue was recognized entirely within our United States mechanical construction and facilities services segment. There were no significant amounts of revenue recognized during the three and six months ended June 30, 2022 related to performance obligations satisfied in prior periods.

Disaggregation of Revenues

Our revenues are principally derived from contracts to provide construction services relating to electrical and mechanical systems, as well as to provide a number of building services and industrial services to our customers. Our contracts are with many different customers in numerous industries.

The following tables provide further disaggregation of our revenues, by categories we use to evaluate our financial performance within each of our reportable segments, for the three and six months ended June 30, 2023 and 2022 (in thousands, except for percentages). Refer to Note 14 - Segment Information of the notes to consolidated financial statements for additional information on how we disaggregate our revenues by reportable segment.

Due to continued growth in certain of our end markets, beginning with the first quarter of 2023, we have expanded the market sectors included in the disclosure for each of our United States construction segments, as shown below. All prior period disclosures have been adjusted to additionally reflect these changes.

	For the three months ended June 30,			
	2023	% of Total	2022	% of Total
United States electrical construction and facilities services:				
Network and communications market sector	\$ 215,288	32 %	\$ 179,491	32 %
Commercial market sector	93,820	14 %	94,009	16 %
Manufacturing and industrial market sector	95,883	14 %	65,304	12 %
Healthcare market sector	64,813	9 %	43,278	8 %
High-tech manufacturing market sector	38,039	6 %	22,955	4 %
Institutional market sector	37,250	5 %	37,689	7 %
Transportation market sector	41,247	6 %	42,440	7 %
Water and wastewater market sector	4,603	1 %	5,184	1 %
Hospitality and entertainment market sector	19,750	3 %	5,440	1 %
Short duration projects ⁽¹⁾	50,740	7 %	52,868	9 %
Service work	17,276	3 %	17,095	3 %
	678,709		565,753	
Less intersegment revenues	(542)		(1,641)	
Total segment revenues	\$ 678,167		\$ 564,112	

(1) Represents those projects which generally are completed within three months or less.

EMCOR Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)
NOTE 3 - Revenue from Contracts with Customers (Continued)

	For the three months ended June 30,			
	2023	% of Total	2022	% of Total
United States mechanical construction and facilities services:				
Network and communications market sector	\$ 87,034	7 %	\$ 60,643	6 %
Commercial market sector	289,304	24 %	266,321	25 %
Manufacturing and industrial market sector	166,051	14 %	155,290	15 %
Healthcare market sector	117,842	10 %	126,985	12 %
High-tech manufacturing market sector	177,653	15 %	71,528	7 %
Institutional market sector	71,626	6 %	86,727	8 %
Transportation market sector	9,229	1 %	16,246	1 %
Water and wastewater market sector	67,286	6 %	67,746	6 %
Hospitality and entertainment market sector	13,531	1 %	11,418	1 %
Short duration projects ⁽¹⁾	73,978	6 %	84,470	8 %
Service work	122,278	10 %	112,905	11 %
	1,195,812		1,060,279	
Less intersegment revenues	(1,699)		(2,630)	
Total segment revenues	<u>\$ 1,194,113</u>		<u>\$ 1,057,649</u>	

(1) Represents those projects which generally are completed within three months or less.

	For the three months ended June 30,			
	2023	% of Total	2022	% of Total
United States building services:				
Mechanical services	\$ 514,505	66 %	\$ 448,024	65 %
Commercial site-based services	207,323	27 %	193,082	28 %
Government site-based services	53,184	7 %	45,439	7 %
Total segment revenues	<u>\$ 775,012</u>		<u>\$ 686,545</u>	

	For the three months ended June 30,			
	2023	% of Total	2022	% of Total
United States industrial services:				
Field services	\$ 250,877	86 %	\$ 247,542	87 %
Shop services	41,406	14 %	36,992	13 %
Total segment revenues	<u>\$ 292,283</u>		<u>\$ 284,534</u>	
Total United States operations	<u>\$ 2,939,575</u>		<u>\$ 2,592,840</u>	

	For the three months ended June 30,			
	2023	% of Total	2022	% of Total
United Kingdom building services:				
Service work	\$ 51,682	49 %	\$ 54,261	47 %
Project work	54,365	51 %	60,287	53 %
Total segment revenues	<u>\$ 106,047</u>		<u>\$ 114,548</u>	
Total operations	<u>\$ 3,045,622</u>		<u>\$ 2,707,388</u>	

EMCOR Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)
NOTE 3 - Revenue from Contracts with Customers (Continued)

	For the six months ended June 30,			
	2023	% of Total	2022	% of Total
United States electrical construction and facilities services:				
Network and communications market sector	\$ 429,039	32 %	\$ 324,865	30 %
Commercial market sector	190,918	14 %	195,850	18 %
Manufacturing and industrial market sector	181,124	14 %	131,769	12 %
Healthcare market sector	120,316	9 %	75,348	7 %
High-tech manufacturing market sector	68,593	5 %	42,824	4 %
Institutional market sector	74,661	6 %	69,455	6 %
Transportation market sector	75,149	6 %	87,522	8 %
Water and wastewater market sector	12,061	1 %	10,496	1 %
Hospitality and entertainment market sector	39,802	3 %	11,294	1 %
Short duration projects ⁽¹⁾	98,420	7 %	108,916	10 %
Service work	34,153	3 %	30,424	3 %
	1,324,236		1,088,763	
Less intersegment revenues	(1,323)		(2,621)	
Total segment revenues	\$ 1,322,913		\$ 1,086,142	

(1) Represents those projects which generally are completed within three months or less.

	For the six months ended June 30,			
	2023	% of Total	2022	% of Total
United States mechanical construction and facilities services:				
Network and communications market sector	\$ 186,455	8 %	\$ 116,277	6 %
Commercial market sector	545,150	24 %	527,821	26 %
Manufacturing and industrial market sector	307,686	13 %	304,861	15 %
Healthcare market sector	230,570	10 %	246,817	12 %
High-tech manufacturing market sector	294,449	13 %	129,101	6 %
Institutional market sector	135,674	6 %	152,649	7 %
Transportation market sector	21,447	1 %	32,299	2 %
Water and wastewater market sector	135,948	6 %	129,490	6 %
Hospitality and entertainment market sector	23,608	1 %	24,198	1 %
Short duration projects ⁽¹⁾	155,395	7 %	178,029	9 %
Service work	239,466	11 %	213,649	10 %
	2,275,848		2,055,191	
Less intersegment revenues	(3,177)		(4,898)	
Total segment revenues	\$ 2,272,671		\$ 2,050,293	

(1) Represents those projects which generally are completed within three months or less.

EMCOR Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)
NOTE 3 - Revenue from Contracts with Customers (Continued)

	For the six months ended June 30,			
	2023	% of Total	2022	% of Total
United States building services:				
Mechanical services	\$ 977,039	65 %	\$ 829,421	63 %
Commercial site-based services	416,694	28 %	396,632	30 %
Government site-based services	106,654	7 %	96,119	7 %
Total segment revenues	<u>\$ 1,500,387</u>		<u>\$ 1,322,172</u>	
United States industrial services:				
Field services	\$ 536,721	86 %	\$ 518,960	87 %
Shop services	86,445	14 %	76,325	13 %
Total segment revenues	<u>\$ 623,166</u>		<u>\$ 595,285</u>	
Total United States operations	<u>\$ 5,719,137</u>		<u>\$ 5,053,892</u>	
United Kingdom building services:				
Service work	\$ 103,345	48 %	\$ 119,078	48 %
Project work	113,572	52 %	126,967	52 %
Total segment revenues	<u>\$ 216,917</u>		<u>\$ 246,045</u>	
Total operations	<u>\$ 5,936,054</u>		<u>\$ 5,299,937</u>	

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are recognized in the period we deliver goods and services to our customers or when our right to consideration is unconditional. The Company maintains an allowance for credit losses to reduce outstanding receivables to their net realizable value. A considerable amount of judgment is required when determining expected credit losses. Estimates of such losses are recorded when we believe a customer, or group of customers, may not be able to meet their financial obligations due to deterioration in financial condition or credit rating. Factors relevant to our assessment include our prior collection history with our customers, the related aging of past due balances, projections of credit losses based on historical trends in credit quality indicators or past events, and forecasts of future economic conditions. In addition to monitoring delinquent accounts, management reviews the credit quality of its receivables by, among other things, obtaining credit ratings of significant customers, assessing economic and market conditions, and evaluating material changes to a customer's business, cash flows, and financial condition.

At June 30, 2023 and December 31, 2022, our allowance for credit losses was \$20.7 million and \$22.4 million, respectively. The decrease in our allowance for credit losses was attributable to the write-off of specific amounts deemed uncollectible, partially offset by the provision for credit losses recorded during the first six months of 2023. Allowances for credit losses are based on the best facts available and are reassessed and adjusted on a regular basis as additional information is received. Should anticipated collections fail to materialize, or if future economic conditions compare unfavorably to our forecasts, we could experience an increase in our credit losses. The change in the allowance for credit losses for the six months ended June 30, 2023 was as follows (in thousands):

Balance at December 31, 2022	\$ 22,382
Provision for credit losses	3,115
Net amounts written off against the allowance	(4,790)
Balance at June 30, 2023	<u>\$ 20,707</u>

EMCOR Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)
NOTE 3 - Revenue from Contracts with Customers (Continued)
Contract Assets and Contract Liabilities

The timing of revenue recognition may differ from the timing of invoicing to customers. Contract assets include unbilled amounts from our construction projects when revenues recognized under the cost-to-cost measure of progress exceed the amounts invoiced to our customers, as the amounts are not yet billable under the terms of our contracts. Such amounts are recoverable from our customers based upon various measures of performance, including achievement of certain milestones, completion of specified units, or completion of a contract. In addition, many of our time and materials arrangements, as well as our contracts to perform turnaround services within the United States industrial services segment, are billed in arrears pursuant to contract terms that are standard within the industry, resulting in contract assets and/or unbilled receivables being recorded as revenue is recognized in advance of billings.

Also included in contract assets are amounts we seek or will seek to collect from customers or others for errors or changes in contract specifications or design, contract change orders or modifications in dispute or unapproved as to scope and/or price, or other customer-related causes of unanticipated additional contract costs (claims and unapproved change orders). Our contract assets do not include capitalized costs to obtain and fulfill a contract. Contract assets are generally classified as current within the Consolidated Balance Sheets.

Contract liabilities from our construction contracts arise when amounts invoiced to our customers exceed revenues recognized under the cost-to-cost measure of progress. Contract liabilities additionally include advanced payments from our customers on certain contracts. Contract liabilities decrease as we recognize revenue from the satisfaction of the related performance obligation and are recorded as either current or long-term, depending upon when we expect to recognize such revenue. The long-term portion of contract liabilities is included in "Other long-term obligations" in the Consolidated Balance Sheets.

Net contract liabilities in the accompanying Consolidated Balance Sheets consisted of the following as of June 30, 2023 and December 31, 2022 (in thousands):

	June 30, 2023	December 31, 2022
Contract assets, current	\$ 289,368	\$ 273,176
Contract assets, non-current	—	—
Contract liabilities, current	(1,357,740)	(1,098,263)
Contract liabilities, non-current	(2,120)	(2,273)
Net contract liabilities	<u>\$ (1,070,492)</u>	<u>\$ (827,360)</u>

The \$243.1 million increase in net contract liabilities for the six months ended June 30, 2023 was primarily attributable to an increase in net contract liabilities on our uncompleted construction projects, partially as a result of the timing of invoicing to our customers, which included customer deposits and advanced billings on several large projects in the earlier stages of completion, resulting in amounts invoiced exceeding the revenue recognized for such projects. There was no significant impairment of contract assets recognized during the periods presented.

Transaction Price Allocated to Remaining Unsatisfied Performance Obligations

The following table presents the transaction price allocated to remaining unsatisfied performance obligations ("remaining performance obligations") for each of our reportable segments and their respective percentages of total remaining performance obligations as of June 30, 2023 (in thousands, except for percentages):

	June 30, 2023	% of Total
Remaining performance obligations:		
United States electrical construction and facilities services	\$ 2,180,133	26 %
United States mechanical construction and facilities services	4,552,211	55 %
United States building services	1,255,165	15 %
United States industrial services	144,731	2 %
Total United States operations	<u>8,132,240</u>	98 %
United Kingdom building services	153,919	2 %
Total operations	<u>\$ 8,286,159</u>	100 %

EMCOR Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)
NOTE 3 - Revenue from Contracts with Customers (Continued)

Our remaining performance obligations at June 30, 2023 were \$8.29 billion. Remaining performance obligations increase with awards of new contracts and decrease as we perform work and recognize revenue on existing contracts. We include a project within our remaining performance obligations at such time the project is awarded and agreement on contract terms has been reached. Our remaining performance obligations include amounts related to contracts for which a fixed price contract value is not assigned when a reasonable estimate of the total transaction price can be made.

Remaining performance obligations include unrecognized revenues to be realized from uncompleted construction contracts. Although many of our construction contracts are subject to cancellation at the election of our customers, in accordance with industry practice, we do not limit the amount of unrecognized revenue included within remaining performance obligations for these contracts as the risk of cancellation is very low due to the inherent substantial economic penalty that our customers would incur upon cancellation or termination. We believe our reported remaining performance obligations for our construction contracts are firm and contract cancellations have not had a material adverse effect on us.

Remaining performance obligations also include unrecognized revenues expected to be realized over the remaining term of service contracts. However, to the extent a service contract includes a cancellation clause which allows for the termination of such contract by either party without a substantive penalty, the remaining contract term, and therefore, the amount of unrecognized revenues included within remaining performance obligations, is limited to the notice period required for the termination.

Our remaining performance obligations are comprised of: (a) original contract amounts, (b) change orders for which we have received written confirmations from our customers, (c) pending change orders for which we expect to receive confirmations in the ordinary course of business, (d) claim amounts that we have made against customers for which we have determined we have a legal basis under existing contractual arrangements and as to which the variable consideration constraint does not apply, and (e) other forms of variable consideration to the extent that such variable consideration has been included within the transaction price of our contracts. Such claim and other variable consideration amounts were immaterial for all periods presented.

Refer to the table below for additional information regarding our remaining performance obligations, including an estimate of when we expect to recognize such remaining performance obligations as revenue (in thousands):

	Within one year	Greater than one year
Remaining performance obligations:		
United States electrical construction and facilities services	\$ 1,688,250	\$ 491,883
United States mechanical construction and facilities services	3,761,074	791,137
United States building services	1,107,281	147,884
United States industrial services	143,228	1,503
Total United States operations	6,699,833	1,432,407
United Kingdom building services	104,658	49,261
Total operations	<u>\$ 6,804,491</u>	<u>\$ 1,481,668</u>

NOTE 4 - Acquisitions of Businesses

Acquisitions are accounted for utilizing the acquisition method of accounting and the prices paid for them are allocated to their respective assets and liabilities based upon the estimated fair value of such assets and liabilities at the dates of their respective acquisition by us.

During the first half of 2023, we acquired five companies, each for an immaterial amount. Two companies have been included within our United States mechanical construction and facilities services segment, one of which provides mechanical and pipe fabrication services, and one of which provides fire protection services, both in the Midwestern region of the United States. The other three companies have been included within our United States building services segment and provide mechanical services in the Western and Midwestern regions of the United States. The results of operations for all such companies were de minimis.

During calendar year 2022, we acquired six companies for total consideration of \$100.8 million. Such acquisitions include: (a) a company that provides electrical construction services in the Greater Boston area, the results of operations of which have been included in our United States electrical construction and facilities services segment, and (b) five companies that enhance our presence in geographies where we have existing operations, the results of operations of which were de minimis, consisting of: (i) two companies that provide fire protection services in the Northeastern and Southern regions of the

EMCOR Group, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements (Unaudited)
NOTE 4 - Acquisitions of Businesses (Continued)

United States, respectively, and that have been included within our United States mechanical construction and facilities services segment, (ii) two companies that specialize in either building automation and controls or mechanical services in the Southwestern and Southern regions of the United States, respectively, and that have been included within our United States building services segment, and (iii) a company that provides electrical construction services in the Midwestern region of the United States and that has been included within our United States electrical construction and facilities services segment. In connection with these acquisitions, we acquired working capital of \$7.1 million and other net liabilities of \$1.1 million, and have ascribed \$28.9 million to goodwill and \$65.9 million to identifiable intangible assets.

We expect that all of the goodwill acquired in connection with these acquisitions will be deductible for tax purposes. The purchase price allocations for the businesses acquired in 2023 are preliminary and subject to change during their respective measurement periods. As we finalize such purchase price allocations, adjustments may be recorded relating to finalization of intangible asset valuations, tax matters, or other items. Although not expected to be significant, such adjustments may result in changes in the valuation of assets and liabilities acquired. The purchase price allocations for the businesses acquired in 2022 have been finalized during their respective measurement periods with an insignificant impact.

On June 30, 2023, we entered into a definitive agreement to acquire ECM Holding Group, Inc. (“ECM”) in an all-cash transaction. ECM is a leading national energy specialty services firm, with estimated 2023 revenues of approximately \$60 million. The transaction is expected to close in the third quarter of 2023, subject to customary closing conditions. Upon closing, its results will be included within our United States building services segment.

NOTE 5 - Earnings Per Share
Calculation of Basic and Diluted Earnings per Common Share

The following tables summarize our calculation of Basic and Diluted Earnings per Common Share (“EPS”) for the three and six months ended June 30, 2023 and 2022 (in thousands, except share and per share data):

	For the three months ended June 30,	
	2023	2022
Numerator:		
Net income	\$ 140,595	\$ 100,664
Denominator:		
Weighted average shares outstanding used to compute basic earnings per common share	47,393,493	50,507,024
Effect of dilutive securities—Share-based awards	195,176	204,746
Shares used to compute diluted earnings per common share	47,588,669	50,711,770
Basic earnings per common share	\$ 2.97	\$ 1.99
Diluted earnings per common share	\$ 2.95	\$ 1.99
	For the six months ended June 30,	
	2023	2022
Numerator:		
Net income	\$ 252,068	\$ 174,050
Denominator:		
Weighted average shares outstanding used to compute basic earnings per common share	47,584,656	51,610,014
Effect of dilutive securities—Share-based awards	182,586	204,150
Shares used to compute diluted earnings per common share	47,767,242	51,814,164
Basic earnings per common share	\$ 5.30	\$ 3.37
Diluted earnings per common share	\$ 5.28	\$ 3.36

EMCOR Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)
NOTE 5 - Earnings Per Share (Continued)

The number of share-based awards excluded from the computation of diluted EPS for the three and six months ended June 30, 2023 because they would be anti-dilutive were 8,726 and 9,026, respectively. The number of share-based awards excluded from the computation of diluted EPS for the three and six months ended June 30, 2022 because they would be anti-dilutive were 57,949 and 57,899, respectively.

NOTE 6 - Inventories

Inventories in the accompanying Consolidated Balance Sheets consisted of the following amounts as of June 30, 2023 and December 31, 2022 (in thousands):

	June 30, 2023	December 31, 2022
Raw materials and construction materials	\$ 88,661	\$ 74,014
Work in process	17,419	11,627
Inventories	<u>\$ 106,080</u>	<u>\$ 85,641</u>

The increase in inventories as of June 30, 2023, compared to December 31, 2022, was a result of: (a) advanced purchases of materials and equipment for use on specific construction projects, in an effort to mitigate the impact of increased lead times, which have resulted from supply chain disruptions, (b) an increase in raw materials on hand to support our fabrication facilities given the growth in demand for our fire protection services, and (c) higher levels of work in process inventory within our United States industrial services segment given greater new build heat exchanger orders.

NOTE 7 - Debt

Debt in the accompanying Consolidated Balance Sheets consisted of the following amounts as of June 30, 2023 and December 31, 2022 (in thousands):

	June 30, 2023	December 31, 2022
Term loan	\$ 242,813	\$ 242,813
Unamortized debt issuance costs	(1,600)	(2,080)
Finance lease liabilities	5,640	6,459
Total debt	246,853	247,192
Less: current maturities	15,399	15,567
Total long-term debt	<u>\$ 231,454</u>	<u>\$ 231,625</u>

Credit Agreement

We have a credit agreement dated as of March 2, 2020, which provides for a \$1.3 billion revolving credit facility (the “2020 Revolving Credit Facility”) and a \$300.0 million term loan (the “2020 Term Loan”) (collectively referred to as the “Original 2020 Credit Agreement”) expiring March 2, 2025. On April 28, 2023, we entered into the First Amendment to the Original 2020 Credit Agreement (the “First Amendment”), pursuant to which the reference rate contained therein was changed from LIBOR to Adjusted Term SOFR (as defined below). The Original 2020 Credit Agreement, as amended by the First Amendment, is hereinafter referred to as “the 2020 Credit Agreement.” We may increase the 2020 Revolving Credit Facility to \$1.9 billion if additional lenders are identified and/or existing lenders are willing to increase their current commitments. We may allocate up to \$400.0 million of available capacity under the 2020 Revolving Credit Facility to letters of credit for our account or for the account of any of our subsidiaries.

As of June 30, 2023 and December 31, 2022, the balance of the 2020 Term Loan was \$242.8 million. There were no direct borrowings outstanding under the 2020 Revolving Credit Facility as of June 30, 2023 and December 31, 2022. However, outstanding letters of credit reduce the available capacity under such facility, and as of June 30, 2023 and December 31, 2022, we had \$130.9 million and \$71.3 million, respectively, of letters of credit outstanding.

At the Company’s election, borrowings under the 2020 Credit Agreement bear interest at either: (1) a base rate plus a margin of 0.00% to 0.75%, based on certain financial tests, or (2) a rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York for the applicable tenor plus 0.10% (“Adjusted Term SOFR”) (5.34% at June 30, 2023) plus a margin of 1.00% to 1.75%, based on certain financial tests. The base rate is determined by the greater of: (a) the prime commercial lending rate announced by Bank of Montreal from time to time (8.25% at June 30, 2023), (b) the federal funds effective rate, plus ½ of 1.00%, (c) Adjusted Term SOFR for a one-month tenor, plus 1.00%, or (d) 0.00%.

EMCOR Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)
NOTE 7 - Debt (Continued)

The interest rates in effect at June 30, 2023 and December 31, 2022 were 6.34% and 5.73%, respectively. A commitment fee is payable on the average daily unused amount of the 2020 Revolving Credit Facility, which ranges from 0.10% to 0.25%, based on certain financial tests. The fee was 0.10% of the unused amount as of June 30, 2023 and December 31, 2022. Fees for letters of credit issued under the 2020 Revolving Credit Facility range from 0.75% to 1.75% of the respective face amounts of outstanding letters of credit, depending on the nature of the letter of credit, and are computed based on certain financial tests. We capitalized an additional \$3.1 million of debt issuance costs associated with the 2020 Credit Agreement. Debt issuance costs are amortized over the life of the agreement as part of interest expense.

Obligations under the 2020 Credit Agreement are guaranteed by most of our direct and indirect subsidiaries and are secured by substantially all of our assets. The 2020 Credit Agreement contains various covenants providing for, among other things, the maintenance of certain financial ratios and certain limitations on the payment of dividends, common stock repurchases, investments, acquisitions, indebtedness, and capital expenditures. We were in compliance with all such covenants as of June 30, 2023 and December 31, 2022.

We are required to make annual principal payments on the 2020 Term Loan. Any voluntary prepayments are applied against the outstanding balance of the loan and reduce our future scheduled payments on a ratable basis. Based on our outstanding balance, principal payments of \$13.9 million are due on December 31 of each year until maturity, with any remaining unpaid principal and interest due on March 2, 2025.

NOTE 8 - Fair Value Measurements

For disclosure purposes, we utilize a fair value hierarchy to categorize qualifying assets and liabilities into three broad levels based on the priority of the inputs used to determine their fair values. The hierarchy, which gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs, is comprised of the following three levels:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 – Observable inputs, other than Level 1 inputs, that are directly or indirectly observable for the asset or liability, including quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 – Significant unobservable inputs that reflect the reporting entity's own assumptions.

Recurring Fair Value Measurements

The following tables summarize the assets and liabilities carried at fair value measured on a recurring basis as of June 30, 2023 and December 31, 2022 (in thousands):

Asset Category	Assets at Fair Value as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents ⁽¹⁾	\$ 503,052	\$ —	\$ —	\$ 503,052
Deferred compensation plan assets ⁽²⁾	45,045	—	—	45,045
Total	\$ 548,097	\$ —	\$ —	\$ 548,097

Asset Category	Assets at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents ⁽¹⁾	\$ 456,439	\$ —	\$ —	\$ 456,439
Deferred compensation plan assets ⁽²⁾	36,882	—	—	36,882
Restricted cash ⁽³⁾	629	—	—	629
Total	\$ 493,950	\$ —	\$ —	\$ 493,950

(1) Cash and cash equivalents consist of deposit accounts and money market funds with original maturity dates of three months or less, which are Level 1 assets. At June 30, 2023 and December 31, 2022, we had \$272.4 million and \$209.4 million, respectively, in money market funds. From time to time, we have cash balances in certain of our domestic bank accounts that exceed federally insured limits.

(2) Deferred compensation plan assets are classified as "Other assets" in the Consolidated Balance Sheets.

(3) Restricted cash is classified as "Prepaid expenses and other" in the Consolidated Balance Sheets. Restricted cash primarily represents cash held in account for use on customer contracts.

EMCOR Group, Inc. and Subsidiaries**Notes to Consolidated Financial Statements (Unaudited)****NOTE 8 - Fair Value Measurements (Continued)***Nonrecurring Fair Value Measurements*

We have recorded goodwill and identifiable intangible assets in connection with our business acquisitions. Such assets are measured at fair value at the time of acquisition based on valuation techniques that appropriately represent the methods which would be used by other market participants in determining fair value. In addition, goodwill and intangible assets are tested for impairment using similar valuation methodologies to determine the fair value of such assets. Periodically, we engage an independent third-party valuation specialist to assist with the valuation process, including the selection of appropriate methodologies and the development of market-based assumptions. The inputs used for these nonrecurring fair value measurements represent Level 3 inputs.

Fair Value of Financial Instruments

We believe that the carrying values of our financial instruments, which include accounts receivable and other financing commitments, approximate their fair values due primarily to their short-term maturities and low risk of counterparty default. The carrying value of our debt associated with the 2020 Credit Agreement approximates its fair value due to the variable rate on such debt.

NOTE 9 - Income Taxes

The following table presents our income tax provision and our income tax rate for the three and six months ended June 30, 2023 and 2022 (in thousands, except percentages):

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Income tax provision	\$ 53,098	\$ 36,323	\$ 94,429	\$ 62,774
Income tax rate	27.4 %	26.5 %	27.3 %	26.5 %

The difference between the U.S. statutory tax rate of 21% and our effective income tax rate for both the three and six months ended June 30, 2023 and 2022 was primarily a result of state and local income taxes and other permanent book-to-tax differences.

The increase in our income tax provision for the three and six months ended June 30, 2023, when compared to the three and six months ended June 30, 2022, was due to: (a) greater income before income taxes, and (b) an increase in our effective income tax rate. The change in our effective income tax rate was attributable to an increase in certain permanent book-to-tax differences, including the impact of the expiration of specific provisions within the Consolidated Appropriations Act, 2021, which allowed for a 100% tax deduction for business meals in 2022. For periods after December 31, 2022, the tax deduction for business meals has been reduced to 50%.

As of June 30, 2023 and December 31, 2022, we had no unrecognized income tax benefits.

We file a consolidated federal income tax return including all of our U.S. subsidiaries with the Internal Revenue Service. We additionally file income tax returns with various state, local, and foreign tax agencies. Our income tax returns are subject to audit by various taxing authorities and are currently under examination for the years 2017 through 2020.

NOTE 10 - Common Stock

As of June 30, 2023 and December 31, 2022, there were 47,130,116 and 47,666,725 shares of our common stock outstanding, respectively.

During the three months ended June 30, 2023 and 2022, we issued 42,578 and 76,426 shares of common stock, respectively. During the six months ended June 30, 2023 and 2022, we issued 114,654 and 171,757 shares of common stock, respectively. These shares were issued upon either the satisfaction of required conditions under our share-based compensation plans or the purchase of common stock pursuant to our employee stock purchase plan.

We have paid quarterly dividends since October 25, 2011. We currently pay a regular quarterly dividend of \$0.18 per share.

EMCOR Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)
NOTE 10 - Common Stock (Continued)

In September 2011, our Board of Directors (the “Board”) authorized a share repurchase program allowing us to begin repurchasing shares of our outstanding common stock. Subsequently, the Board has from time to time increased the amount authorized for repurchases under such program. Since the inception of the repurchase program, the Board has authorized us to repurchase up to \$2.15 billion of our outstanding common stock. During the six months ended June 30, 2023, we repurchased approximately 0.7 million shares of our common stock for approximately \$106.2 million. Since the inception of the repurchase program through June 30, 2023, we have repurchased approximately 25.7 million shares of our common stock for approximately \$1.87 billion. As of June 30, 2023, there remained authorization for us to repurchase approximately \$283.6 million of our shares. The repurchase program has no expiration date, does not obligate the Company to acquire any particular amount of common stock, and may be suspended, recommenced, or discontinued at any time or from time to time without prior notice. We may repurchase our shares from time to time to the extent permitted by securities laws and other legal requirements, including provisions in our 2020 Credit Agreement placing limitations on such repurchases.

The Inflation Reduction Act of 2022, which was enacted into law on August 16, 2022, imposes a nondeductible excise tax of 1% on the fair value of net stock repurchases in excess of share issuances made by publicly traded U.S. corporations, effective for repurchases after December 31, 2022. Starting with the first quarter of 2023, we have included the applicable excise tax as a component of treasury stock as it represents a direct cost associated with the repurchase of our common stock.

NOTE 11 - Retirement Plans

The funded status of our defined benefit plans, which represents the difference between the fair value of plan assets and the projected benefit obligations, is recognized in the Consolidated Balance Sheets with a corresponding adjustment to accumulated other comprehensive income (loss). Gains and losses for the differences between actuarial assumptions and actual results are recognized through accumulated other comprehensive income (loss). These amounts will be subsequently recognized as net periodic pension cost (income) within the Consolidated Statements of Operations.

Our United Kingdom subsidiary has a defined benefit pension plan covering all eligible employees (the “UK Plan”); however, no individual joining the company after October 31, 2001 may participate in the UK Plan. On May 31, 2010, we curtailed the future accrual of benefits for active employees under such plan.

We also sponsor three domestic retirement plans in which participation by new individuals is frozen. Amounts related to these domestic retirement plans were immaterial for all periods presented.

Components of Net Periodic Pension Cost

The components of net periodic pension cost (income) of the UK Plan for the three and six months ended June 30, 2023 and 2022 were as follows (in thousands):

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Interest cost	\$ 2,451	\$ 1,452	\$ 4,827	\$ 2,981
Expected return on plan assets	(2,878)	(3,082)	(5,669)	(6,326)
Amortization of unrecognized loss	658	528	1,297	1,084
Net periodic pension cost (income)	<u>\$ 231</u>	<u>\$ (1,102)</u>	<u>\$ 455</u>	<u>\$ (2,261)</u>

EMCOR Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (Unaudited)

NOTE 12 - Commitments and Contingencies

Severance Agreements

We have agreements with our executive officers and certain other key management personnel providing for severance benefits for such employees upon termination of their employment under certain circumstances.

Guarantees

In the ordinary course of business, we, at times, guarantee obligations of our subsidiaries under certain contracts. Generally, we are liable under such an arrangement only if our subsidiary fails to perform its obligations under the contract. Historically, we have not incurred any substantial liabilities as a consequence of these guarantees.

Surety Bonds

The terms of our construction contracts frequently require that we obtain from surety companies, and provide to our customers, surety bonds as a condition to the award of such contracts. These surety bonds are issued in return for premiums, which vary depending on the size and type of the bond, and secure our payment and performance obligations under such contracts. We have agreed to indemnify the surety companies for amounts, if any, paid by them in respect of surety bonds issued on our behalf. As of June 30, 2023, based on the percentage-of-completion of our projects covered by surety bonds, our aggregate estimated exposure, assuming defaults on all our then existing contractual obligations, was approximately \$1.4 billion, which represents approximately 17% of our total remaining performance obligations.

Surety bonds are sometimes provided to secure obligations for wages and benefits payable to or for certain of our employees, at the request of labor unions representing such employees. In addition, surety bonds may be issued as collateral for certain insurance obligations. As of June 30, 2023, we satisfied approximately \$48.1 million of the collateral requirements of our insurance programs by utilizing surety bonds.

We are not aware of any losses in connection with surety bonds that have been posted on our behalf, and we do not expect to incur significant losses in the foreseeable future.

Hazardous Materials

We are subject to regulation with respect to the handling or disposal of certain materials used in the performance of our services, which are classified as hazardous or toxic by federal, state, and local agencies. Our practice is to avoid participation in projects principally involving the remediation or removal of such materials. However, when remediation is required as part of our contract performance, we believe we comply with all applicable regulations governing the discharge of hazardous materials into the environment or otherwise relating to the protection of the environment.

Government Contracts

As a government contractor, we are subject to U.S. government audits and investigations relating to our operations, which such audits may result in fines, penalties and compensatory and treble damages, and possible suspension or debarment from doing business with the government. Based on currently available information, we believe the outcome of ongoing government disputes and investigations will not have a material impact on our financial position, results of operations, or liquidity.

Legal Proceedings

We are involved in several legal proceedings in which damages and claims have been asserted against us. We believe that we have a number of valid defenses to such proceedings and claims and intend to vigorously defend ourselves. We do not believe that any such matters will have a material adverse effect on our financial position, results of operations, or liquidity. We record a loss contingency if the potential loss from a proceeding or claim is considered probable and the amount can be reasonably estimated or a range of loss can be determined. We provide disclosure when it is reasonably possible that a loss will be incurred in excess of any recorded provision. Significant judgment is required in these determinations. As additional information becomes available, we reassess prior determinations and may change our estimates. Additional claims may be asserted against us in the future. Litigation is subject to many uncertainties, and the outcome of litigation is not predictable with assurance. It is possible that a litigation matter for which liabilities have not been recorded could be decided unfavorably to us, and that any such unfavorable decision could have a material adverse effect on our financial position, results of operations, or liquidity.

EMCOR Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)
NOTE 12 - Commitments and Contingencies (Continued)
Insurance Liabilities

We have loss payment deductibles for certain workers' compensation, automobile liability, general liability, and property claims, have self-insured retentions for certain other casualty claims, and are self-insured for employee-related healthcare claims. In addition, we maintain a wholly-owned captive insurance subsidiary to manage certain of our insurance liabilities. Losses are recorded based upon estimates of our liability for claims incurred and for claims incurred but not reported. The liabilities are derived from known facts, historical trends, and industry averages, utilizing the assistance of an independent third-party actuary to determine the best estimate for the majority of these obligations. As of June 30, 2023 and December 31, 2022, the estimated current portion of such undiscounted insurance liabilities, included in "Other accrued expenses and liabilities" in the accompanying Consolidated Balance Sheets, were \$53.9 million and \$54.8 million, respectively. The estimated non-current portion of such undiscounted insurance liabilities included in "Other long-term obligations" as of June 30, 2023 and December 31, 2022 were \$234.3 million and \$221.7 million, respectively. The current portion of anticipated insurance recoveries of \$15.1 million and \$16.0 million as of June 30, 2023 and December 31, 2022, respectively, were included in "Prepaid expenses and other" and the non-current portion of anticipated insurance recoveries of \$57.9 million and \$59.0 million as of June 30, 2023 and December 31, 2022, respectively, were included in "Other assets" in the accompanying Consolidated Balance Sheets.

NOTE 13 - Additional Cash Flow Information

The following table presents additional cash flow information for the six months ended June 30, 2023 and 2022 (in thousands):

	For the six months ended June 30,	
	2023	2022
Cash paid for:		
Interest	\$ 9,678	\$ 3,096
Income taxes	\$ 98,626	\$ 103,560
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 70,059	\$ 43,183
Right-of-use assets obtained in exchange for new finance lease liabilities	\$ 457	\$ 576

NOTE 14 - Segment Information

We are one of the largest specialty contractors in the United States and a leading provider of electrical and mechanical construction and facilities services, building services, and industrial services. Our services are provided to a broad range of commercial, industrial, healthcare, utility, and institutional customers through approximately 100 operating subsidiaries. Such operating subsidiaries are organized into the following reportable segments:

- United States electrical construction and facilities services;
- United States mechanical construction and facilities services;
- United States building services;
- United States industrial services; and
- United Kingdom building services.

We refer to our United States electrical construction and facilities services segment and our United States mechanical construction and facilities services segment together as our United States construction segments.

Our reportable segments and related disclosures reflect certain reclassifications of prior year amounts from our United States mechanical construction and facilities services segment to our United States building services segment due to changes in our internal reporting structure aimed at realigning our service offerings.

EMCOR Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)
NOTE 14 - Segment Information (Continued)

The following tables present financial information for each of our reportable segments for the three and six months ended June 30, 2023 and 2022 (in thousands):

	For the three months ended June 30,	
	2023	2022
Revenues from unrelated entities:		
United States electrical construction and facilities services	\$ 678,167	\$ 564,112
United States mechanical construction and facilities services	1,194,113	1,057,649
United States building services	775,012	686,545
United States industrial services	292,283	284,534
Total United States operations	2,939,575	2,592,840
United Kingdom building services	106,047	114,548
Total operations	<u>\$ 3,045,622</u>	<u>\$ 2,707,388</u>

Total revenues:		
United States electrical construction and facilities services	\$ 679,006	\$ 566,029
United States mechanical construction and facilities services	1,209,242	1,064,925
United States building services	802,934	711,527
United States industrial services	293,057	287,440
Less intersegment revenues	(44,664)	(37,081)
Total United States operations	2,939,575	2,592,840
United Kingdom building services	106,047	114,548
Total operations	<u>\$ 3,045,622</u>	<u>\$ 2,707,388</u>

	For the six months ended June 30,	
	2023	2022
Revenues from unrelated entities:		
United States electrical construction and facilities services	\$ 1,322,913	\$ 1,086,142
United States mechanical construction and facilities services	2,272,671	2,050,293
United States building services	1,500,387	1,322,172
United States industrial services	623,166	595,285
Total United States operations	5,719,137	5,053,892
United Kingdom building services	216,917	246,045
Total operations	<u>\$ 5,936,054</u>	<u>\$ 5,299,937</u>

Total revenues:		
United States electrical construction and facilities services	\$ 1,324,660	\$ 1,089,443
United States mechanical construction and facilities services	2,308,726	2,061,955
United States building services	1,551,544	1,371,584
United States industrial services	631,564	611,941
Less intersegment revenues	(97,357)	(81,031)
Total United States operations	5,719,137	5,053,892
United Kingdom building services	216,917	246,045
Total operations	<u>\$ 5,936,054</u>	<u>\$ 5,299,937</u>

EMCOR Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)
NOTE 14 - Segment Information (Continued)

	For the three months ended June 30,	
	2023	2022
Operating income (loss):		
United States electrical construction and facilities services	\$ 50,722	\$ 35,095
United States mechanical construction and facilities services	119,847	76,612
United States building services	46,137	38,494
United States industrial services	7,887	6,458
Total United States operations	224,593	156,659
United Kingdom building services	5,927	6,415
Corporate administration	(33,853)	(25,430)
Total operations	196,667	137,644
Other items:		
Net periodic pension (cost) income	(282)	1,094
Interest expense, net	(2,692)	(1,751)
Income before income taxes	\$ 193,693	\$ 136,987
	For the six months ended June 30,	
	2023	2022
Operating income (loss):		
United States electrical construction and facilities services	\$ 91,238	\$ 55,088
United States mechanical construction and facilities services	206,074	135,045
United States building services	83,787	62,657
United States industrial services	22,907	19,716
Total United States operations	404,006	272,506
United Kingdom building services	11,351	17,003
Corporate administration	(63,780)	(51,908)
Total operations	351,577	237,601
Other items:		
Net periodic pension (cost) income	(556)	2,263
Interest expense, net	(4,524)	(3,040)
Income before income taxes	\$ 346,497	\$ 236,824

EMCOR Group, Inc. and Subsidiaries**Notes to Consolidated Financial Statements (Unaudited)****NOTE 14 - Segment Information (Continued)**

	June 30, 2023	December 31, 2022
Total assets:		
United States electrical construction and facilities services	\$ 1,124,329	\$ 1,078,405
United States mechanical construction and facilities services	2,049,168	1,835,001
United States building services	1,312,263	1,206,518
United States industrial services	566,959	552,545
Total United States operations	5,052,719	4,672,469
United Kingdom building services	268,845	255,547
Corporate administration	586,105	596,591
Total operations	<u>\$ 5,907,669</u>	<u>\$ 5,524,607</u>

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Business Description

We are one of the largest specialty contractors in the United States and a leading provider of electrical and mechanical construction and facilities services, building services, and industrial services. Our services are provided to a broad range of commercial, industrial, healthcare, utility, and institutional customers through approximately 100 operating subsidiaries. Such operating subsidiaries are organized into the following reportable segments:

- United States electrical construction and facilities services;
- United States mechanical construction and facilities services;
- United States building services;
- United States industrial services; and
- United Kingdom building services.

We refer to our United States electrical construction and facilities services segment and our United States mechanical construction and facilities services segment together as our United States construction segments.

For a more complete description of our operations, refer to Item 1. Business of our Form 10-K for the year ended December 31, 2022.

Our reportable segments and related disclosures reflect certain reclassifications of prior year amounts from our United States mechanical construction and facilities services segment to our United States building services segment due to changes in our internal reporting structure aimed at realigning our service offerings.

Market Update

Our business and end markets remain resilient despite the impact of uncertain global economic conditions, including supply chain, production, and other logistical issues, an inflationary cost environment, rising interest rates, and skilled labor shortages in certain regions. The continued strength in demand for our services is reflected in our results of operations for the first half of 2023, during which we experienced an increase in both revenue and operating income when compared to the first half of 2022. As evidenced by the growth in our remaining performance obligations, which increased to \$8.29 billion at June 30, 2023, from \$7.46 billion at December 31, 2022, we anticipate a similar level of demand for our services throughout the remainder of the year, provided that the business environment does not significantly deteriorate.

Although improved from the year ago period, we continue to experience pressures in our supply chain, which are resulting in material and equipment lead times significantly in excess of normal levels. Delays in critical material and equipment deliveries have additionally resulted in us funding purchases at earlier stages of project progression, or in advance of project commencement. While we generally strive to negotiate advanced payments or billing terms with our customers that allow us to invoice for these amounts, such purchases may apply pressure on our working capital requirements in future periods. Although we experienced a reduction in commodity prices when compared to the prior year period, and current economic indicators suggest that inflation is slowing, there continues to be volatility in the price of fuel, certain materials, and other commodities used in our operations. Further, in an effort to mitigate inflation, the Federal Reserve Board increased the federal funds rate throughout 2022 and into the first quarter of 2023. While there remains uncertainty around further increases, interest rates, even at their current levels, will likely result in an increase in our annual interest expense.

Our management teams continue to adapt to the challenges of the current operating environment in order to manage our business more effectively through diligent contract negotiations, enhanced labor planning and project scheduling, and increased supplier engagement. As contractually permitted, and in order to combat inflationary pressures, we have and will continue to seek increases in pricing to the extent we experience increases in our costs. While we believe the actions we have taken continue to be effective, as evidenced in part by our operating performance and operating cash flow to date, the impact of these disruptions continues to evolve and there can be no assurance that our actions will serve to mitigate such impacts in future periods. Further, while we believe our remaining performance obligations are firm, and we have not experienced any material project cancellations to date, prolonged delays in the receipt of critical equipment could impact our ability to convert such remaining performance obligations to revenues in the near term or result in our customers seeking to delay or terminate existing or pending agreements. Lastly, the current interest rate environment may cause a decline in capital or maintenance spending of our customers or prospective customers, particularly as it pertains to short duration project work. Any of these events could result in reduced demand for our services or affect our ability to collect payment, and therefore, have a material adverse effect on our business, financial condition, and/or results of operations.

Overview

The following table presents selected financial data for the three months ended June 30, 2023 and 2022 (in thousands, except percentages and per share data):

	For the three months ended June 30,	
	2023	2022
Revenues	\$ 3,045,622	\$ 2,707,388
Revenues increase from prior year	12.5 %	11.1 %
Gross profit	\$ 490,060	\$ 383,008
Gross profit as a percentage of revenues	16.1 %	14.1 %
Operating income	\$ 196,667	\$ 137,644
Operating income as a percentage of revenues	6.5 %	5.1 %
Net income	\$ 140,595	\$ 100,664
Diluted earnings per common share	\$ 2.95	\$ 1.99

Revenues of \$3.05 billion for the quarter ended June 30, 2023 set a new quarterly record for the Company and represent an increase of 12.5% from revenues of \$2.71 billion for the quarter ended June 30, 2022. Demand for our services continues to be strong and, as described in further detail below, we experienced revenue growth within all of our reportable segments, except for our United Kingdom building services segment. Revenues for the second quarter of 2023 were positively impacted by incremental contribution from acquired companies of approximately \$40.6 million.

Operating income for the quarter ended June 30, 2023 was \$196.7 million, or 6.5% of revenues, establishing new quarterly records for the Company. This compares to operating income of \$137.6 million, or 5.1% of revenues, for the quarter ended June 30, 2022. The \$59.0 million increase in operating income, and corresponding 140 basis point improvement in operating margin, were a result of improved operating performance within the majority of our reportable segments. As described in further detail below, these improvements in profitability were a result of: (a) better project execution during 2023, (b) a more favorable mix of work when compared to the 2022 period, and (c) the impact in the second quarter of 2022 of certain supply chain disruptions and delays, which were greater than those experienced during the current year period.

Net income of \$140.6 million, or \$2.95 per diluted share, for the quarter ended June 30, 2023, compares favorably to net income of \$100.7 million, or \$1.99 per diluted share, for the quarter ended June 30, 2022. In addition to the increase in operating income referenced above, our diluted earnings per share for the second quarter of 2023 benefited from a reduced weighted average share count given the impact of common stock repurchases made by us throughout 2022 and 2023.

Impact of Acquisitions

In order to provide a more meaningful period-over-period discussion of our operating results, we may discuss amounts generated or incurred (revenues, gross profit, selling, general and administrative expenses, and operating income) from companies acquired. The amounts discussed reflect the acquired companies' operating results in the current reported period only for the time period these entities were not owned by EMCOR in the comparable prior reported period.

During the first half of 2023, we acquired five companies, each for an immaterial amount. Two companies have been included within our United States mechanical construction and facilities services segment, one of which provides mechanical and pipe fabrication services, and one of which provides fire protection services, both in the Midwestern region of the United States. The other three companies have been included within our United States building services segment and provide mechanical services in the Western and Midwestern regions of the United States. The results of operations for all such companies were de minimis.

We acquired six companies during calendar year 2022 for total consideration of \$100.8 million. Such acquisitions include: (a) a company that provides electrical construction services in the Greater Boston area, the results of operations of which have been included in our United States electrical construction and facilities services segment, and (b) five companies that enhance our presence in geographies where we have existing operations, the results of operations of which were de minimis, consisting of: (i) two companies that provide fire protection services in the Northeastern and Southern regions of the United States, respectively, and that have been included within our United States mechanical construction and facilities services segment, (ii) two companies that specialize in either building automation and controls or mechanical services in the Southwestern and Southern regions of the United States, respectively, and that have been included within our United States building services segment, and (iii) a company that provides electrical construction services in the Midwestern region of the United States and that has been included within our United States electrical construction and facilities services segment.

Results of Operations

Revenues

The following tables present our operating segment revenues from unrelated entities and their respective percentages of total revenues (in thousands, except for percentages):

	For the three months ended June 30,			
	2023	% of Total	2022	% of Total
Revenues:				
United States electrical construction and facilities services	\$ 678,167	22 %	\$ 564,112	21 %
United States mechanical construction and facilities services	1,194,113	39 %	1,057,649	39 %
United States building services	775,012	26 %	686,545	25 %
United States industrial services	292,283	10 %	284,534	11 %
Total United States operations	2,939,575	97 %	2,592,840	96 %
United Kingdom building services	106,047	3 %	114,548	4 %
Total operations	\$ 3,045,622	100 %	\$ 2,707,388	100 %
	For the six months ended June 30,			
	2023	% of Total	2022	% of Total
Revenues:				
United States electrical construction and facilities services	\$ 1,322,913	22 %	\$ 1,086,142	20 %
United States mechanical construction and facilities services	2,272,671	38 %	2,050,293	39 %
United States building services	1,500,387	25 %	1,322,172	25 %
United States industrial services	623,166	11 %	595,285	11 %
Total United States operations	5,719,137	96 %	5,053,892	95 %
United Kingdom building services	216,917	4 %	246,045	5 %
Total operations	\$ 5,936,054	100 %	\$ 5,299,937	100 %

As described below in more detail, as a result of revenue growth within the majority of our reportable segments, our consolidated revenues for the three months ended June 30, 2023 increased to \$3.05 billion compared to \$2.71 billion for the three months ended June 30, 2022, and our consolidated revenues for the six months ended June 30, 2023 increased to \$5.94 billion compared to \$5.30 billion for the six months ended June 30, 2022.

Revenues of our United States electrical construction and facilities services segment were \$678.2 million and \$1,322.9 million for the three and six months ended June 30, 2023, respectively, compared to revenues of \$564.1 million and \$1,086.1 million for the three and six months ended June 30, 2022, respectively. This segment's results included \$40.6 million and \$75.8 million of incremental acquisition revenues for the three and six months ended June 30, 2023, respectively. Excluding the impact of acquisitions, revenues of this segment grew by \$73.4 million and \$160.9 million, respectively, primarily as a result of an increase in revenues within: (a) the network and communications market sector, predominantly due to our data center projects, (b) the manufacturing and industrial market sector, from contracts with certain of our energy sector customers, including those for renewable energy projects, (c) the healthcare market sector, as a result of greater activity throughout several of the regions in which we operate, and (d) the hospitality and entertainment market sector, given an increase in projects within the Western region of the United States. These revenue increases were partially offset by a reduction in revenues from the commercial and transportation market sectors given the completion or substantial completion of certain construction projects which were active in the year ago period.

Our United States mechanical construction and facilities services segment revenues for the three months ended June 30, 2023 were \$1,194.1 million, a \$136.5 million increase compared to revenues of \$1,057.6 million for the three months ended June 30, 2022. Revenues of this segment for the six months ended June 30, 2023 were \$2,272.7 million, a \$222.4 million increase compared to revenues of \$2,050.3 million for the six months ended June 30, 2022. The increase in this segment's revenues for both 2023 periods was primarily attributable to revenue growth within: (a) the high-tech manufacturing market sector, as a result of increased demand for our mechanical construction and/or fire protection services by certain customers: (i) engaged in either the design and manufacturing of semiconductors or the production and development of electric vehicles and/or lithium batteries, and (ii) within the biotech, life-sciences, and pharmaceutical industries, (b) the network and communications market sector, due to increased data center project activity, and (c) the commercial market sector, inclusive of several fire protection projects within various warehousing and distribution facilities.

Revenues of our United States building services segment were \$775.0 million and \$1,500.4 million for the three and six months ended June 30, 2023, respectively, compared to revenues of \$686.5 million and \$1,322.2 million for the three and six months ended June 30, 2022, respectively. The increase in this segment's revenues for both 2023 periods was primarily attributable to its mechanical services division, due to increased: (a) HVAC project and retrofit work, as a result of greater: (i) project execution stemming from increased availability of materials and equipment when compared to the prior year period, which experienced greater supply chain disruptions and delays, and (ii) demand for system upgrades and replacements, partially as our customers continue to seek ways to improve the energy efficiency or indoor air quality of their facilities, (b) building automation and controls projects, as we continue to expand our service offerings, and (c) service repair and maintenance volumes, given growth in our service contract base. In addition to increased revenues from its mechanical services division, this segment also experienced revenue growth during both the three and six month periods from its commercial site-based services and government site-based services divisions, due to the award of facilities maintenance contracts with new customers as well as scope or site expansion and increased project work with existing customers.

Revenues of our United States industrial services segment for the three months ended June 30, 2023 were \$292.3 million, compared to revenues of \$284.5 million for the three months ended June 30, 2022. Revenues of this segment for the six months ended June 30, 2023 were \$623.2 million, compared to revenues of \$595.3 million for the six months ended June 30, 2022. The results of operations of this segment continue to improve at a modest pace, as evidenced by the revenue growth within both this segment's field services and shop services divisions during the first half of 2023. In addition to steady demand for maintenance and turnaround projects, we are beginning to see increased levels of capital spending by our customers, in the form of greater new build heat exchanger orders as well as through certain renewable fuel projects, which were active during the second quarter of 2023 and are anticipated to continue through the remainder of the year.

Our United Kingdom building services segment revenues were \$106.0 million and \$216.9 million for the three and six months ended June 30, 2023, respectively, compared to revenues of \$114.5 million and \$246.0 million for the three and six months ended June 30, 2022, respectively. Unfavorable exchange rate movements for the British pound versus the United States dollar negatively impacted this segment's second quarter and year-to-date 2023 revenues by \$0.4 million and \$11.2 million, respectively. Excluding the impact of foreign exchange rate movements, this segment's revenues decreased by \$8.1 million and \$17.9 million for the three and six months ended June 30, 2023, respectively, as a result of: (a) the loss of certain facilities maintenance contracts not renewed pursuant to rebid, and (b) a reduction in project activity, notably within the network and communications and water and wastewater market sectors.

Cost of sales and gross profit

The following table presents our cost of sales, gross profit (revenues less cost of sales), and gross profit as a percentage of revenues ("gross profit margin") (in thousands, except for percentages):

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Cost of sales	\$ 2,555,562	\$ 2,324,380	\$ 5,009,932	\$ 4,564,374
Gross profit	\$ 490,060	\$ 383,008	\$ 926,122	\$ 735,563
Gross profit margin	16.1 %	14.1 %	15.6 %	13.9 %

Our gross profit for the three months ended June 30, 2023 was \$490.1 million, or 16.1% of revenues, compared to gross profit of \$383.0 million, or 14.1% of revenues, for the three months ended June 30, 2022. Gross profit for the six months ended June 30, 2023 was \$926.1 million, or 15.6% of revenues, compared to gross profit of \$735.6 million, or 13.9% of revenues, for the six months ended June 30, 2022. While the increase in gross profit can be partially attributed to the incremental revenue contribution described above, such increase, as well as the expansion in gross profit margin, were additionally a result of stronger operating performance within the majority of our reportable segments due to improved revenue mix and/or project execution.

For the three and six months ended June 30, 2023, acquisitions contributed incremental gross profit of \$5.5 million and \$10.4 million, respectively, inclusive of amortization expense attributable to identifiable intangible assets of \$0.9 million and \$1.7 million, respectively.

Refer to the operating income section below for further discussion regarding the operating performance of each of our reportable segments.

Selling, general and administrative expenses

The following table presents our selling, general and administrative expenses (“SG&A”) and selling, general and administrative expenses as a percentage of revenues (“SG&A margin”) (in thousands, except for percentages):

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Selling, general and administrative expenses	\$ 293,393	\$ 245,364	\$ 574,545	\$ 497,962
SG&A margin	9.6 %	9.1 %	9.7 %	9.4 %

Our selling, general and administrative expenses for the three months ended June 30, 2023 were \$293.4 million, or 9.6% of revenues, compared to selling, general and administrative expenses of \$245.4 million, or 9.1% of revenues, for the three months ended June 30, 2022. Selling, general and administrative expenses for the six months ended June 30, 2023 were \$574.5 million, or 9.7% of revenues, compared to selling, general and administrative expenses of \$498.0 million, or 9.4% of revenues, for the six months ended June 30, 2022. Selling, general and administrative expenses for the three and six months ended June 30, 2023 included \$5.1 million and \$10.4 million, respectively, of incremental expenses directly related to companies acquired in 2023 and 2022, including amortization expense attributable to identifiable intangible assets of \$1.1 million and \$2.4 million, respectively.

Excluding incremental expenses from businesses acquired, the increase in selling, general and administrative expenses, and SG&A margin, for both 2023 periods was predominantly attributable to increases in incentive compensation expense across the majority of our reportable segments, due to higher projected annual operating results compared to those which were anticipated during the same prior year period, and salaries and related employment expenses, largely as a result of additional headcount to support our organic revenue growth as well as annual cost of living adjustments. In addition to these increases in employment costs, our SG&A for both 2023 periods included incremental: (a) computer hardware and software costs, as a result of various information technology and cybersecurity initiatives currently in process, (b) travel and entertainment expenses, and (c) rent and other occupancy costs driven by: (i) the expansion or addition of certain fabrication facilities, which support our operations, and (ii) the impact of inflation on the real estate market.

Operating income (loss)

The following tables present our operating income (loss) and operating income (loss) as a percentage of segment revenues (“operating margin”) (in thousands, except for percentages):

	For the three months ended June 30,			
	2023	% of Segment Revenues	2022	% of Segment Revenues
Operating income (loss):				
United States electrical construction and facilities services	\$ 50,722	7.5 %	\$ 35,095	6.2 %
United States mechanical construction and facilities services	119,847	10.0 %	76,612	7.2 %
United States building services	46,137	6.0 %	38,494	5.6 %
United States industrial services	7,887	2.7 %	6,458	2.3 %
Total United States operations	224,593	7.6 %	156,659	6.0 %
United Kingdom building services	5,927	5.6 %	6,415	5.6 %
Corporate administration	(33,853)	—	(25,430)	—
Total operations	196,667	6.5 %	137,644	5.1 %
Other items:				
Net periodic pension (cost) income	(282)		1,094	
Interest expense, net	(2,692)		(1,751)	
Income before income taxes	\$ 193,693		\$ 136,987	

	For the six months ended June 30,			
	2023	% of Segment Revenues	2022	% of Segment Revenues
Operating income (loss):				
United States electrical construction and facilities services	\$ 91,238	6.9 %	\$ 55,088	5.1 %
United States mechanical construction and facilities services	206,074	9.1 %	135,045	6.6 %
United States building services	83,787	5.6 %	62,657	4.7 %
United States industrial services	22,907	3.7 %	19,716	3.3 %
Total United States operations	404,006	7.1 %	272,506	5.4 %
United Kingdom building services	11,351	5.2 %	17,003	6.9 %
Corporate administration	(63,780)	—	(51,908)	—
Total operations	351,577	5.9 %	237,601	4.5 %
Other items:				
Net periodic pension (cost) income	(556)		2,263	
Interest expense, net	(4,524)		(3,040)	
Income before income taxes	\$ 346,497		\$ 236,824	

Operating income for the three months ended June 30, 2023 was \$196.7 million, an increase of \$59.0 million compared to operating income of \$137.6 million for the three months ended June 30, 2022. Operating margin for the three months ended June 30, 2023 was 6.5% compared to an operating margin of 5.1% for the three months ended June 30, 2022. This performance established new quarterly records for the Company with respect to both operating income and operating margin. For the six months ended June 30, 2023, operating income was \$351.6 million, an increase of \$114.0 million compared to operating income of \$237.6 million for the six months ended June 30, 2022. Operating margin for the six months ended June 30, 2023 was 5.9% compared to an operating margin of 4.5% for the six months ended June 30, 2022. Similar to our quarterly performance, the results for the first six months of 2023 established new Company records with respect to operating income and operating margin for the first half of any year. As described in more detail below, improvements in profitability were experienced within the majority of our reportable segments as a result of: (a) better project execution during 2023, (b) a more favorable mix of work when compared to the 2022 periods, and (c) the impact in the first half of 2022 of certain supply chain disruptions and delays, which were greater than those experienced to date in 2023, and that, in the prior year, led to: (i) reduced labor productivity and efficiency, (ii) the under-absorption of labor costs in instances where projects were delayed pending the receipt of materials, or (iii) material and commodity price escalations.

Operating income of our United States electrical construction and facilities services segment was \$50.7 million, or 7.5% of revenues, for the three months ended June 30, 2023, compared to \$35.1 million, or 6.2% of revenues, for the three months ended June 30, 2022. Operating income of this segment for the six months ended June 30, 2023 was \$91.2 million, or 6.9% of revenues, compared to operating income of \$55.1 million, or 5.1% of revenues, for the six months ended June 30, 2022. The period-over-period increases in operating income and operating margin of this segment were largely a result of a more favorable mix of work, which resulted in increased gross profit, and gross profit margin, recognized from construction projects within the: (a) network and communications market sector, (b) commercial market sector, and (c) healthcare market sector. In addition to the aforementioned impact of project mix, operating income of this segment for both 2023 periods benefited from improved project execution when compared to the year ago periods. Although we continue to experience supply chain disruptions and delays, which are impacting project delivery in various ways, market conditions surrounding equipment availability have steadily improved over the last twelve months and our management teams continue to adapt to this environment. Such developments have resulted in improved job-site and labor productivity as well as more normalized project sequencing. These increases in gross profit, and gross profit margin, were partially offset by increased selling, general and administrative expenses and SG&A margin, largely as a result of greater incentive compensation expense recognized by several operating subsidiaries of this segment given improvements in forecasted profitability year-over-year. For the three and six months ended June 30, 2023, this segment's operating income included incremental acquisition contribution of \$0.9 million and \$1.2 million, respectively, inclusive of \$1.5 million and \$3.0 million of amortization expense associated with identifiable intangible assets, respectively.

Our United States mechanical construction and facilities services segment's operating income for the three months ended June 30, 2023 was \$119.8 million, or 10.0% of revenues, compared to operating income of \$76.6 million, or 7.2% of revenues, for the three months ended June 30, 2022. Operating income of this segment for the six months ended June 30, 2023 was \$206.1 million, or 9.1% of revenues, compared to operating income of \$135.0 million, or 6.6% of revenues, for the six months ended June 30, 2022. The increase in operating income, and operating margin, for both 2023 periods was primarily a result of increased gross profit, and gross profit margin, from projects within the commercial market sector, including various fire protection projects. In addition, operating income of this segment benefited from incremental gross profit contribution from the high-tech manufacturing market sector due to greater project activity, including certain construction projects for customers engaged in the manufacturing of semiconductors. Operating income and operating margin of this segment were also favorably impacted as a result of the successful close-out of certain projects during 2023. Based on an evaluation of individual projects that were substantially complete in prior periods but had revisions to total estimated cost or anticipated contract value, which resulted in an increase to profitability in excess of \$1.0 million, this segment's operating income for the three and six months ended June 30, 2023 was positively impacted by approximately \$8.0 million and \$9.0 million, respectively. These amounts resulted in incremental operating margin of 60 basis points for the quarterly period and 40 basis points for the year-to-date period. Similar to our United States electrical construction and facilities services segment, the results for this segment in the prior year period were negatively impacted by external market conditions, which manifested themselves through price escalations, particularly for materials and commodities, such as copper and steel, that are used in our mechanical and fire protection operations. Although there remains volatility in the pricing of these commodities, more favorable pricing year-over-year has resulted in improved profitability of this segment during the first half of 2023, as evidenced in part by the increased gross profit margin within the commercial market sector referenced above. The increases in gross profit and gross profit margin of this segment were partially offset by increased selling, general and administrative expenses and SG&A margin, given greater: (a) incentive compensation expense, due to higher projected annual operating results for certain of the operating subsidiaries within this segment, and (b) salaries and related employment costs, largely as a result of additional headcount to support current and anticipated organic revenue growth.

Operating income of our United States building services segment was \$46.1 million, or 6.0% of revenues, for the three months ended June 30, 2023 compared to \$38.5 million, or 5.6% of revenues, for the three months ended June 30, 2022. Operating income of this segment for the six months ended June 30, 2023 was \$83.8 million, or 5.6% of revenues, compared to operating income of \$62.7 million, or 4.7% of revenues, for the six months ended June 30, 2022. The increase in operating income and operating margin for both 2023 periods was entirely attributable to this segment's mechanical services division, largely as a result of greater gross profit and gross profit margin across the majority of its service lines, with the largest incremental contribution from projects and retrofits as well as building automation and controls. These improvements were due to both favorable project execution and negotiated price adjustments made to customer contracts in response to inflationary pressures, such as increased material and fuel prices. Operating margin of this segment for the three and six months ended June 30, 2023 additionally benefited from greater absorption of indirect costs as well as a reduction in the ratio of selling, general and administrative expenses to revenues given an increase in revenues without a commensurate increase in certain overhead costs.

Our United States industrial services segment reported operating income of \$7.9 million, or 2.7% of revenues, for the three months ended June 30, 2023, compared to operating income of \$6.5 million, or 2.3% of revenues, for the three months ended June 30, 2022. For the six months ended June 30, 2023, this segment reported operating income of \$22.9 million, or 3.7% of revenues, compared to operating income of \$19.7 million, or 3.3% of revenues, for the six months ended June 30, 2022. In addition to the growth in this segment's revenues referenced above, which resulted in greater gross profit contribution, the improved period-over-period operating performance was attributable to better pricing within both its field services and shop services divisions, resulting in improved gross profit margin.

Operating income of our United Kingdom building services segment was \$5.9 million, or 5.6% of revenues, for the three months ended June 30, 2023 compared to \$6.4 million, or 5.6% of revenues, for the three months ended June 30, 2022. The slight decrease in second quarter operating income was a result of a reduction in gross profit period-over-period, as an improvement in gross profit margin was not enough to overcome the previously referenced decline in this segment's quarterly revenues. Operating income for the six months ended June 30, 2023 was \$11.4 million, or 5.2% of revenues, compared to \$17.0 million, or 6.9% of revenues, for the six months ended June 30, 2022. The decrease in this segment's operating income for the six month period was primarily a result of a reduction in gross profit due to both lower year-to-date revenues as well as a contraction in gross profit margin given a shift in the mix and size of project work. Operating margin of this segment was negatively impacted by the decrease in gross profit margin just referenced as well as an increase in the ratio of selling, general and administrative expenses to revenues, largely given the decline in revenues thus far in 2023, without a corresponding reduction in overhead costs, as we continue to invest in the future growth of this business. This segment's operating income for the six months ended June 30, 2023 was negatively impacted by \$0.5 million related to the effect of unfavorable exchange rate movements for the British pound versus the United States dollar.

Our corporate administration expenses for the three months ended June 30, 2023 were \$33.9 million compared to \$25.4 million for the three months ended June 30, 2022. For the six months ended June 30, 2023, our corporate administrative expenses were \$63.8 million, compared to \$51.9 million for the six months ended June 30, 2022. This increase in corporate expenses for both 2023 periods was primarily due to greater incentive compensation expense resulting from higher projected annual and long-term operating results, when compared to those which were anticipated during the same prior year periods. In addition to incentive compensation, we have experienced increases in: (a) salaries, largely as a result of annual cost of living adjustments, (b) computer hardware and software costs, due to various information technology and cybersecurity initiatives currently in process, and (c) travel and entertainment expenses, given a greater level of travel and business meals.

Other items

Net interest expense for the three months ended June 30, 2023 and 2022 was \$2.7 million and \$1.8 million, respectively. Net interest expense for the six months ended June 30, 2023 and 2022 was \$4.5 million and \$3.0 million, respectively. The increase in net interest expense for both 2023 periods was predominantly a result of an increase in interest rates.

For the three and six months ended June 30, 2023, our income tax provision was \$53.1 million and \$94.4 million, respectively, compared to an income tax provision of \$36.3 million and \$62.8 million for the three and six months ended June 30, 2022, respectively. The increase in our income tax provision for the three and six months ended June 30, 2023 was due to: (a) greater income before income taxes, and (b) an increase in our effective income tax rate. Our effective income tax rate for the three and six months ended June 30, 2023 was 27.4% and 27.3%, respectively, compared to an effective income tax rate for both the three and six months ended June 30, 2022 of 26.5%. The change in our effective income tax rate was attributable to an increase in certain permanent book-to-tax differences. Refer to Note 9 - Income Taxes of the notes to consolidated financial statements for further discussion regarding our income tax provision and effective income tax rate.

Remaining Unsatisfied Performance Obligations

The following table presents the transaction price allocated to remaining unsatisfied performance obligations (“remaining performance obligations”) for each of our reportable segments and their respective percentage of total remaining performance obligations (in thousands, except for percentages):

	June 30, 2023	% of Total	December 31, 2022	% of Total	June 30, 2022	% of Total
Remaining performance obligations:						
United States electrical construction and facilities services	\$ 2,180,133	26 %	\$ 2,014,079	27 %	\$ 1,537,344	24 %
United States mechanical construction and facilities services	4,552,211	55 %	3,987,134	53 %	3,541,604	55 %
United States building services	1,255,165	15 %	1,172,816	16 %	1,096,009	17 %
United States industrial services	144,731	2 %	124,653	2 %	130,763	2 %
Total United States operations	8,132,240	98 %	7,298,682	98 %	6,305,720	98 %
United Kingdom building services	153,919	2 %	160,617	2 %	155,412	2 %
Total operations	\$ 8,286,159	100 %	\$ 7,459,299	100 %	\$ 6,461,132	100 %

Our remaining performance obligations at June 30, 2023 were \$8.29 billion compared to \$7.46 billion at December 31, 2022 and \$6.46 billion at June 30, 2022. The increase in remaining performance obligations at June 30, 2023, when compared to December 31, 2022, was attributable to an increase in remaining performance obligations within all of our reportable segments, except for our United Kingdom building services segment. Most notably, we experienced an increase in remaining performance obligations from: (a) our United States construction segments, driven by the award of various projects within the majority of the market sectors in which we operate, and (b) our United States building services segment, given increased project opportunities within its mechanical services division. From a market sector perspective, we experienced the largest growth in remaining performance obligations within: (a) the high-tech manufacturing market sector, inclusive of projects for customers engaged in: (i) the design and manufacturing of semiconductors, and (ii) the production and development of electric vehicles and/or lithium batteries, (b) the network and communications market sector, largely driven by data center construction projects, and (c) the manufacturing and industrial market sector, partially due to the continued re-shoring of their supply chain by certain of our customers.

While the continued growth in our remaining performance obligations is largely due to the strength in demand for our services, a portion of this increase can likely be attributed to external market factors such as material and labor inflation, which has increased the price of certain of our project work.

See Note 3 - Revenue from Contracts with Customers of the notes to consolidated financial statements for further disclosure regarding our remaining performance obligations.

Liquidity and Capital Resources

The following section discusses our principal liquidity and capital resources, as well as our primary liquidity requirements and sources and uses of cash.

We are focused on the efficient conversion of operating income into cash to provide for the Company's material cash requirements, including working capital needs, investment in our growth strategies through business acquisitions and capital expenditures, satisfaction of contractual commitments, including principal and interest payments on our outstanding indebtedness, and shareholder return through dividend payments and share repurchases. We strive to maintain a balanced approach to capital allocation in order to achieve growth, deliver value, and minimize risk.

Management monitors financial markets and overall economic conditions for factors that may affect our liquidity and capital resources and adjusts our capital allocation strategy as necessary. Negative macroeconomic trends could have an adverse effect on future liquidity if we experience delays in the payment of outstanding receivables beyond normal payment terms, an increase in credit losses, or significant increases in the price of commodities or the materials and equipment utilized for our project and service work, beyond those experienced to date. In addition, during economic downturns, there have typically been fewer small discretionary projects from the private sector and our competitors have aggressively bid larger long-term infrastructure and public sector contracts. Our liquidity is also impacted by: (a) the type and length of construction contracts in place, as performance of long duration contracts typically requires greater amounts of working capital, (b) the level of turnaround activities within our United States industrial services segment, as such projects are billed in arrears pursuant to contractual terms that are standard within the industry, and (c) the billing terms of our maintenance contracts, including those within our United States and United Kingdom building services segments. While we strive to negotiate favorable billing terms, which allow us to invoice in advance of costs incurred on certain of our contracts, there can be no assurance that such terms will be agreed to by our customers.

As of June 30, 2023, we had cash and cash equivalents of \$503.1 million, which are maintained in depository accounts and highly liquid investments with original maturity dates of three months or less. Both our short-term and long-term liquidity requirements are expected to be met through our cash and cash equivalent balances, cash generated from our operations, and, as necessary, the borrowing capacity under our revolving credit facility. Our credit agreement provides for a \$1.30 billion revolving credit facility, for which there is \$1.17 billion of available capacity as of June 30, 2023.

Refer to Note 7 - Debt of the notes to consolidated financial statements for further information regarding our credit agreement. Based upon our current credit rating and financial position, we can also reasonably expect to be able to secure long-term debt financing if required to achieve our strategic objectives; however, no assurances can be made that such debt financing will be available on favorable terms. We believe that we have sufficient financial resources available to meet our short-term and foreseeable long-term liquidity requirements.

Cash Flows

The following table presents a summary of our operating, investing, and financing cash flows (in thousands):

	For the six months ended June 30,	
	2023	2022
Net cash provided by (used in) operating activities	\$ 214,932	\$ (18,851)
Net cash used in investing activities	\$ (48,434)	\$ (53,328)
Net cash used in financing activities	\$ (126,370)	\$ (475,090)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	\$ 5,856	\$ (11,757)
Increase (decrease) in cash, cash equivalents, and restricted cash	\$ 45,984	\$ (559,026)

During the six months ended June 30, 2023, our cash balance, including cash equivalents and restricted cash, increased by approximately \$46.0 million from \$457.1 million at December 31, 2022 to \$503.1 million at June 30, 2023. Changes in our cash position from December 31, 2022 to June 30, 2023 are described in further detail below.

Operating Activities – Operating cash flows generally represent our net income as adjusted for certain non-cash items and changes in assets and liabilities. Net cash provided by operating activities for the six months ended June 30, 2023 was approximately \$214.9 million compared to approximately \$18.9 million of net cash used in operating activities for the six months ended June 30, 2022. The favorable operating cash flow performance period-over-period was largely a result of customer deposits and advanced payments on certain construction contracts, as evidenced by the growth in our contract liabilities since December 31, 2022.

Investing Activities – Investing cash flows consist primarily of payments for the acquisition of businesses, capital expenditures, and proceeds from the sale or disposal of property, plant, and equipment. Net cash used in investing activities for the six months ended June 30, 2023 decreased by approximately \$4.9 million compared to the six months ended June 30, 2022.

due to an increase in proceeds from the sale or disposal of property, plant and equipment as well as a decrease in payments for business acquisitions, partially offset by an increase in capital expenditures.

Financing Activities – Financing cash flows consist primarily of the issuance and repayment of short-term and long-term debt, repurchases of common stock, payments of dividends to stockholders, and the issuance of common stock through certain equity plans. Net cash used in financing activities for the six months ended June 30, 2023 was \$126.4 million compared to net cash used in financing activities for the six months ended June 30, 2022 of \$475.1 million. The \$348.7 million reduction in financing cash outflows was almost entirely due to a decrease in funds used for the repurchase of our common stock during 2023. The timing of common stock repurchases is at management's discretion subject to securities laws and other legal requirements and depends upon several factors, including market and business conditions, current and anticipated future liquidity, share price, and share availability, among others. For additional detail regarding our share repurchase program, refer to Note 10 - Common Stock of the notes to consolidated financial statements.

We currently pay a regular quarterly dividend of \$0.18 per share. For the six months ended June 30, 2023 and 2022, cash payments related to dividends were \$15.7 million and \$13.6 million, respectively. Our credit agreement places limitations on the payment of dividends on our common stock. However, we do not believe that the terms of such agreement currently materially limit our ability to pay such quarterly dividends for the foreseeable future.

Effect of Exchange Rate Changes on Cash, Cash Equivalents, and Restricted Cash – We are exposed to fluctuations in foreign currency exchange rates, almost entirely with respect to the British pound. Therefore, the \$17.6 million variance between the six months ended June 30, 2023 and 2022 was a direct result of favorable exchange rate movements for the British pound versus the United States dollar.

Material Cash Requirements from Contractual and Other Obligations

As of June 30, 2023, our short-term and long-term material cash requirements for known contractual and other obligations were as follows:

Outstanding Debt and Interest Payments – As of June 30, 2023, there were no direct borrowings outstanding under our revolving credit facility and the amount outstanding under our term loan was \$242.8 million. We are required to make annual principal payments on our term loan of \$13.9 million on December 31 of each year until maturity. All remaining unpaid amounts are due on March 2, 2025, when the credit agreement governing our term loan and revolving credit facility expires. Until such time, we are required to make periodic interest payments on our outstanding indebtedness. Future interest payments will be determined based on prevailing interest rates during that time, which may fluctuate in the near term. Refer to Note 7 - Debt of the notes to consolidated financial statements for further detail of our debt obligations, including our term loan and revolving credit facility.

Operating and Finance Leases – In the normal course of business, we lease real estate, vehicles, and equipment under various arrangements which are classified as either operating or finance leases. Future payments for such leases, excluding leases with initial terms of one year or less, were \$375.1 million at June 30, 2023, with \$85.9 million payable within the next 12 months.

Open Purchase Obligations – As of June 30, 2023, we had \$2.51 billion of open purchase obligations, of which payments totaling approximately \$2.19 billion are expected to become due within the next 12 months. These obligations represent open purchase orders to suppliers and subcontractors related to our construction and services contracts. These purchase orders are not reflected in the Consolidated Balance Sheets and are not expected to impact future liquidity as amounts should be recovered through customer billings.

Insurance Obligations – As described in further detail in Note 12 - Commitments and Contingencies of the notes to consolidated financial statements, we have loss payment deductibles and/or self-insured retentions for certain insurance matters. As of June 30, 2023, our insurance liabilities, net of estimated recoveries, were \$215.2 million. Of this net amount, approximately \$38.8 million is estimated to be payable within the next 12 months. Due to many uncertainties inherent in resolving these matters, it is not practical to estimate these payments beyond such period. To the extent that the amount required to settle claims covered by insurance continues to increase, the cost of our insurance coverage, including premiums and deductibles, is likely to increase.

Contingent Consideration Liabilities – We have incurred liabilities related to contingent consideration arrangements associated with certain acquisitions, payable in the event discrete performance objectives are achieved by the acquired businesses during designated post-acquisition periods. The aggregate amount of these liabilities can change due to additional business acquisitions, settlement of outstanding liabilities, changes in the fair value of amounts owed based on performance during such post-acquisition periods, and accretion in present value. As of June 30, 2023, the present value of expected future payments relating to these contingent consideration arrangements was \$14.3 million. Of this amount, \$8.2 million is estimated as being payable within the next 12 months, with the remainder due pursuant to the terms of our contractual agreements some of which extend through 2025.

In addition, material cash requirements for other potential obligations, for which we cannot reasonably estimate future payments, include the following:

Legal Proceedings – We are involved in several legal proceedings in which damages and claims have been asserted against us. While litigation is subject to many uncertainties and the outcome of litigation is not predictable with assurance, we do not believe that any such matters will have a material adverse effect on our financial position, results of operations, or liquidity. Refer to Note 12 - Commitments and Contingencies of the notes to consolidated financial statements for more information regarding legal proceedings.

Multiemployer Benefit Plans – In addition to our Company sponsored benefit plans, we participate in certain multiemployer pension and other post-retirement plans. The cost of these plans is equal to the annual required contributions determined in accordance with the provisions of negotiated collective bargaining agreements. Our future contributions to the multiemployer plans are dependent upon a number of factors. Amounts of future contributions that we would be contractually obligated to make pursuant to these plans cannot be reasonably estimated.

Off-Balance Sheet Arrangements and Other Commercial Commitments

The terms of our construction contracts frequently require that we obtain from surety companies, and provide to our customers, surety bonds as a condition to the award of such contracts. These surety bonds are issued in return for premiums, which vary depending on the size and type of the bond, and secure our payment and performance obligations under such contracts. We have agreed to indemnify the surety companies for amounts, if any, paid by them in respect of surety bonds issued on our behalf. As of June 30, 2023, based on the percentage-of-completion of our projects covered by surety bonds, our aggregate estimated exposure, assuming defaults on all our then existing contractual obligations, was approximately \$1.4 billion, which represents approximately 17% of our total remaining performance obligations.

Surety bonds expire at various times ranging from final completion of a project to a period extending beyond contract completion in certain circumstances. Such amounts can also fluctuate from period to period based upon the mix and level of our bonded operating activity. For example, public sector contracts require surety bonds more frequently than private sector contracts and, accordingly, our bonding requirements typically increase as the amount of our public sector work increases. Our estimated maximum exposure as it relates to the value of the surety bonds outstanding is lowered on each bonded project as the cost to complete is reduced, and each commitment under a surety bond generally extinguishes concurrently with the expiration of its related contractual obligation.

Surety bonds are sometimes provided to secure obligations for wages and benefits payable to or for certain of our employees, at the request of labor unions representing such employees. In addition, surety bonds or letters of credit may be issued as collateral for certain insurance obligations. As of June 30, 2023, we satisfied approximately \$48.1 million and \$71.1 million of the collateral requirements of our insurance programs by utilizing surety bonds and letters of credit, respectively. All such letters of credit were issued under our revolving credit facility, therefore reducing the available capacity of such facility.

We are not aware of any losses in connection with surety bonds that have been posted on our behalf, and we do not expect to incur significant losses in the foreseeable future.

From time to time, we discuss with our current and other surety bond providers the amounts of surety bonds that may be available to us based on our financial strength and the absence of any default by us on any surety bond issued on our behalf and believe those amounts are currently adequate for our needs. However, if we experience changes in our bonding relationships or if there are adverse changes in the surety industry, we may: (a) seek to satisfy certain customer requests for surety bonds by posting other forms of collateral in lieu of surety bonds, such as letters of credit, parent company guarantees, or cash, in order to convince customers to forego the requirement for surety bonds, (b) increase our activities in our businesses that rarely require surety bonds, and/or (c) refrain from bidding for certain projects that require surety bonds.

There can be no assurance that we would be able to effectuate alternatives to providing surety bonds to our customers or to obtain, on favorable terms, sufficient additional work that does not require surety bonds. Accordingly, a reduction in the availability of surety bonds could have a material adverse effect on our financial position, results of operations, and/or cash flows.

In the ordinary course of business, we, at times, guarantee obligations of our subsidiaries under certain contracts. Generally, we are liable under such an arrangement only if our subsidiary fails to perform its obligations under the contract. Historically, we have not incurred any substantial liabilities as a consequence of these guarantees.

We do not have any other material financial guarantees or off-balance sheet arrangements other than those disclosed herein.

New Accounting Pronouncements

We review new accounting standards to determine the expected impact, if any, that the adoption of such standards will have on our financial position and/or results of operations. See Note 2 - New Accounting Pronouncements of the notes to consolidated financial statements for further information regarding new accounting standards, including the anticipated dates of adoption and the effects on our consolidated financial position, results of operations, or liquidity.

Critical Accounting Policies and Estimates

The preparation of our consolidated financial statements is based on the application of significant accounting policies, which require management to make estimates and assumptions. Our significant accounting policies are described further in Note 2 - Summary of Significant Accounting Policies of the notes to consolidated financial statements included in Item 8 of our Form 10-K for the year ended December 31, 2022. We base our estimates on historical experience, known or expected trends, third-party valuations, and various other assumptions that we believe to be reasonable under the circumstances. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. There have been no significant changes to our critical accounting policies or methods during the six months ended June 30, 2023.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We have not used any derivative financial instruments during the six months ended June 30, 2023, including trading or speculating on changes in interest rates or commodity prices of materials used in our business.

The Federal Reserve Board has been increasing interest rates, and rate increases may continue in the near term. We are exposed to market risk for changes in interest rates for borrowings under the 2020 Credit Agreement, which provides for a revolving credit facility and a term loan. Borrowings under the 2020 Credit Agreement bear interest at variable rates and, as a result of the actions referenced above, such rates have increased throughout 2022 and the first half of 2023. For further information on our outstanding debt and borrowing rates, refer to Note 7 - Debt of the notes to consolidated financial statements. As of June 30, 2023, there were no direct borrowings outstanding under the 2020 Revolving Credit Facility; however, the balance of the 2020 Term Loan was \$242.8 million. Based on the \$242.8 million of borrowings outstanding under the 2020 Credit Agreement, if overall interest rates were to increase by 100 basis points, interest expense, net of income taxes, would increase by approximately \$1.8 million in the next twelve months. Conversely, if overall interest rates were to decrease by 100 basis points, interest expense, net of income taxes, would decrease by approximately \$1.8 million in the next twelve months. The 2020 Credit Agreement expires on March 2, 2025.

We are exposed to construction market risk and its potential related impact on accounts receivable or contract assets on uncompleted contracts. The amounts recorded may be at risk if our customers' ability to pay these obligations is negatively impacted by economic conditions. We continually monitor the creditworthiness of our customers and maintain on-going discussions with customers regarding contract status with respect to change orders and billing terms. Therefore, we believe we take appropriate action to manage market and other risks, but there is no assurance that we will be able to reasonably identify all risks with respect to the collectability of these assets.

Amounts invested in our foreign operations are translated into U.S. dollars at the exchange rates in effect at the end of the period. The resulting translation adjustments are recorded as accumulated other comprehensive (loss) income, a component of equity, in the Consolidated Balance Sheets. We believe our exposure to the effects that fluctuating foreign currencies may have on our consolidated results of operations is limited because our foreign operations primarily invoice customers and collect obligations in their respective local currencies. Additionally, expenses associated with these transactions are generally contracted and paid for in their same local currencies.

In addition, we are exposed to market risk of fluctuations in certain commodity prices of materials, such as copper and steel, which are used as components of supplies or materials utilized in our construction, building services, and industrial services operations. We are also exposed to increases in energy prices, particularly as they relate to gasoline prices for our fleet of approximately 13,400 vehicles. While we believe we can increase our contract prices to adjust for some price increases in commodities, there can be no assurance that such price increases, if they were to occur, would be recoverable. Additionally, our fixed price contracts generally do not allow us to adjust our prices and, as a result, increases in material costs could reduce our profitability with respect to projects in progress. Refer to Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations for further discussion regarding the impact of fluctuations in commodity and material prices on our results of operations.

ITEM 4. CONTROLS AND PROCEDURES.

Based on an evaluation of our disclosure controls and procedures (as required by Rule 13a-15(b) of the Securities Exchange Act of 1934), our Chairman, President, and Chief Executive Officer, Anthony J. Guzzi, and our Executive Vice President and Chief Financial Officer, Mark A. Pompa, have concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934) are effective as of the end of the period covered by this report.

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) during the fiscal quarter ended June 30, 2023 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. – OTHER INFORMATION.

ITEM 1. LEGAL PROCEEDINGS.

We are involved in several legal proceedings in which damages and claims have been asserted against us. We believe that we have a number of valid defenses to such proceedings and claims and intend to vigorously defend ourselves. We do not believe that any such matters will have a material adverse effect on our financial position, results of operations, or liquidity. We record a loss contingency if the potential loss from a proceeding or claim is considered probable and the amount can be reasonably estimated or a range of loss can be determined. We provide disclosure when it is reasonably possible that a loss will be incurred in excess of any recorded provision. Significant judgment is required in these determinations. As additional information becomes available, we reassess prior determinations and may change our estimates. Additional claims may be asserted against us in the future. Litigation is subject to many uncertainties, and the outcome of litigation is not predictable with assurance. It is possible that a litigation matter for which liabilities have not been recorded could be decided unfavorably to us, and that any such unfavorable decision could have a material adverse effect on our financial position, results of operations, or liquidity.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

The following table summarizes repurchases of our common stock made by us during the quarter ended June 30, 2023:

Period	Total Number of Shares Purchased ^{(1) (2)}	Average Price Paid Per Share ⁽³⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs
April 1, 2023 to April 30, 2023	95,289	155.74	95,289	\$358,737,310
May 1, 2023 to May 31, 2023	452,756	164.35	452,756	\$283,636,447
June 1, 2023 to June 30, 2023	—	—	—	\$283,636,447
Total	548,045	162.86	548,045	

- (1) In September 2011, our Board of Directors (the “Board”) authorized a share repurchase program allowing us to begin repurchasing shares of our outstanding common stock. Subsequently, the Board has from time to time increased the amount authorized for repurchases under such program. Since the inception of the repurchase program, the Board has authorized us to repurchase up to \$2.15 billion of our outstanding common stock. As of June 30, 2023, there remained authorization for us to repurchase approximately \$283.6 million of our shares. No shares have been repurchased by us since the program was announced other than pursuant to such program. The repurchase program has no expiration date, does not obligate the Company to acquire any particular amount of common stock, and may be suspended, recommenced, or discontinued at any time or from time to time without prior notice. Refer to Note 10 - Common Stock of the notes to consolidated financial statements for further information regarding our share repurchase program.
- (2) Excludes 332 shares surrendered to the Company by participants in our share-based compensation plans to satisfy minimum tax withholdings for common stock issued under such plans.
- (3) Price paid per share excludes any applicable broker commission or excise tax due. However, as such amounts are considered direct costs associated with the repurchase of our common stock, they have been reflected as a reduction in the remaining authorization under our share repurchase program.

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 95.1 to this quarterly report.

ITEM 5. OTHER INFORMATION.

During the quarter ended June 30, 2023, none of the Company’s directors or executive officers adopted or terminated any: (a) contract, instruction, or written plan for the purchase or sale of Company securities intended to satisfy the affirmative defense conditions of Rule 10b5-1 or (b) non 10b5-1 trading arrangement, each as defined in Item 408(a) or Regulation S-K.

ITEM 6. EXHIBITS.
EXHIBIT INDEX

Exhibit No.	Description	Incorporated By Reference to or Filed Herewith, as Indicated Below
3(a-1)	Restated Certificate of Incorporation of EMCOR filed December 15, 1994	Exhibit 3(a-5) to EMCOR's Registration Statement on Form 10 as originally filed March 17, 1995 ("Form 10")
3(a-2)	Amendment dated November 28, 1995 to the Restated Certificate of Incorporation of EMCOR	Exhibit 3(a-2) to EMCOR's Annual Report on Form 10-K for the year ended December 31, 1995 ("1995 Form 10-K")
3(a-3)	Amendment dated February 12, 1998 to the Restated Certificate of Incorporation of EMCOR	Exhibit 3(a-3) to EMCOR's Annual Report on Form 10-K for the year ended December 31, 1997 ("1997 Form 10-K")
3(a-4)	Amendment dated January 27, 2006 to the Restated Certificate of Incorporation of EMCOR	Exhibit 3(a-4) to EMCOR's Annual Report on Form 10-K for the year ended December 31, 2005 ("2005 Form 10-K")
3(a-5)	Amendment dated September 18, 2007 to the Restated Certificate of Incorporation of EMCOR	Exhibit A to EMCOR's Proxy Statement dated August 17, 2007 for Special Meeting of Stockholders held September 18, 2007
3(a-6)	Certificate of Amendment of Restated Certificate of Incorporation of EMCOR	Exhibit 3.1 to EMCOR's Report on Form 8-K (Date of Report June 8, 2023)
3(b)	Second Amended and Restated By-Laws of EMCOR	Exhibit 3.1 to EMCOR's Report on Form 8-K (Date of Report October 25, 2022)
4(a)	First Amendment to Sixth Amended and Restated Credit Agreement dated as of April 28, 2023	Filed herewith
31.1	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Anthony J. Guzzi, the Chairman, President and Chief Executive Officer	Filed herewith
31.2	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Mark A. Pompa, the Executive Vice President and Chief Financial Officer	Filed herewith
32.1	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by the Chairman, President and Chief Executive Officer	Furnished
32.2	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by the Executive Vice President and Chief Financial Officer	Furnished
95.1	Information concerning mine safety violations or other regulatory matters	Filed herewith
101	The following materials from EMCOR Group, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations, (iii) the Condensed Consolidated Statements of Comprehensive Income, (iv) the Condensed Consolidated Statements of Cash Flows, (v) the Condensed Consolidated Statements of Equity and (vi) the Notes to Consolidated Financial Statements.	Filed
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)	Filed

SIGNATURES

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

Date: July 27, 2023

EMCOR GROUP, INC.

(Registrant)

By: /s/ ANTHONY J. GUZZI

Anthony J. Guzzi

Chairman, President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ MARK A. POMPA

Mark A. Pompa

Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

By: /s/ JASON R. NALBANDIAN

Jason R. Nalbandian

Senior Vice President and Chief Accounting Officer
(Principal Accounting Officer)

FIRST AMENDMENT TO SIXTH AMENDED AND RESTATED CREDIT AGREEMENT

This First Amendment to Sixth Amended and Restated Credit Agreement (herein, this “*Amendment*”) is entered into as of April 28, 2023 (the “*First Amendment Effective Date*”), by and among EMCOR Group, Inc., a Delaware corporation (the “*Company*”), EMCOR Group (UK) plc, a United Kingdom public limited company (“*EMCOR UK*”), the other Borrowers and Guarantors party hereto, the Lenders party hereto and Bank of Montreal, as administrative agent (the “*Agent*”).

PRELIMINARY STATEMENTS

A. The Borrowers, the Lenders from time to time party thereto, and the Agent entered into that certain Sixth Amended and Restated Credit Agreement (as amended, modified, restated or supplemented from time to time pursuant to the terms thereof, prior to the date hereof, the “*Existing Credit Agreement*” and as amended by this Amendment, the “*Credit Agreement*”), dated as of March 2, 2020 (the “*Credit Agreement Closing Date*”). All capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Credit Agreement.

B. The Agent and the Required Lenders, with the consent of the Borrowers, have elected to declare an Early Opt-In Election.

C. The Borrowers have requested that the Agent and the Lenders make certain amendments to the Existing Credit Agreement, and the Agent and the Required Lenders are willing to do so under the terms and conditions set forth in this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. AMENDMENTS.

1.1. Subject to the satisfaction of the conditions precedent set forth in Section 2 below, the Existing Credit Agreement and the Exhibits and Schedules to the Existing Credit Agreement shall be and hereby are amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the underlined text (indicated textually in the same manner as the following example: underlined text) as set forth in the pages of the Credit Agreement and the Exhibits and the Schedules to the Credit Agreement attached as Annex I hereto.

1.2. Notwithstanding the foregoing, (i) all outstanding Loans that are Eurodollar Loans immediately prior to the effectiveness of this Amendment (the “*Existing Eurodollar Loans*”) shall continue as Eurodollar Loans (as such term is defined in the Existing Credit Agreement) until the last day of each such Interest Period (as such term is defined in the Existing Credit Agreement) applicable to the outstanding Existing Eurodollar Loans and thereafter, all Interest Periods for the outstanding Existing Eurodollar Loans shall be selected in accordance with the Credit Agreement and (ii) notwithstanding clause (i) above, the terms of the Existing Credit

Agreement, as in effect immediately prior to the effectiveness of this Amendment, in respect of the calculation, payment and administration of the Existing Eurodollar Loans shall remain in effect from and after the First Amendment Effective Date, in each case, solely for purposes of making, and the administration of, interest payments on the Existing Eurodollar Loans.

1.3. Notwithstanding anything herein or in the Loan Documents to the contrary, the parties hereto acknowledge and agree that since December 14, 2021 and at all time thereafter and hereafter, no Multicurrency Revolving Loans or Alternative Currencies shall be available under the Credit Agreement, and all provisions related thereto shall be disregarded, with respect to any Alternative Currency, until such time as the Borrowers, Guarantors, Agent and Lenders enter into an amendment to the Credit Agreement re-implementing such provisions.

SECTION 2. CONDITIONS PRECEDENT.

The effectiveness of this Amendment is subject to the satisfaction of all of the following conditions precedent:

2.1. The Borrowers, the Guarantors, the Required Lenders and the Agent shall have executed and delivered this Amendment.

2.2. [Reserved].

2.3. Concurrent with the effectiveness of this Amendment, the Agent shall have received payment of all costs and expenses required to be paid pursuant to Section 11.5 of the Credit Agreement to the extent an invoice for such costs and expenses has been provided to the Borrowers at least three Business Days (or such shorter period as agreed by Borrowers) prior to the First Amendment Effective Date.

SECTION 3. REPRESENTATIONS.

In order to induce the Agent and the Lenders to enter into this Amendment, the Borrowers and Guarantors hereby represent and warrant to the Agent and the Lenders that as of the date hereof:

3.1. *Representations and Warranties.* Before and after giving effect to this Amendment, each of the representations and warranties set forth in the Credit Agreement and in the other Loan Documents shall be true and correct in all material respects (without duplication of any materiality qualifier contained therein) as of such date, except to the extent that such representations or warranties expressly relate to a specific earlier date (in which case such representations and warranties are true and correct in all material respects (without duplication of any materiality qualifier contained therein) as of such earlier date).

3.2. *No Default.* No Default or Event of Default exists under the Credit Agreement or shall result after giving effect to this Amendment.

3.3. *No Change to Organizational or Authority Documents.* Except as otherwise disclosed to the Administrative Agent on or prior to the date hereof, each Borrower and Guarantor hereby certifies that (i) the copies of such Borrower's or Guarantor's charter, by-laws or other organizational documents and authorizing resolutions of its governing body, in each case previously delivered to the Agent on the Closing Date continue to be true, correct and complete, have not been amended or otherwise modified since the date of such delivery, and are in full force and effect on the date hereof and (ii) each Person previously identified by such Borrower or Guarantor to sign any Loan Document on behalf of such Borrower or Guarantor as set forth in the incumbency certificate delivered to the Agent on the Closing Date continues to be so authorized on the date hereof and is authorized to sign this Amendment. The Agent may conclusively rely on this certification until it is otherwise notified by the applicable Borrower or Guarantor in writing.

SECTION 4. REAFFIRMATIONS.

4.1. *Collateral.* The Borrowers and Guarantors heretofore executed and delivered to the Agent certain Collateral Documents. The Borrowers and Guarantors hereby acknowledge and agree that the Liens created and provided for by the Collateral Documents continue to secure, among other things, the Obligations arising under the Credit Agreement as amended hereby; and the Collateral Documents and the rights and remedies of the Agent and the Lenders thereunder, the obligations of the Borrowers and Guarantors thereunder, and the Liens created and provided for thereunder remain in full force and effect and shall not be affected, impaired or discharged hereby. Nothing herein contained shall in any manner affect or impair the priority of the Liens created and provided for by the Collateral Documents as to the indebtedness which would be secured thereby prior to giving effect to this Amendment.

4.2. *Guaranties.* Each Guarantor hereby acknowledges that it has reviewed the terms and provisions of this Amendment and consents to any modification of the Credit Agreement and the other Loan Documents executed in connection herewith. Each Guarantor hereby confirms to the Agent and the Lenders that, after giving effect to this Amendment, the Guaranty Agreement and Security Agreement of such Guarantor and each other Loan Document to which such Guarantor is a party continues in full force and effect and is the legal, valid and binding obligation of the Guarantors enforceable against them in accordance with their terms, except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability. Each Guarantor acknowledges and agrees that (i) notwithstanding the conditions to effectiveness set forth in this Amendment, such Guarantor is not required by the terms of the Credit Agreement or any other Loan Document to consent to the waivers or modifications to the Credit Agreement effected pursuant to this Amendment and (ii) nothing in the Credit Agreement, this Amendment or any other Loan Document shall be deemed to require the consent of such Guarantor to any future waivers or modifications to the Credit Agreement.

SECTION 5. MISCELLANEOUS.

5.1. Except as specifically amended herein, the Credit Agreement and the other Loan Documents shall continue in full force and effect in accordance with its original terms.

Reference to this specific Amendment need not be made in the Credit Agreement, or any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to or with respect to the Credit Agreement, any reference in any of such items to the Credit Agreement being sufficient to refer to the Credit Agreement as amended hereby. This Amendment is not a novation nor is it to be construed as a release, waiver or modification of any of the terms, conditions, representations, warranties, covenants, rights or remedies set forth in the Credit Agreement or the other Loan Documents, except as specifically set forth herein. Without limiting the foregoing, the Borrowers and the Guarantors agree to comply with all of the terms, conditions, and provisions of the Credit Agreement and the other Loan Documents except to the extent such compliance is irreconcilably inconsistent with the express provisions of this Amendment. This Amendment is a Loan Document.

5.2. This Amendment may be executed in any number of counterparts, and by different parties hereto on separate counterparts, and all such counterparts taken together shall be deemed to constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Delivery of an executed signature page of this Amendment by facsimile transmission or Electronic Transmission shall be effective as delivery of a manually executed counterpart of this Amendment. The words “execution,” “signed,” “signature,” and words of like import in this Amendment shall be deemed to include electronic signatures or electronic records, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronics Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. This Amendment may be in the form of an Electronic Record and may be executed using Electronic Signatures and shall be considered an original, and shall have the same legal effect, validity and enforceability as a paper record. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by Agent of a manually signed paper Amendment which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Amendment converted into another format, for transmission, delivery and/or retention. For purposes hereof, “Electronic Record” and “Electronic Signature” shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

5.3. This Amendment and the rights and duties of the parties hereto shall be construed and determined in accordance with, and shall be governed by the internal laws of the State of New York (including Section 5 1401 and Section 5 1402 of the General Obligations law of the State of New York) without regard to principles of conflicts of law that would cause the internal laws of any other jurisdiction to apply.

This First Amendment to Sixth Amended and Restated Credit Agreement is entered into as of the date and year first above written.

BORROWERS:

EMCOR GROUP, INC.

By: _____

Name: _____

Title: _____

EMCOR GROUP (UK) PLC

By: _____

Name: _____

Title: _____

[Signature Page to First Amendment to Sixth Amended and Restated Credit Agreement - Emcor]

GUARANTORS:

CSUSA HOLDINGS L.L.C.

By: _____
Name: _____
Title: _____

SHAMBAUGH & SON, L.P.

By: _____
Name: _____
Title: _____

WELSBACH ELECTRIC CORP.

By: _____
Name: _____
Title: _____

ARDENT SERVICES, L.L.C.

By: _____
Name: _____
Title: _____

RABALAIS CONSTRUCTORS, LLC

By: _____
Name: _____
Title: _____

ARDENT OFFSHORE SERVICES, LLC

By: _____
Name: _____
Title: _____

AIR SYSTEMS, INC.
BAHNSON HOLDINGS, INC.
BAKER ELECTTRIC, INC.
BATCHELOR & KIMBALL, INC.
BUILDING TECHNOLOGY ENGINEERS, INC.
CENTRAL MECHANICAL CONSTRUCTION CO., INC.
CCI MECHANICAL, INC.
COMBUSTIONEER CORPORATION
CONTRA COSTA ELECTRIC, INC.
DEBRA-KUEMPEL INC. (F/K/A THE FRED B. DEBRA CO.)
DYNALECTRIC COMPANY
DYNALECTRIC COMPANY OF NEVADA
EMCOR BUILDING SERVICES, INC.
EMCOR CONSTRUCTION SERVICES, INC.
EMCOR GOVERNMENT SERVICES, INC.
GOWAN/GARRETT, INC.
EMCOR HYRE ELECTRIC CO. OF INDIANA, INC.
EMCOR MECHANICAL SERVICES, INC.
EMCOR MECHANICAL/ELECTRICAL SERVICES (EAST), INC.
EMCOR SERVICES NORTHEAST, INC.
EMCOR SERVICES NEW YORK/NEW JERSEY, INC.
EMCOR SERVICES TEAM MECHANICAL, INC.
FLUIDICS, INC.
FOREST ELECTRIC CORP.
GIBSON ELECTRIC CO., INC.
HANSEN MECHANICAL CONTRACTORS, INC.
HERITAGE MECHANICAL SERVICES, INC.
HILL YORK SERVICE COMPANY, LLC
HILLCREST SHEET METAL, INC.
ILLINGWORTH-KILGUST MECHANICAL, INC.
INTERMECH, INC.
J.C. HIGGINS CORP.
KDC INC.
LOWRIE ELECTRIC COMPANY, INC.
MARELICH MECHANICAL CO., INC.
MEADOWLANDS FIRE PROTECTION CORP.

MECHANICAL SERVICES OF CENTRAL FLORIDA, INC.
MES HOLDINGS CORPORATION
MESA ENERGY SYSTEMS, INC.
MONUMENTAL INVESTMENT CORPORATION
MORLEY-MOSS, INC.
PENGUIN AIR CONDITIONING CORP.
PENGUIN MAINTENANCE AND SERVICES INC.
PERFORMANCE MECHANICAL, INC.
POOLE & KENT COMPANY OF FLORIDA
POOLE AND KENT-NEW ENGLAND, INC.
R. S. HARRITAN & COMPANY, INC.
S. A. COMUNALE CO., INC.
SCALISE INDUSTRIES CORPORATION
THE BETLEM SERVICE CORPORATION
THE FAGAN COMPANY
THE POOLE AND KENT COMPANY
THE POOLE AND KENT CORPORATION
TRAUTMAN & SHREVE, INC.
TUCKER MECHANICAL, INC
UNIVERSITY MECHANICAL & ENGINEERING CONTRACTORS, INC., A
CALIFORNIA CORPORATION
UNIVERSITY MECHANICAL & ENGINEERING CONTRACTORS, INC., AN
ARIZONA CORPORATION
WALKER-J-WALKER, INC.
WELSBACH ELECTRIC CORP. OF L.I.

By: _____
Name: _____
Title: _____

F&G MECHANICAL CORPORATION

By: _____
Name: _____
Title: _____

AIRCOND CORPORATION
ALTAIR STRICKLAND HOLDINGS CALIFORNIA INC.
ARDENT COMPANIES, INC.
BAHNSON, INC.
EMCOR FACILITIES SERVICES, INC.
EMCOR INDUSTRIAL SERVICES, INC.
EMCOR SERVICES CES, INC.
FOOD TECH, INC.
FR X OHMSTEDE ACQUISITIONS CO.
HARRY PEPPER & ASSOCIATES, INC.
HNT HOLDINGS, INC.
MECHANICAL SPECIALTIES CONTRACTORS, INC.
MOR PPM, INC.
NEWCOMB AFFILIATES, INC.
NEWCOMB AND COMPANY
OHMSTEDE INDUSTRIAL SERVICES, INC.
REDMAN EQUIPMENT & MANUFACTURING COMPANY
REPCON, INC.
REPCON INTERNATIONAL, INC.
REPCON STRICKLAND, INC.
SOUTHERN INDUSTRIAL CONSTRUCTORS, INC.

By: _____

Name: _____

Title: _____

BAHNSON ENVIRONMENTAL SPECIALTIES, LLC
OHMSTEDE HOLDINGS LLC
OHMSTEDE PARTNERS LLC

By: _____

Name: _____

Title: _____

OHMSTEDE LTD.

By: _____

Name: _____

Title: _____

ALTAIRSTRICKLAND HOLDINGS LLC
ALTAIRSTRICKLAND INTERNATIONAL LLC
ALTAIRSTRICKLAND, LLC
ASG DIAMOND, LLC
ASI INDUSTRIAL SERVICES, LLC
DIAMOND REFRACTORY SERVICES, LLC
MERCURY INDUSTRIAL MATERIALS, LLC

By: _____

Name: _____

Title: _____

CS48 ACQUISITION CORP
EMCOR CCI HOLDINGS, INC.
EMCOR-CSI HOLDING CO.
EMCOR MECHANICAL/ELECTRICAL HOLDINGS, INC.
EMCOR MECHANICAL/HOLDINGS, INC.
EMCOR MECHANICAL/SERVICES HOLDINGS, INC.
HYS HOLDING CORP.
USM (DELAWARE) INC.
USM SERVICES HOLDINGS, INC.

By: _____

Name: _____

Title: _____

AR HOLDING CORP.

By: _____
Name: _____
Title: _____

CONCUR NETWORKS, INC.

By: _____
Name: _____
Title: _____

NEW ENGLAND MECHANICAL SERVICES, INC.
USM, INC.

By: _____
Name: _____
Title: _____

DYN SPECIALTY CONTRACTING, INC.

By: _____
Name: _____
Title: _____

“AGENT, AN ISSUER AND A LENDER”

BANK OF MONTREAL

By _____

Name: _____

Title: _____

“AN ISSUER OF AN EXISTING L/C”

BMO HARRIS BANK N.A.

By _____

Name: _____

Title: _____

[Signature Page to First Amendment to Sixth Amended and Restated Credit Agreement - Emcor]

“LENDER”

By _____

Name: _____

Title: _____

[Signature Page to First Amendment to Sixth Amended and Restated Credit Agreement - Emcor]

ANNEX I TO FIRST AMENDMENT TO SIXTH AMENDED AND RESTATED CREDIT AGREEMENT

Amended Credit Agreement
(See Attached)

SIXTH AMENDED AND RESTATED CREDIT AGREEMENT

by and among

EMCOR GROUP, INC.

and

CERTAIN OF ITS SUBSIDIARIES

and

BANK OF MONTREAL,
individually and as Agent

and

the Lenders
which are or become parties hereto

Dated as of March 2, 2020

BMO CAPITAL MARKETS CORP.,
BANK OF AMERICA, N.A.,
JPMORGAN CHASE BANK, N.A.,
U.S. BANK NATIONAL ASSOCIATION AND
CITIZENS BANK, N.A.,
as Joint Lead Arrangers and Joint Book Runners

BANK OF AMERICA, N.A.,
JPMORGAN CHASE BANK, N.A.,
U.S. BANK NATIONAL ASSOCIATION and
CITIZENS BANK, N.A.,
as Co-Syndication Agents

WELLS FARGO BANK, N.A.,
TRUIST BANK, and
PNC BANK, NATIONAL ASSOCIATION,
as Co-Documentation Agents

TABLE OF CONTENTS

	PAGE
SECTION 1. THE CREDITS	1
Section 1.1. Total Aggregate Revolving Commitments	1
Section 1.2. Term Loan Commitments	3
Section 1.3. Letters of Credit	3
Section 1.4. Manner of Borrowing Loans and Designating Applicable Interest Rates	7
Section 1.5. Minimum Borrowing Amounts	10
Section 1.6. Maturity of Loans	10
Section 1.7. Appointment of Company as Agent for Borrowers; Reliance by Agent	10
Section 1.8. Swing Loans	11
Section 1.9. Default Rate	12
Section 1.10. Increase in Commitment	13
Section 1.11. Removal of a Borrower	14
Section 1.12. Conversions	14
SECTION 2. INTEREST	14
Section 2.1. Base Rate Loans	14
Section 2.2. Eurodollar SOFR Loans	15
Section 2.3. Rate Determinations	15
Section 2.4. Computation of Interest, Fees and Charges	15
Section 2.5. Funding Indemnity	15
Section 2.6. Change of Law	16
Section 2.7. Unavailability	16
Section 2.8. Increased Cost and Reduced Return	17
Section 2.9. Lending Offices; Mitigation Obligations	18
Section 2.10. Discretion of Lender as to Manner of Funding [Reserved]	18 19
Section 2.11. Replacement of Lenders	19
Section 2.12. Defaulting Lenders	20
Section 2.13. Cash Collateral for Fronting Exposure	22
Section 2.14. Effect of Benchmark Transition Event	23
SECTION 3. FEES, PAYMENTS, REDUCTIONS, APPLICATIONS AND NOTATIONS	24 25
Section 3.1. Commitment Fee	24 25
Section 3.2. Other Fees	24 25
Section 3.3. Letter of Credit Fees	24 25
Section 3.4. Voluntary Prepayments	25
Section 3.5. Mandatory Prepayments and Commitment Reductions	25
Section 3.6. Commitment Terminations	26
Section 3.7. Place and Application	26 27

Section 3.8.	Evidence of Indebtedness	28 <u>29</u>
Section 3.9.	Payments Set Aside	29
SECTION 4.	THE COLLATERAL AND THE GUARANTEES	30
Section 4.1.	The Collateral	30
Section 4.2.	The Guarantees	32
SECTION 5.	REPRESENTATIONS AND WARRANTIES	32
Section 5.1.	Organization and Qualification	32
Section 5.2.	Subsidiaries	33
Section 5.3.	Corporate Authority and Validity of Obligations	33
Section 5.4.	Use of Proceeds; Margin Stock	34
Section 5.5.	Financial Reports	34
Section 5.6.	No Material Adverse Change	34
Section 5.7.	Full Disclosure	34
Section 5.8.	Good Title	35
Section 5.9.	Litigation and Other Controversies	35
Section 5.10.	Taxes	35
Section 5.11.	Approvals	35
Section 5.12.	Affiliate Transactions	35
Section 5.13.	Investment Company	36
Section 5.14.	ERISA	36
Section 5.15.	Compliance with Laws	36
Section 5.16.	Other Agreements	36
Section 5.17.	No Default	36
Section 5.18.	Solvency	37 <u>36</u>
Section 5.19.	OFAC and ; Anti-Corruption Laws and Sanctions	37
Section 5.20.	EEA <u>Affected</u> Financial Institution	37
SECTION 6.	CONDITIONS PREDECENT	37
Section 6.1.	All Credit Utilizations	37
Section 6.2.	Initial Credit Utilization for the Company	38
Section 6.3.	Credit Utilization for the U.K. Borrower	40
SECTION 7.	COVENANTS	42
Section 7.1.	Maintenance of Business	42
Section 7.2.	Maintenance of Property	43
Section 7.3.	Taxes and Assessments	43
Section 7.4.	Insurance	43
Section 7.5.	Financial Reports and Rights of Inspection	44 <u>43</u>
Section 7.6.	No Restrictions	46
Section 7.7.	Leverage Ratio	46
Section 7.8.	Interest Coverage Ratio	46

Section 7.9.	Compliance with OFAC Sanctions Programs; Anti-Corruptions Laws and Applicable Sanctions	46
Section 7.10.	Indebtedness for Borrowed Money and Guarantees	47
Section 7.11.	Liens	49
Section 7.12.	Investments, Acquisitions, Loans and Advances	51
Section 7.13.	Mergers, Consolidations and Dispositions	53
Section 7.14.	Dividends and Certain Other Restricted Payments	55
Section 7.15.	ERISA	56 55
Section 7.16.	Compliance with Laws	56
Section 7.17.	Burdensome Contracts With Affiliates	56
Section 7.18.	No Changes in Fiscal Year	56
Section 7.19.	Formation of Subsidiaries	56
Section 7.20.	Change in the Nature of Business	57 56
Section 7.21.	Use of Proceeds	57
SECTION 8.	EVENTS OF DEFAULT AND REMEDIES	57
Section 8.1.	Events of Default :-	57
Section 8.2.	Non-Bankruptcy Defaults	59
Section 8.3.	Bankruptcy Defaults :-	60 59
Section 8.4.	Collateral for Undrawn Letters of Credit	60
SECTION 9.	DEFINITIONS INTERPRETATIONS	61
Section 9.1.	Definitions	61
Section 9.2.	Interpretation :-	91 90
Section 9.3.	Capital Stock	91
Section 9.4.	Change in Accounting Principles	91
Section 9.5.	Divisions	<u>91</u>
<u>Section 9.6.</u>	<u>Interest Rates</u>	91
SECTION 10.	THE AGENT	92
Section 10.1.	Appointment and Authority	92
Section 10.2.	Rights as a Lender	92
Section 10.3.	Action by Agent; Exculpatory Provisions	92
Section 10.4.	Reliance by Agent	93 94
Section 10.5.	Delegation of Duties	94
Section 10.6.	Resignation of Agent	94
Section 10.7.	Non-Reliance on Agent and Other Lenders	95
Section 10.8.	L/C Issuers and Swingline <u>Swing Line</u> Lender :-	95
Section 10.9.	Hedging Liability and Bank Product Obligations	96
Section 10.10.	Designation of Additional Agents	96
Section 10.11.	Authorization to Enter into, and Enforcement of, the Collateral Documents; Possession of Collateral	96 97
Section 10.12.	Authorization to Release, Limit or Subordinate Liens or to Release Guaranty Agreements	97 98
Section 10.13.	Authorization of Agent to File Proofs of Claim	98

Section 10.14.	Certain ERISA Matters	9899
SECTION 11.	MISCELLANEOUS	100
Section 11.1.	Withholding Taxes	100
Section 11.2.	Holidays	105
Section 11.3.	No Waiver, Cumulative Remedies	105
Section 11.4.	Amendments	106
Section 11.5.	Costs and Expenses	107
Section 11.6.	No Waiver, Cumulative Remedies	108
Section 11.7.	Survival of Representations and Indemnities	109
Section 11.8.	Construction	109
Section 11.9.	Notices	109
Section 11.10.	Obligations Several	109110
Section 11.11.	Headings	110
Section 11.12.	Severability of Provisions	110
Section 11.13.	Counterparts	110
Section 11.14.	Binding Nature and Governing Law	110
Section 11.15.	Entire Understanding	110
Section 11.16.	Participations	110
Section 11.17.	Assignments	111112
Section 11.18.	Terms of Collateral Documents not Superseded	115
Section 11.19.	PERSONAL JURISDICTION	115
(a) —	Exclusive Jurisdiction	115
(b) —	Other Jurisdictions AND JURY TRIAL WAIVERS	115
Section 11.20.	Currency	115
Section 11.21.	Currency Equivalence	116
Section 11.22.	Change in Currency	116
Section 11.23.	Interest Rate Limitation	117
Section 11.24.	USA Patriot Act	117
Section 11.25.	Confidentiality	117
Section 11.26.	Sharing of Set-Off	118
Section 11.27.	Set-off	118119
Section 11.28.	Amendment and Restatement	119
Section 11.29.	Removal of Lenders and Assignment of Interests; Equalization of Loans	119
Section 11.30.	No Fiduciary Duties	120
Section 11.31.	Acknowledgment and Consent to Bail-in of EEA Affected Financial Institutions	121
Section 11.32.	Acknowledgement Regarding Any Supported QFCs	121
Signature Page	.	1

EXHIBIT A-1 – Term Note
EXHIBIT A-2 – Revolving Credit Note
EXHIBIT A-3 – Swing Note
EXHIBIT B – Compliance Certificate
EXHIBIT C – Assignment and Acceptance
EXHIBIT D– Commitment Amount Increase Request
EXHIBIT E – Notice of Borrowing
SCHEDULE I – Compliance Calculations
SCHEDULE 1.1 – Commitments
SCHEDULE 1.3 – Existing Letters of Credit
SCHEDULE 4.2 – The Guarantors
SCHEDULE 5.2 –Subsidiaries
SCHEDULE 7.10 – Indebtedness
SCHEDULE 7.11 – Liens
SCHEDULE 7.12 – Investments, Loans, Advances and Guarantees

EMCOR GROUP, INC.

SIXTH AMENDED AND RESTATED CREDIT AGREEMENT

This Sixth Amended and Restated Credit Agreement is entered into as of March 2, 2020, by and among EMCOR Group, Inc., a Delaware corporation (the “*Company*”), and EMCOR Group (UK) plc, a United Kingdom public limited company (“*EMCOR UK*”), the several financial institutions from time to time party to this Agreement, as Lenders, and Bank of Montreal, as Agent as provided herein. All capitalized terms used herein without definition shall have the same meanings herein as such terms are defined in Section 9.1 hereof.

PRELIMINARY STATEMENT

A. The Borrowers, the Lenders from time to time party thereto and the Agent, are currently party to that certain Fifth Amended and Restated Credit Agreement dated as of August 3, 2016 (as amended, the “*Existing Credit Agreement*”) pursuant to which the Lenders agreed to make a revolving credit available to the Borrowers, all as more fully set forth therein.

B. The Company and EMCOR UK have requested that certain amendments be made to the Existing Credit Agreement, and, for the sake of clarity and convenience, that the Existing Credit Agreement be restated as so amended.

C. On the date hereof, the Departing Lenders, will assign all of their loans and commitments to the Lenders under this Agreement.

NOW, THEREFORE, in consideration of the recitals set forth above, which by this reference are incorporated into this Agreement set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and subject to the terms and conditions hereof and on the basis of the representations and warranties herein set forth, the Borrowers, the Lenders, the Departing Lenders and the Agent hereby agree that on the Closing Date, the Existing Credit Agreement and all of the Exhibits and Schedules thereto shall be amended and as so amended shall be restated in their entirety to read as follows:

SECTION 1. THE CREDITS.

Section 1.1. Aggregate Revolving Commitments.

 (a)- U.S. Revolving Loans. Subject to the terms and conditions hereof and as part of the Aggregate Revolving Commitments, each U.S. Lender, by its acceptance hereof, severally agrees to make a loan or loans (individually a “*U.S. Revolving Loan*” and collectively the “*U.S. Revolving Loans*”) in U.S. Dollars to the U.S. Borrowers from time to time on a revolving basis before the Revolving Credit Termination Date. Each Borrowing of U.S. Revolving Loans shall be made ratably by the U.S. Lenders in proportion to their respective U.S. Revolver Percentages. Subject to the terms and conditions hereof, U.S. Revolving Loans may be repaid and the principal amount thereof reborrowed before the Revolving Credit Termination Date, subject to the terms and conditions hereof.

(b) *Multicurrency Revolving Loans.* Subject to the terms and conditions hereof and as part of the Aggregate Revolving Commitments, each Multicurrency Lender, by its acceptance hereof, severally agrees to make a loan or loans (individually an “*Multicurrency Revolving Loan*” and collectively the “*Multicurrency Revolving Loans*”) in (i) U.S. Dollars or Alternative Currencies to the U.K. Borrowers and (ii) Alternative Currencies to the U.S. Borrowers, in each case from time to time on a revolving basis before the Revolving Credit Termination Date. Each Borrowing of Multicurrency Revolving Loans hereunder shall be made ratably by the Multicurrency Lenders in proportion to their respective Multicurrency Revolver Percentages. Subject to the terms and conditions hereof, Multicurrency Revolving Loans may be repaid and the principal amount thereof reborrowed before the Revolving Credit Termination Date, subject to the terms and conditions hereof. For the avoidance of doubt, Multicurrency Revolving Loans denominated in an Alternative Currency shall not be available under this Agreement on December 14, 2021 and at all times thereafter until such time as the Borrowers, the Guarantors, the Lenders and the Agent enter into an amendment to the Credit Agreement re-implementing such provisions.

(c) *General.* With respect to each Credit Utilization, after giving effect to such Credit Utilization:

(i) the sum of the U.S. Dollar Equivalent of the Revolving Credit Exposure for all Lenders at any time outstanding shall not exceed the Aggregate Revolving Commitments in effect at such time;

(ii) the sum of the U.S. Revolving Credit Exposure for all Lenders at any one time outstanding shall not exceed an amount equal to (A) the U.S. Dollar Commitments in effect at such time *minus* (B) the U.S. Dollar Equivalent of the aggregate principal amount of Multicurrency Revolving Loans outstanding at such time;

(iii) the sum of the U.S. Dollar Equivalent of the aggregate principal amount of Multicurrency Revolving Loans at any one time outstanding shall not exceed an amount equal to (A) the Multicurrency Commitments in effect at such time *minus* (B) the U.S. Revolving Credit Exposure for all Lenders outstanding at such time;

(iv) the sum of the U.S. Dollar Equivalent of any Lender’s Revolving Credit Exposure shall not at any time exceed such Lender’s Aggregate Revolving Commitment, the sum of any Lender’s U.S. Revolving Credit Exposure shall not exceed such Lender’s U.S. Dollar Commitment, and the sum of any Lender’s Multicurrency Revolving Loans shall not exceed such Lender’s Multicurrency Commitment;

(v) the sum of the U.S. Dollar Equivalent of the aggregate principal amount of all Multicurrency Revolving Loans made to the U.K. Borrowers when taken together with the aggregate amount of L/C Obligations with respect to Letters of Credit issued for the account of the U.K. Borrowers and their respective Subsidiaries shall in no event exceed the U.S. Dollar Equivalent of \$75,000,000 at any one time outstanding (the “*UK Borrowers Sublimit*”); and

(vi) the sum of the U.S. Dollar Equivalent of the aggregate principal amount of all Multicurrency Revolving Loans at any one time outstanding (including the aggregate amount of L/C Obligations with respect to Letters of Credit denominated in Alternative Currencies) shall in no event exceed the U.S. Dollar Equivalent of \$75,000,000 (the “*Multicurrency Sublimit*”).

(d) *Several Obligations.* The obligations of the Lenders hereunder are several and not joint.

Section 1.2 Term Loan Commitments. (a) Subject to the terms and conditions hereof, each Lender, by its acceptance hereof, severally agrees to make a loan (individually a “*Term Loan*” and collectively for all the Lenders the “*Term Loans*”) in U.S. Dollars to the Company in the amount of such Lender’s Term Loan Commitment. The Term Loans shall be advanced in a single Borrowing on the Closing Date and shall be made ratably by the Lenders in proportion to their respective Term Loan Percentages, at which time the Term Loan Commitments shall expire. As provided in Section 1.4, the Company may elect that the Term Loans be outstanding as Base Rate Loans or ~~Eurodollar~~SOFR Loans.

Section 1.3. Letters of Credit.

(a) *General Terms.* Subject to the terms, conditions and limitations hereof (including those set forth in Section 1.1 hereof), as part of the U.S. Revolving Facility, the Applicable Issuer shall issue Financial Letters of Credit or Performance Letters of Credit (each a “*Letter of Credit*”) under the U.S. Revolving Facility for the account of a Borrower and/or one or more of its Subsidiaries in U.S. Dollars or Alternative Currencies in an aggregate undrawn face amount up to the L/C Sublimit; *provided*, no Applicable Issuer shall be required to issue a Letter of Credit hereunder if, after giving effect to such Letter of Credit, the aggregate undrawn face amount of all Letters of Credit issued by such Applicable Issuer and any affiliate of the Applicable Issuer would exceed the Applicable Issuer’s Cap. Each Letter of Credit shall be issued by the Applicable Issuer, but each U.S. Lender shall be obligated to reimburse the Applicable Issuer for such U.S. Lender’s U.S. Revolver Percentage of the amount of each drawing thereunder in accordance with the terms hereof and, accordingly, each Letter of Credit shall constitute usage of the U.S. Dollar Commitment of each U.S. Lender pro rata in an amount equal to its U.S. Revolver Percentage of the U.S. Dollar Equivalent of the L/C Obligations then outstanding. As of the Closing Date, each of the Existing Letters of Credit shall constitute, for all purposes of this Agreement and the other Loan Documents, a Letter of Credit issued and outstanding hereunder. Each Letter of Credit shall conform to the Applicable Issuer’s policies as to form and shall be a Letter of Credit which the Applicable Issuer may lawfully issue. Each Letter of Credit shall support payment of an obligation of the Borrower which applies for such Letter of Credit or an obligation of such Borrower’s Restricted Subsidiary or of a Strategic Venture or other joint venture permitted by Section 7.12 hereof in which the applicant or one of its Restricted Subsidiaries has an equity interest.

(b) *Applications.* At any time before the Revolving Credit Termination Date, the Applicable Issuer shall, subject to all of the terms and conditions hereof, at the request of the Company (which is acting on behalf of the Borrowers pursuant to Section 1.7 hereof), issue one or more Letters of Credit, in a form satisfactory to the Applicable Issuer, in an aggregate face

amount not to exceed the L/C Sublimit and the relevant Applicable Issuer's Cap upon the receipt of an application and reimbursement agreement, if applicable, for the relevant Letter of Credit in the form customarily prescribed by the Applicable Issuer for the type of Letter of Credit in question, duly executed by the Borrower for whose account such Letter of Credit was issued (each such application together with the related reimbursement agreement, if any, being referred to herein as an "*Application*"). Each Letter of Credit issued hereunder shall (a) be payable, as determined by the Company acting on behalf of the applicable Borrower, in U.S. Dollars or an Alternative Currency and (b) expire not later than (i) the Revolving Credit Termination Date for Letters of Credit issued by Bank of Montreal and (ii) the date which is five days prior to the Revolving Credit Termination Date for Letters of Credit issued by an Applicable Issuer other than Bank of Montreal; *provided*, that in the sole discretion of the Agent and the Applicable Issuer, one or more Letters of Credit may be issued and renewed with an expiration date after the Revolving Credit Termination Date (but no later than one year after the Revolving Credit Termination Date) so long as the applicable Borrower deposits with the Agent at least five (5) Business Days prior to the Revolving Credit Termination Date Cash Collateral to be held in accordance with Section 8.4(b) hereof in an amount not less than 102% of the face amount of such Letters of Credit (it being understood that the participations of the Lenders (other than the Applicable Issuer) in any such Letter of Credit shall terminate on the Revolving Credit Termination Date to the extent such Letter of Credit has been Cash Collateralized in accordance with the foregoing). Notwithstanding anything contained in any Application to the contrary, (i) the applicable Borrower's obligation to pay fees in connection with each Letter of Credit shall be as exclusively set forth in Section 3.3 hereof, (ii) except as otherwise provided in Section 2.12, 2.13 or Section 3.5 hereof or during existence of an Event of Default, the Applicable Issuer will not call for the funding by such Borrower of any amount under a Letter of Credit, or any other form of collateral security (other than the Collateral, if any, and the Guaranty Agreements) for such Borrower's obligations in connection with such Letter of Credit, before being presented with a drawing thereunder, and (iii) if the Applicable Issuer is not timely reimbursed for the amount of any drawing under a Letter of Credit on the date such drawing is paid, upon written notice from the Applicable Issuer the Borrower's obligation to reimburse the Applicable Issuer for the amount of such drawing shall bear interest (which the relevant Borrower hereby promises to pay) from and after the date such drawing is paid at a rate per annum equal to the sum of 2% plus the Applicable Margin for ~~Eurodollar~~SOFR Loans from time to time in effect. The Issuer will promptly notify the Agent of each request for a Letter of Credit and of the issuance of a Letter of Credit and the Agent shall promptly thereafter so notify each of the Lenders. If an Applicable Issuer issues any Letters of Credit with expiration dates that are automatically extended unless such Applicable Issuer gives notice that the expiration date will not so extend beyond its then scheduled expiration date, such Applicable Issuer will give such notice of non-renewal before the time necessary to prevent such automatic extension if before such required notice date (i) the expiration date of such Letter of Credit if so extended would be after the Revolving Credit Termination Date unless the Borrowers provide Cash Collateral in accordance with this Section 1.3(b), (ii) the Aggregate Revolving Commitments have been terminated, or (iii) an Event of Default exists and the Required Lenders have given the Applicable Issuer instructions not to so permit the extension of the expiration date of such Letter of Credit. Without limiting the generality of the foregoing, the parties hereto hereby confirm and agree that each Applicable Issuer's obligation to issue, amend or extend the expiration date of a Letter of Credit is subject to the conditions of Section 6, the other terms of this Section 1.3 and the other provisions of this Agreement, and such Applicable Issuer will not issue, amend or extend the

expiration date of any Letter of Credit if the Agent or the Required Lenders notify in writing such Applicable Issuer of any Default or Event of Default that is continuing and direct the Applicable Issuer not to take such action.

(c) *The Reimbursement Obligation.* (i) Subject to Section 1.3(b) hereof, the obligation of a Borrower to reimburse the Applicable Issuer for all drawings under a Letter of Credit issued for such Borrower's account (a "*Reimbursement Obligation*") shall be governed by the Application related to such Letter of Credit, except that reimbursement of each drawing shall be made in immediately available funds at the designated office of the Applicable Issuer by no later than 12:00 Noon (local time at the issuing office of the Applicable Issuer) on the date when such drawing is paid in the case of payment before 12:00 Noon (local time at the issuing office of the Applicable Issuer), and in all other cases by 12:00 Noon (local time at the issuing office of the Applicable Issuer) of the next Business Day. If the relevant Borrower does not make any such reimbursement payment on the date due and the applicable Participating Lenders fund their participations therein in the manner set forth in Section 1.3(d) below, then all payments thereafter received by the Applicable Issuer in discharge of any of the relevant Reimbursement Obligations shall be distributed in accordance with Section 1.3(d) below.

(ii) The Borrower's obligation to reimburse the Applicable Issuer as provided in subsection (c)(i) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement and the relevant Application under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the Applicable Issuer under a Letter of Credit against presentation of a draft or other document that does not strictly comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrowers' obligations hereunder. None of the Agent, the Lenders, or the Applicable Issuers shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Applicable Issuer; *provided* that the foregoing shall not be construed to excuse the Applicable Issuer from liability to the relevant Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the such Borrower to the extent permitted by applicable law) suffered by such Borrower that are caused by the Applicable Issuer'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 Applicable Issuer (as finally determined by a court of competent jurisdiction), the Applicable Issuer 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 Applicable Issuer 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.

(d) *The Participating Interests.* Each U.S. Lender, by its acceptance hereof, severally agrees to purchase from the Applicable Issuer, and the Applicable Issuer hereby agrees to sell to each such U.S. Lender (a “*Participating Lender*”), an undivided percentage participating interest (a “*Participating Interest*”), to the extent of its U.S. Revolver Percentage, in each Letter of Credit issued by, and each Reimbursement Obligation owed to, the Applicable Issuer. Upon any failure by a Borrower to pay any Reimbursement Obligation in respect of a Letter of Credit issued for such Borrower’s account at the time required on the date the related drawing is paid, as set forth in Section 1.3(c) above, or if the Applicable Issuer is required at any time to return to a Borrower or to a trustee, receiver, liquidator, custodian or other Person any portion of any payment of any Reimbursement Obligation, each applicable Participating Lender shall, not later than (i) with respect to payments required to be made in U.S. Dollars, the Business Day it receives a certificate from the Applicable Issuer to such effect, if such certificate is received before 1:00 p.m. (local time at the office of the Issuer), or not later than the following Business Day, if such certificate is received after such time, and (ii) with respect to payments required to be made in an Alternative Currency, not later than three (3) Business Days after receipt of such certificate pay to the Applicable Issuer an amount equal to its U.S. Revolver Percentage, of such unpaid or recaptured Reimbursement Obligation together with interest on such amount accrued from the date such payment is required under this clause (d) to the date of such payment by such Participating Lender at a rate per annum equal to (i) from the date the related payment by such Participating Lender is required to be made under this clause (d) to the date two (2) Business Days after payment by such Participating Lender is due hereunder, the Federal Funds Rate for each such day and (ii) from the date two (2) Business Days after the date such payment is due from such Participating Lender to the date such payment is made by such Participating Lender, the rate per annum determined by adding the Applicable Margin to the Base Rate in effect for each such day. Each such Participating Lender shall thereafter be entitled to receive its U.S. Revolver Percentage of each payment received in respect of the relevant Reimbursement Obligation and of interest paid thereon, with the Applicable Issuer retaining its Percentage as a Lender hereunder.

The several obligations of the Participating Lenders to the Issuers under this Section 1.3 shall be absolute, irrevocable and unconditional under any and all circumstances whatsoever (except, to the extent such Borrower is relieved from its obligation to reimburse the Applicable Issuer for a drawing under a Letter of Credit due solely to the Applicable Issuer’s gross negligence or willful misconduct in determining that documents received under the Letter of Credit comply with the terms thereof as determined by a final, non-appealable judgment of a court of competent jurisdiction) and shall not be subject to any set-off, counterclaim or defense to payment which any Participating Lender may have or have had against any one or more of the Borrowers, the Agent, any other Lender or any other Person whatsoever. Without limiting the generality of the foregoing, such obligations shall not be affected by any Default or Event of Default or by any reduction or termination of any Aggregate Revolving Commitment of any Lender, and each payment by a Participating Lender under this Section 1.3 shall be made without

any offset, abatement, withholding or reduction whatsoever. The Agent shall be entitled to offset amounts received for the account of a Lender under this Agreement against unpaid amounts due from such Lender hereunder (whether as fundings of participations, indemnities or otherwise).

(e) *Indemnification.* Each of the Participating Lenders shall, to the extent of their respective Percentages, indemnify the Applicable Issuers (to the extent not reimbursed by the Borrowers) against any cost, expense (including reasonable counsel fees and disbursements), claim, demand, action, loss or liability (except such as result solely from the Applicable Issuer's gross negligence or willful misconduct as determined by a final, non-appealable judgment of a court of competent jurisdiction) that the Applicable Issuers may suffer or incur in connection with any Letter of Credit. The obligations of the Participating Lenders under this Section 1.3(e) and all other parts of this Section 1.3 shall survive termination of this Agreement and of all other L/C Documents.

(f) *Effect of the Applications.* To the extent that any provision of an Application relating to any Letter of Credit is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall apply.

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

(ii) Subject to the appointment and acceptance of a successor Issuer, an Issuer may resign as an Issuer at any time upon thirty days' prior written notice to the Agent and the Company, in which case, such Issuer shall be replaced in accordance with Section 1.3(g)(i) above.

Section 1.4. Manner of Borrowing Loans and Designating Applicable Interest Rates.

(a) *Notice to the Agent.* The Company (which is acting on behalf of the Borrowers pursuant to Section 1.7 hereof) shall give notice to the Agent by no later than 12:00 Noon (Chicago time): (i) at least three (3) Business Days before the date on which the applicable Borrower requests the Lenders to advance a Borrowing of ~~Eurodollar~~SOFR Loans or a Borrowing in an Alternative Currency and (ii) on the date the applicable Borrower requests the Lenders to advance a Borrowing of Base Rate Loans. The Loans included in each Borrowing shall bear interest initially at the type of rate specified in such notice of a new Borrowing. Thereafter, subject to the terms and conditions hereof, the applicable Borrower may from time to time elect to change or continue the type of interest rate borne by each Borrowing or, subject to

the minimum amount requirement for each outstanding Borrowing set forth in Section 1.5 hereof, a portion thereof, as follows: (i) if such Borrowing is of ~~Eurodollar~~SOFR Loans, on the last day of the Interest Period applicable thereto, the Borrower may continue part or all of such Borrowing as ~~Eurodollar~~SOFR Loans or, with respect to a Borrowing denominated in U.S. Dollars, convert part or all of such Borrowing into Base Rate Loans or (ii) if such Borrowing is of Base Rate Loans, on any Business Day, the Company may convert all or part of such Borrowing into ~~Eurodollar~~SOFR Loans for an Interest Period or Interest Periods specified by the Company (acting on behalf of the applicable Borrower). The Borrowers acknowledge that no Multicurrency Revolving Loan may be requested as, or converted into, a Base Rate Loan. The Company shall give all such notices requesting the advance, continuation or conversion of a Borrowing to the Agent in accordance with Section 1.7(b) hereof. Notice of the continuation of a Borrowing of ~~Eurodollar~~SOFR Loans for an additional Interest Period or of the conversion of part or all of a Borrowing of Base Rate Loans into ~~Eurodollar~~SOFR Loans must be given by no later than 12:00 Noon (Chicago time) at least three (3) Business Days before the date of the requested continuation or conversion. All such notices concerning the advance, continuation or conversion of a Borrowing shall specify the date of the requested advance, continuation or conversion of a Borrowing (which shall be a Business Day), the amount of the requested Borrowing to be advanced, continued or converted, the type of Loans to comprise such new, continued or converted Borrowing, if such Borrowing is to be comprised of ~~Eurodollar~~SOFR Loans, the Interest Period applicable thereto, if the Borrowing such Borrowing is a Revolving Loan, whether it is under the Multicurrency Revolving Facility or the U.S. Revolving Facility, and if such Borrowing is under the Multicurrency Revolving Facility, the currency (whether in U.S. Dollars or an Alternative Currency) of the Multicurrency Revolving Loan. Any such written notice of an advance of Borrowing shall be substantially in the form of Exhibit E attached hereto or such other under form as may be reasonably acceptable to the Agent. Upon notice to the Company by the Agent or the Required Lenders (or, in the case of an Event of Default under Section 8.1(k) or 8.1(l) hereof with respect to any Borrower, without notice), no Borrowing of ~~Eurodollar~~SOFR Loans shall be advanced, continued, or created by conversion if any Default or Event of Default then exists.

(b) *Notice to the Lenders.* The Agent shall give prompt telephonic, facsimile or other telecommunication notice to each Lender of any notice from a Borrower received pursuant to Section 1.4(a) above, and, if such notice requests the Lenders to make ~~Eurodollar~~SOFR Loans, the Agent shall give notice to the Company and each Lender by like means of the interest rate applicable thereto promptly after the Agent has made such determination.

(c) *Borrower's Failure to Notify.* If the Company fails to give notice pursuant to Section 1.4(a) above of the continuation or conversion of any outstanding principal amount of a Borrowing of ~~Eurodollar~~SOFR Loans before the last day of its then current Interest Period within the period required by Section 1.4(a) and such Borrowing is not prepaid in accordance with Section 3.4, such Borrowing shall automatically be converted into a Borrowing of Base Rate Loans (or, if such Borrowing is an Alternative Currency, such Borrowing shall be continued for an Interest Period of one month). In the event the applicable Borrower fails to give notice pursuant to Section 1.4(a) above of a Borrowing equal to the amount of a Reimbursement Obligation and has not notified the Agent by 12:00 noon (Chicago time) on the day such Reimbursement Obligation becomes due that it intends to repay such Reimbursement Obligation through funds not borrowed under this Agreement, such Borrower shall be deemed to have

requested a Borrowing of Base Rate Loans under the U.S. Revolving Facility (or, at the option of the Swing Line Lender, under the Swing Line) on such day in the amount of the Reimbursement Obligation then due, which Borrowing shall be applied to pay the Reimbursement Obligation then due.

(d) *Disbursement of Loans.* Not later than 2:00 p.m. (Chicago time) on the date of any requested advance of a new Borrowing, subject to Section 6 hereof, each Lender shall make available its Loan comprising part of such Borrowing (i) that is denominated in U.S. Dollars in funds immediately available at the principal office of the Agent in Chicago, Illinois (or at such other location as the Agent shall designate) or, (ii) that is denominated in an Alternative Currency at such office as the Agent has previously agreed to with the relevant Borrower, in each case in the currency received by the Agent from the Lenders.

(e) *Agent Reliance on Lender Funding.* Unless the Agent shall have been notified by a Lender prior to (or, in the case of a Borrowing of Base Rate Loans, by 1:00 p.m. (Chicago time) on the date on which such Lender is scheduled to make payment to the Agent of the proceeds of a Loan (which notice shall be effective upon receipt) that such Lender does not intend to make such payment, the Agent may assume that such Lender has made such payment when due and the Agent may in reliance upon such assumption (but shall not be required to) make available to the relevant Borrower the proceeds of the Loan to be made by such Lender and, if any Lender has not in fact made such payment to the Agent, such Lender shall, on demand, pay to the Agent the amount made available to such Borrower attributable to such Lender together with interest thereon in respect of each day during the period commencing on the date such amount was made available to such Borrower and ending on (but excluding) the date such Lender pays such amount to the Agent at a rate per annum equal to: (i) from the date the related advance was made by the Agent to the date two (2) Business Days after payment by such Lender is due hereunder, the Federal Funds Rate for each such day, (ii) from the date two (2) Business Days after the date such payment is due from such Lender to the date such payment is made by such Lender, the Base Rate in effect for each such day, or (iii) in the case of a Multicurrency Revolving Loan denominated in an Alternative Currency, the cost to the Agent of funding the amount it advanced to fund such Multicurrency Lender's Revolving Loan, as determined by the Agent. If such amount is not received from such Lender by the Agent immediately upon demand, the applicable Borrower will, on demand, repay to the Agent the proceeds of the Loan attributable to such Lender with interest thereon at a rate per annum equal to the interest rate applicable to the relevant Loan.

(f) *Availability of Alternative Currency.* The Multicurrency Lenders' obligations to make Multicurrency Revolving Loans in an Alternative Currency or to provide or participate in Letters of Credit payable in an Alternative Currency shall always be subject to such Alternative Currency being freely available to each of them in the relevant market. If any Multicurrency Lender reasonably determines that such currency requested is unavailable to it in the amount and for the term requested it shall so notify the Agent within one Business Day of its receipt of the aforesaid notice and the Agent shall promptly notify the Company and each other Multicurrency Lender of its receipt of such notice and the request of the Company for the Borrowing in the Alternative Currency in question shall otherwise be deemed withdrawn.

Section 1.5. Minimum Borrowing Amounts. Each Borrowing of Base Rate Loans shall be in an amount not less than \$2,000,000, or such greater amount which is an integral multiple of \$100,000, and each Borrowing of ~~Eurodollar~~SOFR Loans shall be in an amount not less than \$5,000,000, or such greater amount which is an integral multiple of \$100,000.

Section 1.6. Maturity of Loans.

(a) *Scheduled Payments of Term Loans.* The Borrowers shall make principal payments on the Term Loans in installments on the last day of December in each year, commencing with the year ending December 31, 2020, with the amount of each such principal installment to equal the amount set forth below shown opposite the relevant due date, with a final payment of all principal and interest not sooner paid on the Term Loans due and payable on Term Loan Maturity Date. Each such principal payment shall be applied to the Lenders holding the Term Loans pro rata based upon their Term Loan Percentages.

PAYMENT DATE	PAYMENT AMOUNT
December 31, 2020	\$7,500,000
December 31, 2021	\$15,000,000
December 31, 2022	\$15,000,000
December 31, 2023	\$15,000,000
December 31, 2024	\$15,000,000

(b) *Revolving Loans.* Each Revolving Loan, both for principal and interest not sooner paid, shall mature and be due and payable by the Borrowers on the Revolving Credit Termination Date.

(c) *Swing Loans.* Each Swing Loan, both for principal and interest not sooner paid, shall mature and be due and payable by the Borrowers on the Revolving Credit Termination Date.

Section 1.7. Appointment of Company as Agent for Borrowers; Reliance by Agent.

(a) *Appointment.* Each Borrower irrevocably appoints the Company as its agent hereunder to make requests on such Borrower's behalf under Section 1 hereof for Borrowings to be made by such Borrower and for Letters of Credit to be issued for such Borrower's account and to take any other action contemplated by the Loan Documents with respect to credit extended hereunder to such Borrower. The Agent and the Lenders shall be entitled to conclusively presume that any action by the Company under the Loan Documents is taken on behalf of any one or more of the Borrowers whether or not the Company so indicates.

(b) *Reliance.* All requests for Borrowings and selection of interest rates, currencies and Interest Periods applicable thereto may be written or oral, including by telephone, facsimile, or other telecommunication device acceptable to the Agent (which notice shall be irrevocable once given). The Borrowers agree that the Agent may rely on any such notice given by any person the Agent in good faith believes is an Authorized Representative without the necessity of independent investigation (the Borrowers hereby indemnifying the Agent and Lenders from any

liability or loss ensuing from such reliance), and in the event any such telephonic or other oral notice conflicts with any written confirmation, such oral or telephonic notice shall govern if the Agent has acted in reliance thereon.

Section 1.8. Swing Loans.

(a)- Generally. Subject to the terms and conditions hereof, as part of the U.S. Revolving Facility, the Swing Line Lender may, in its discretion, make loans in U.S. Dollars to the Company under the Swing Line (individually a “Swing Loan” and collectively the “Swing Loans”) which shall not in the aggregate at any time outstanding exceed the Swing Line Sublimit. The Swing Loans may be requested by the Company from time to time and Borrowings thereunder may be repaid and used again during the period ending on the Revolving Credit Termination Date; *provided* that each Swing Loan must be repaid on the last day of the Interest Period applicable thereto. Each Swing Loan shall be in a minimum amount of \$250,000 or such greater amount which is an integral multiple of \$100,000.

(b) *Interest on Swing Loans*. Each Swing Loan shall bear interest until maturity (whether by acceleration or otherwise) at a rate per annum equal to (i) the sum of the Adjusted ~~LIBOR~~Term SOFR plus the Applicable Margin for ~~Eurodollar~~SOFR Loans under the U.S. Revolving Facility as from time to time in effect or (ii) the Quoted Rate. Interest on each Swing Loan shall be due and payable prior to such maturity on the last day of each Interest Period applicable thereto.

(c) *Requests for Swing Loans*. The Company shall give the Agent prior notice (which may be written or oral), no later than 12:00 Noon (Chicago time) on the date upon which the Company requests that any Swing Loan be made, of the amount and date of such Swing Loan, and the Interest Period requested therefor. The Agent shall promptly advise the Swing Line Lender of any such notice received from the Company. Within 30 minutes after receiving such notice, the Swing Line Lender shall in its discretion quote an interest rate to the Company at which the Swing Line Lender would be willing to make such Swing Loan available to the Company for the Interest Period so requested ~~(which quoted rate may include intercompany bank offered rates based on a one-day interest period and will not include any LIBOR breakage)~~ (the rate so quoted for a given Interest Period being herein referred to as “Quoted Rate”). The Company acknowledges and agrees that the interest rate quote is given for immediate and irrevocable acceptance. If the Company does not so immediately accept the Quoted Rate for the full amount requested by the Company for such Swing Loan, the Quoted Rate shall be deemed immediately withdrawn and such Swing Loan shall bear interest at the rate per annum determined by adding the Applicable Margin for Base Rate Loans under the U.S. Revolving Facility to the Base Rate as from time to time in effect. Subject to the terms and conditions hereof, the proceeds of such Swing Loan shall be made available to the Company on the date so requested at the offices of the Agent in Chicago, Illinois.

(d) *Refunding Loans*. In its sole and absolute discretion, the Swing Line Lender may at any time, on behalf of the Company (which hereby irrevocably authorizes the Swing Line Lender to act on its behalf for such purpose) and with notice to the Agent and the Company, request each U.S. Lender to make a U.S. Revolving Loan in the form of a Base Rate Loan in an amount equal to such U.S. Lender’s Percentage of the amount of the Swing Loans outstanding on the date such

notice is given. Unless an Event of Default described in Section 8.1(k) or 8.1(l) exists with respect to the Company, regardless of the existence of any other Event of Default, each U.S. Lender shall make the proceeds of its requested U.S. Revolving Loan available to the Agent (for the account of the Swing Line Lender), in immediately available funds, at the Agent's principal office in Chicago, Illinois, before 12:00 Noon (Chicago time) on the Business Day following the day such notice is given. The proceeds of such Borrowing of U.S. Revolving Loans shall be immediately applied to repay the outstanding Swing Loans.

(e) *Participations.* If any Lender refuses or otherwise fails to make a U.S. Revolving Loan when requested by the Swing Line Lender pursuant to Section 1.8(d) above (due to the existence of an Event of Default described in Section 8.1(k) or 8.1(l)), such U.S. Lender will, by the time and in the manner such U.S. Revolving Loan was to have been funded to the Swing Line Lender, purchase from the Swing Line Lender an undivided participating interest in the outstanding Swing Loans in an amount equal to its U.S. Revolver Percentage of the aggregate principal amount of Swing Loans that were to have been repaid with such U.S. Revolving Loans. Each U.S. Lender that so purchases a participation in a Swing Loan shall thereafter be entitled to receive its U.S. Revolver Percentage of each payment of principal received on the Swing Loan and of interest received thereon accruing from the date such U.S. Lender funded to the Swing Line Lender its participation in such U.S. Revolving Loan. The several obligations of the U.S. Lenders under this Section shall be absolute, irrevocable, and unconditional under any and all circumstances whatsoever and shall not be subject to any set-off, counterclaim or defense to payment which any Lender may have or have had against the Company, any other Borrower, any Guarantor, any other Lender or any other Person whatever. Without limiting the generality of the foregoing, such obligations shall not be affected by any Default or Event of Default or by any reduction or termination of the U.S. Dollar Commitments of any U.S. Lender, and each payment made by a U.S. Lender under this Section shall be made without any offset, abatement, withholding or reduction whatsoever.

Section 1.9. Default Rate. Notwithstanding anything to the contrary contained herein, while any Event of Default exists or after acceleration, the relevant Borrower shall pay interest (after as well as before entry of judgment thereon to the extent permitted by law) on the principal amount of all Loans owing by it at a rate per annum equal to:

(a) for any Base Rate Loan or any Swing Loan bearing interest based on the Base Rate, the sum of 2.0% plus the Applicable Margin plus the Base Rate from time to time in effect;

(b) for any ~~Eurodollar~~SOFR Loan denominated in U.S. Dollars or any Swing Loan bearing interest at the Quoted Rate, the sum of 2.0% plus the rate of interest in effect thereon at the time of such Event of Default until the end of the Interest Period applicable thereto and, thereafter, at a rate per annum equal to the sum of 2.0% plus the Applicable Margin for Base Rate Loans plus the Base Rate from time to time in effect; and

(c) for any ~~Eurodollar~~SOFR Loan denominated in an Alternative Currency, the sum of 2.0% plus the rate of interest in effect thereon at the time of such Event of Default until the end of the Interest Period applicable thereto and, thereafter at a rate per

annum equal to the sum of the Applicable Margin, plus a rate of two percent (2.0%) plus the rate of interest per annum as determined by the Agent (rounded upwards, if necessary, to the nearest whole multiple of one-sixteenth of one percent (1/16%)) at which overnight or weekend deposits of the appropriate currency (or, if such amount due remains unpaid more than three Business Days, then for such other period of time not longer than six months as the Agent may elect in its absolute discretion) for delivery in immediately available and freely transferable funds would be offered by the Agent to major banks in the interbank market upon request of such major banks for the applicable period as determined above and in an amount comparable to the unpaid principal amount of any such Loan (or, if the Agent is not placing deposits in such currency in the interbank market, then the Agent's cost of funds in such currency for such period).

provided, however, that in the absence of acceleration, any adjustments pursuant to this Section shall be made at the election of the Agent, acting at the request or with the consent of the Required Lenders, with written notice to the Borrowers. While any Event of Default exists or after acceleration, interest shall be paid on demand of the Agent at the request or with the consent of the Required Lenders.

Section 1.10. Increase in Commitment. Provided no Default or Event of Default has occurred and is continuing, the Company may, on any Business Day on or prior to the Revolving Credit Termination Date, from time to time, increase the aggregate amount of the U.S. Dollar Commitments and/or the Multicurrency Commitments by delivering a Commitment Amount Increase Request in the form of Exhibit D hereto at least five (5) Business Days prior to the desired effective date of such increase (the "*Commitment Amount Increase*") identifying an additional Lender acceptable to the Agent and each Applicable Issuer in its reasonable discretion or additional U.S. Dollar Commitment and/or Multicurrency Commitment agreed to be made by any existing Lender (each such additional Lender or existing Lender (in its capacity as such) being referred to as an "*Additional Lender*") and the amount of its U.S. Dollar Commitment and/or Multicurrency Commitment (or additional amount of its U.S. Dollar Commitment and/or Multicurrency Commitment). The aggregate amount of all such Commitment Amount Increases shall not exceed \$600,000,000. The effective date of the Commitment Amount Increase shall be agreed upon by the Company, such Additional Lender and the Agent (whose agreement shall not be unreasonably withheld, conditioned or delayed). Upon the effectiveness thereof, each Additional Lender shall advance the relevant Revolving Loans and purchase Participating Interests in all then outstanding Letters of Credit in an amount sufficient such that after giving effect to such relevant Revolving Loans and purchases each Lender (including such Additional Lender) shall have outstanding its respective Percentage of the aggregate Revolving Loans and Participating Interests then outstanding. It shall be a condition to such effectiveness that no ~~Eurodollar~~SOFR Loans be outstanding on the date of such effectiveness unless the Borrowers pay all amounts due under Section 2.5 hereof, and that the Company shall not have terminated any portion of the Aggregate Revolving Commitments pursuant to Section 3.5(a) hereof. The Company agrees to pay any reasonable fees or expenses of the Agent (including reasonable fees and disbursements of counsel) relating to any Commitment Amount Increase. Notwithstanding anything herein to the contrary, no Lender shall have any obligation to increase its Aggregate Revolving Commitment and no Lender's Aggregate Revolving Commitment shall be increased

without its consent thereto, and each Lender may at its option, unconditionally and without cause, decline to increase its Aggregate Revolving Commitment.

Section 1.11. Removal of a Borrower. The Company may remove any Restricted Subsidiary as a Borrower (a “*Removed Borrower*”) hereunder so long as (i) the Company has provided the Agent prior written notice at least five (5) Business Days prior to the effective date of such removal, (ii) all Reimbursement Obligations of, all Revolving Loans made to, the Removed Borrower and all accrued interest owing thereon are paid in full on or prior to the effective date of such removal, (iii) no Letters of Credit issued on the account of such Removed Borrower are outstanding unless the Agent has received Cash Collateral in an amount equal to 102% of the face principal amount of such Letters of Credit or such Removed Borrower has entered into other arrangements with the Agent and the Applicable Issuer satisfactory to the Agent and such Applicable Issuer with respect to such Letters of Credit, (iv) no Default or Event of Default has occurred and is continuing or would result from the removal of such Removed Borrower, and (v) the removal of such Removed Borrower does not have a Material Adverse Effect on such Removed Borrower’s ability to continue to provide its Guaranty and pledge of Collateral as required hereunder or under any of the other Loan Documents. Upon satisfaction of the foregoing, the Lenders and the Issuers shall not be obligated to make Loans to, or issue Letters of Credit on account of, such Removed Borrower. The Company cannot designate a Restricted Subsidiary as a Borrower hereunder if such Borrower has been a Removed Borrower.

Section 1.12. Conversions. For all purposes of this Agreement, where a determination of the used, unused or available amount of the Aggregate Revolving Commitments or of the outstanding amount of Credit Utilizations is necessary, Credit Utilizations payable in an Alternative Currency shall be converted into their U.S. Dollar Equivalent. Such conversions shall be made on the date of each Credit Utilization in an Alternative Currency as to that Credit Utilization and all Credit Utilizations shall be converted into their U.S. Dollar Equivalent as of the last day of each month or at the time of each Credit Utilization should the Agent so elect. If the last day of a month is not a Business Day, such conversion shall be made as of the next Business Day. The Agent shall promptly notify the Company of such determination of a U.S. Dollar Equivalent and of the basis therefor. All Credit Utilizations and interest thereon shall be repaid in the currency in which they were effected.

SECTION 2. INTEREST.

Section 2.1. Base Rate Loans. Each Base Rate Loan shall bear interest (which the relevant Borrower promises to pay in arrears at the times herein provided) at the rate per annum determined by adding the Applicable Margin to the Base Rate as in effect from time to time, provided that if a Base Rate Loan is not paid when due (whether by lapse of time, acceleration or otherwise), such Base Rate Loan shall bear interest (which the relevant Borrower promises to pay at the times hereinafter provided), whether before or after judgment, and until payment in full thereof, at the rate per annum specified in Section 1.9 hereof. Interest on the Base Rate Loans shall be payable in arrears on the last day of each March, June, September and December of each year (beginning on the first of such dates after the date hereof) and at maturity of the Revolving Loans and interest after maturity shall be due and payable upon demand.

Section 2.2. ~~Eurodollar~~SOFR Loans. Each ~~Eurodollar~~SOFR Loan shall bear interest (which the relevant Borrower promises to pay in arrears at the times herein provided) on the unpaid principal amount thereof from time to time outstanding from the date of the Borrowing of such ~~Eurodollar~~SOFR Loan until maturity (whether by acceleration or otherwise) at a rate per annum equal to the sum of the Applicable Margin plus Adjusted ~~LIBOR~~Term SOFR, payable on the last day of the applicable Interest Period and at maturity (whether by acceleration or otherwise), and, if the applicable Interest Period is longer than three months, on the date occurring three months after the date of the Borrowing of such Loan; *provided* that if a ~~Eurodollar~~SOFR Loan is not paid when due (whether by acceleration or otherwise), such Loan shall bear interest (which the relevant Borrower promises to pay at the times herein provided) from the date such payment was due until paid in full, payable on demand, at the rate per annum specified in Section 1.9 hereof.

Section 2.3. *Rate Determinations.* The Agent shall determine each interest rate applicable to the Loans hereunder in accordance herewith, and its determination thereof shall be deemed *prima facie* correct. In connection with the use or administration of Term SOFR, the Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document. The Agent will promptly notify the Company and the Lenders of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR.

Section 2.4. *Computation of Interest, Fees and Charges.* All interest on Base Rate Loans when the Base Rate is not based on ~~the LIBOR-Quoted-Rate~~Term SOFR shall be computed on the basis of a year of 365 or 366 days, as the case may be, for the actual number of days elapsed. All interest on ~~Eurodollar~~SOFR Loans, Swing Loans bearing interest at the Quoted Rate, and Base Rate Loans based on ~~the LIBOR-Quoted-Rate~~Term SOFR (and unless otherwise stated herein, all fees, charges and commissions due hereunder) shall be computed on the basis of a year of 360 days for the actual number of days elapsed, except for ~~Eurodollar~~SOFR Loans denominated in Pounds Sterling which shall be computed on the basis of a year of 365 or 366 days, as the case may be.

Section 2.5. *Funding Indemnity.* If any Lender shall incur any loss (other than loss of profits), cost or expense (including, without limitation, any loss, cost or expense incurred by reason of the liquidation or re-employment of deposits or other funds acquired by such Lender to fund or maintain any ~~Eurodollar~~SOFR Loan or Swing Loan bearing interest with respect to ~~LIBOR~~SOFR or the relending or reinvesting of such deposits or amounts paid or prepaid to such Lender) as a result of:

- (i) any payment or prepayment of a ~~Eurodollar~~SOFR Loan or Swing Loan bearing interest with respect to ~~LIBOR~~SOFR (other than any payment pursuant to Section 1.8(d)) on a date other than the last day of its Interest Period for any reason,
- (ii) any failure (because of a failure to meet the conditions of Borrowing or otherwise) by a Borrower to borrow or continue a ~~Eurodollar~~SOFR Loan or Swing Loan bearing interest with respect to ~~LIBOR~~SOFR (other than any payment pursuant to

Section 1.8(d)), or to convert a Base Rate Loan into a ~~Eurodollar~~SOFR Loan or such Swing Loan, in each case on the date specified in a notice given pursuant to this Agreement,

(iii) any failure by a Borrower to make any payment of principal on any ~~Eurodollar~~SOFR Loan or Swing Loan bearing interest with respect to ~~LIBOR~~SOFR when due (whether by acceleration or otherwise),

(iv) any acceleration of the maturity of a ~~Eurodollar~~SOFR Loan or Swing Loan bearing interest with respect to ~~LIBOR~~SOFR as a result of the occurrence of any Event of Default hereunder, or

(v) any assignment of a ~~Eurodollar~~SOFR Loan other than on the last day of the Interest Period applicable thereto as a result of the request of the Company pursuant to Section 2.11 hereof;

then, upon the demand of such Lender, the applicable Borrower shall pay to such Lender such amount as will reimburse such Lender for such loss, cost or expense. If any Lender makes such a claim for compensation, it shall provide to the Company, with a copy to the Agent, a certificate executed by an officer of such Lender setting forth the amount of such loss, cost or expense in reasonable detail (including an explanation of the basis for and the computation of such loss, cost or expense) and the amounts shown on such certificate shall be deemed *prima facie* correct.

Section 2.6. Change of Law. Notwithstanding any other provisions of this Agreement or any other Loan Document, if any Change in Law makes it unlawful for any Lender to make or continue to maintain Loans in an Alternative Currency or ~~Eurodollar~~SOFR Loans or to perform its obligations with respect to such Loans, such Lender shall promptly give notice thereof to the Company and such Lender's obligations to make or maintain ~~Eurodollar~~SOFR Loans or Loans in an Alternative Currency (as applicable) under this Agreement shall be suspended until it is no longer unlawful for such Lender to make or maintain such Loans. The applicable Borrower shall prepay on demand the outstanding principal amount of any such affected Loans, together with all interest accrued thereon and all other amounts then due and payable to such Lender under this Agreement; *provided, however*, subject to all of the terms and conditions of this Agreement, the applicable Borrower may then elect to borrow the principal amount of the affected Loans (other than Loans denominated in an Alternative Currency) from such Lender by means of Base Rate Loans from such Lender, which Base Rate Loans shall not be made ratably by the Lenders but only from such affected Lender.

Section 2.7. Unavailability. ~~If~~Subject to Section 2.14, if prior to the commencement of any Interest Period for any Borrowing of ~~Eurodollar~~SOFR Loans:

(a) the Agent determines ~~that deposits in the applicable currency (in the applicable amounts) are not being offered to it in the eurocurrency interbank market for such Interest Period, or that by reason of circumstances affecting the interbank eurocurrency market adequate and reasonable means do not exist for ascertaining the applicable LIBOR~~(which determination shall be conclusive and binding absent manifest error) that "Term SOFR" cannot be determined pursuant to the definition thereof, or

(b) the Required Lenders ~~notify the Agent that (i) LIBOR as determined by the Agent will~~reasonably determine that in connection with any request for a SOFR Loan or a conversion thereto or a continuation thereof that Term SOFR for any requested Interest Period with respect to a proposed SOFR Loan does not adequately and fairly reflect the cost to such Lenders of funding ~~their Eurodollar Loans in the currency in question for such Interest Period or (ii) that the making or funding of Eurodollar Loans in the relevant currency has become impracticable, in either case as a result of an event occurring after the date hereof which in the opinion of such Lenders materially adversely affects such Loans~~such Loan, and the Required Lenders have provided notice of such determination to the Agent,

~~then and in any such event the Agent shall not less than two days prior to the commencement of such Interest Period, give notice thereof to the Company and the Lenders, whereupon until the Agent notifies the Company that the circumstances giving rise to such suspension no longer exist, the obligations of the Lenders to make Loans in the currency so affected or to make Eurodollar Loans (as applicable) shall be suspended~~the Agent will promptly so notify the Company and each Lender. Upon notice thereof by the Agent to the Company, any obligation of the Lenders to make or continue SOFR Loans shall be suspended (to the extent of the affected SOFR Loans and, in the case of a SOFR Loan, the affected Interest Periods) until the Agent revokes such notice. Upon receipt of such notice, (i) the Borrowers may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Loans (to the extent of the affected SOFR Loans and, in the case of a SOFR Loan, the affected Interest Periods) or, failing that, the Borrowers will be deemed to have converted any such request into a request for a Borrowing of or conversion to Base Rate Loans in the amount specified therein and (ii) any outstanding affected SOFR Loans will be deemed to have been converted into Base Rate Loans at the end of the applicable Interest Period to the extent that the Agent has not revoked such notice at such time. Upon any such conversion, the Borrowers shall pay any additional amounts required pursuant to Section 2.5.

Section 2.8. Increased Cost.

___(a) *Increased Costs Generally.* If any Change in Law shall:

- (i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the Adjusted ~~LIBOR~~Term SOFR) or any Issuer;
- (ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or
- (iii) impose on any Lender or any Issuer or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein;

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

(b) *Capital Requirements.* If any Lender or Issuer reasonably determines that any Change in Law affecting such Lender or Issuer or any lending office of such Lender or such Lender's or Issuer's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's or Issuer's capital or on the capital of such Lender's or Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swing Loans held by, such Lender, or the Letters of Credit issued by any Issuer, to a level below that which such Lender or Issuer or such Lender's or Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or Issuer's policies and the policies of such Lender's or Issuer's holding company with respect to capital adequacy and liquidity), then from time to time the Borrowers will pay to such Lender or Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or Issuer or such Lender's or Issuer's holding company for any such reduction suffered.

(c) *Certificates for Reimbursement.* A certificate of a Lender or Issuer setting forth in reasonable detail the amount or amounts necessary to compensate such Lender or Issuer or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Company, shall be conclusive absent manifest error. The Borrowers shall pay such Lender or Issuer, as the case may be, the amount shown as due on any such certificate within fifteen (15) days after receipt thereof.

(d) *Delay in Requests.* Failure or delay on the part of any Lender or Issuer to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or Issuer's right to demand such compensation; *provided* that the Borrowers shall not be required to compensate a Lender or Issuer pursuant to this Section 2.8 for any increased costs incurred or reductions suffered more than six (6) months prior to the date that such Lender or Issuer, 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 Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 2.9. Lending Offices; Mitigation Obligations. Each Lender may, at its option, elect to make its Loans hereunder at the branch, office or affiliate specified in its Administrative Questionnaire (each a "*Lending Office*") for each type of Loan available hereunder or at such

other of its branches, offices or affiliates as it may from time to time elect and designate in a written notice to the Company and the Agent (but such funds shall in any event be made available to the Company in accordance with Section 1.4(d) hereof); *provided* that the Company shall not be required to reimburse any Lender under any of the provisions of this Section 2 for any cost which such Lender would not have incurred but for changing its Lending Office unless the Company consented in writing to such change or has requested the change pursuant to this Section 2.9. If any Lender requests compensation under Section 2.8, requires the Borrowers to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 11.1, or gives a notice pursuant to Section 2.6, then such Lender shall (at the request of the Company) 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, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.8 or 11.1, as the case may be, in the future, or eliminate the need for notice pursuant to Section 2.6, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

~~Section 2.10. *Discretion of Lender as to Manner of Funding.* Notwithstanding any other provision of this Agreement, each Lender shall be entitled to fund and maintain its funding of all or any part of its Loans in any manner it sees fit, it being understood, however, that for the purposes of this Agreement all determinations under this Agreement shall be made as if each Lender had actually funded and maintained each Eurodollar Loan through the purchase of deposits in the relevant market and in the relevant currency having a maturity corresponding to such Eurodollar Loan's Interest Period and bearing an interest rate equal to Adjusted LIBOR for the currency in question for such Interest Period.~~ [Reserved].

Section 2.11. Replacement of Lenders. If any Lender requests compensation under Section 2.8, if any Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 11.1, or if any Borrower receives notice from any Lender of any illegality pursuant to Section 2.6 hereof for reasons not generally applicable to the other Lenders, and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 2.9, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrowers may, at their sole expense and effort, upon notice to such Lender and the Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.17), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.8 or Section 11.1) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); *provided* that:

- (i) the Borrowers shall have paid to the Agent the assignment fee (if any) specified in Section 11.17;
- (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and funded participations in L/C Obligations, accrued

interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 2.5 as if the Loans owing to it were prepaid rather than assigned) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 2.8 or payments required to be made pursuant to Section 11.1, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) such assignment does not conflict with applicable law; and

(v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrowers to require such assignment and delegation cease to apply.

Section 2.12. Defaulting Lenders.

 (a)- *Defaulting Lender Adjustments.* Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) *Waivers and Amendments.* Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders.

(ii) *Defaulting Lender Waterfall.* Any payment of principal, interest, fees or other amounts received by the Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 8 or otherwise) or received by the Agent from a Defaulting Lender pursuant to Section 11.27 hereto shall be applied at such time or times as may be determined by the Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to any Issuer or the Swing Line Lender hereunder; *third*, to Cash Collateralize such Issuer's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.13; *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 Agent; *fifth*, if so determined by the 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 Issuers' future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.13; *sixth*, to the payment of any amounts owing to the Lenders, the Issuers or the Swing Line

Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, any Issuer or the Swing Line Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or Event of Default exists, to the payment of any amounts owing to a Borrower as a result of any judgment of a court of competent jurisdiction obtained by such Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that if (x) such payment is a payment of the principal amount of any Loans or L/C Obligations in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 6.1 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swing Loans are held by the Lenders pro rata in accordance with their Percentages of the relevant Commitments without giving effect to Section 2.12(a)(iv) 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 2.12(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) *Certain Fees.*

(A) No Defaulting Lender shall be entitled to receive any commitment fee for any period during which that Lender is a Defaulting Lender (and the Borrowers shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) Each Defaulting Lender shall be entitled to receive L/C Participation Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.13.

(C) With respect to any L/C Participation Fee not required to be paid to any Defaulting Lender pursuant to clause (B) above, the Borrowers shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations or Swing Loans that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to each Issuer and Swing Line Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such Issuer's or Swing Line Lender's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) *Reallocation of Participations to Reduce Fronting Exposure.* All or any part of such Defaulting Lender's participation in L/C Obligations and Swing Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Percentages of the relevant Commitments (calculated without regard to such Defaulting Lender's Commitments) but only to the extent that (x) the conditions set forth in Section 6.1 are satisfied at the time of such reallocation (and, unless the Borrowers shall have otherwise notified the Agent at such time, the Borrowers shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the aggregate Revolving Loans and interests in L/C Obligations and Swing Loans of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Aggregate Revolving Commitment. Subject to Section 11.31 hereof, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) *Cash Collateral; Repayment of Swing Loans.* If the reallocation described in clause (iv) above cannot, or can only partially, be effected, the Borrowers shall, without prejudice to any right or remedy available to them hereunder or under law, (x) first, prepay Swing Loans in an amount equal to the Swing Line Lender's Fronting Exposure and (y) second, Cash Collateralize the Applicable Issuer's Fronting Exposure in accordance with the procedures set forth in Section 2.13.

(b) *Defaulting Lender Cure.* If the Company, the Agent, the Swing Line Lender and each Issuer agree in writing that a Lender is no longer a Defaulting Lender, the Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swing Loans to be held pro rata by the Lenders in accordance with their respective Percentages of the relevant Commitments (without giving effect to Section 2.12(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and *provided, further*, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(c) *New Swing Loans/Letters of Credit.* So long as any Lender is a Defaulting Lender, (i) the Swing Line Lender shall not be required to fund any Swing Loans unless it is satisfied that it will have no Fronting Exposure after giving effect to such Swing Loan and (ii) no Issuer shall be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

Section 2.13. Cash Collateral for Fronting Exposure. At any time that there shall exist a Defaulting Lender, within one (1) Business Day following the written request of the Agent or

any Issuer (with a copy to the Agent) the Borrowers shall Cash Collateralize the Issuers' Fronting Exposure with respect to such Defaulting Lender (determined after giving effect to Section 2.12(a)(iv) and any Cash Collateral provided by such Defaulting Lender) in an amount not less than 102% of such Fronting Exposure.

(a) *Grant of Security Interest.* The Borrowers, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grant to the Agent, for the benefit of the Issuers, and agree to maintain, a first priority security interest in all such Cash Collateral as security for such Defaulting Lender's obligation to fund participations in respect of L/C Obligations, to be applied pursuant to clause (b) below. If at any time the Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Agent and the Issuers as herein provided, or that the total amount of such Cash Collateral is less than 102% of the Fronting Exposure, the Borrowers shall, promptly upon demand by the Agent, pay or provide to the Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by the Defaulting Lender).

(b) *Application.* Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section 2.13 or Section 2.12 in respect of Letters of Credit shall be applied to the satisfaction of the Defaulting Lender's obligation to fund participations in respect of L/C Obligations (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(c) *Termination of Requirement.* Cash Collateral (or the appropriate portion thereof) provided to reduce any Issuer's Fronting Exposure shall no longer be required to be held as Cash Collateral pursuant to this Section 2.13(c) following (i) the elimination of the applicable Fronting Exposure (including by the termination of Defaulting Lender status of the applicable Lender), or (ii) the determination by the Agent and each Issuer that there exists excess Cash Collateral; *provided* that, subject to Section 2.13, the Person providing Cash Collateral and each Issuer may agree that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations; and *provided further* that to the extent that such Cash Collateral was provided by any Borrower or Guarantor, such Cash Collateral shall remain subject to the security interest granted pursuant to the Loan Documents.

Section 2.14. *Effect of Benchmark Transition Event.* ~~(a) Notwithstanding anything to the contrary herein or in any other Loan Document (and any Interest Rate Protection and Other Hedging Agreement shall be deemed not to be a "Loan Document" for the purposes of this Section 2.14):~~

~~____(a)____ Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of~~ if a Benchmark Transition Event ~~or an Early Opt-in Election, as applicable, the Agent and the Borrowers may amend this Agreement to~~ and its related Benchmark Replacement Date have occurred prior any setting of the then-current Benchmark, then such Benchmark Replacement will replace ~~LIBOR with a~~ such Benchmark ~~Replacement. Any such amendment with~~ for all purposes hereunder and under any Loan Document in respect ~~to~~ of ~~any~~ Benchmark Transition Event will become effective setting at or after 5:00 p.m. (~~Chicago~~ New York City time) on the fifth (5th) Business Day after the ~~Agent has~~

~~posted such proposed amendment~~ date notice of such Benchmark Replacement is provided to all the Lenders and the Borrowers 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 Agent has not received, by such time, written notice of objection to such ~~amendment~~ Benchmark Replacement from Lenders comprising the Required Lenders; ~~provided that, with respect to any proposed amendment containing a SOFR-Based Rate, the Required Lenders shall be entitled to object only to the Benchmark Replacement Adjustment contained therein. Any such amendment with respect to an Early Opt-in Election will become effective on the date that Lenders comprising (or, in the case of a Benchmark affecting fewer than all of the Facilities, the Required Facility Lenders have delivered to the Agent written notice that such for the applicable Facility or Facilities (voting together as one Facility) in lieu of the Required Lenders accept such amendment. No replacement of LIBOR with a Benchmark Replacement pursuant to this Section 2.14 will occur prior to the applicable Benchmark Transition Start Date).~~

(b) *Benchmark Replacement Conforming Changes.* In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Agent ~~and the Company~~ 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.

(c) *Notices; Standards for Decisions and Determinations.* The Agent will promptly notify the ~~Borrowers~~ Company and the Lenders of (i) ~~any the~~ occurrence of a Benchmark Transition Event ~~or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date~~, (ii) the implementation of any Benchmark Replacement; ~~and~~ (iii) the effectiveness of any ~~Benchmark Replacement~~ Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Agent will promptly notify the Company of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 2.14 and (iv) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the 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 ~~hereto~~ to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.14.

(d) ~~Benchmark Unavailability Period.~~ Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Agent in its reasonable discretion or (B) the administration of such Benchmark or the regulatory supervisor for the administrator of such

Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable, non-representative, non-compliant or non-aligned tenor, (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 not be representative for a Benchmark (including a Benchmark Replacement), then the Agent and the Company may agree to modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor and (iii) if a new tenor for such Benchmark (including a Benchmark Replacement) is displayed on a screen or other information service selected by the Agent in its reasonable discretion, then the Agent and the Company may agree to modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to add such new tenor.

(e) Upon the Borrowers' receipt of notice of the commencement of a Benchmark Unavailability Period ~~(and, for the avoidance of doubt, until a Benchmark Replacement and the Benchmark Replacement Conforming Changes have been agreed by all necessary parties)~~, the Borrowers may revoke any pending request for a EurodollarSOFR Borrowing of, conversion to or continuation of EurodollarSOFR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrowers will be deemed to have converted any such request into a request for a Borrowing of or conversion to Base Rate Loans. During ~~any~~ Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, ~~(a) the component of Base Rate based upon LIBOR~~the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of Base Rate, ~~(b) each Swing Loan shall bear interest until maturity (whether by acceleration or otherwise) at a rate per annum equal to (i) the sum of Base Rate plus the Applicable Margin for Base Rate Loans under the U.S. Revolving Facility as from time to time in effect or (ii) the Quoted Rate and (c) each other Loan shall bear interest at a rate per annum equal to the sum of the Base Rate plus the Applicable Margin.~~

SECTION 3. FEES, PAYMENTS, REDUCTIONS, APPLICATIONS AND NOTATIONS.

Section 3.1. Commitment Fee. For the period from the Closing Date to and including the Revolving Credit Termination Date, the Borrowers shall pay to the Agent for the account of the Lenders a non-refundable commitment fee at the rate per annum equal to the Applicable Margin (computed on the basis of a year of 360 days and actual days elapsed) on the average daily Unused Commitments. Such fee is due and payable in arrears on the last day of each calendar quarter (commencing with the first of such dates after the date hereof) and on the Revolving Credit Termination Date.

Section 3.2. Other Fees. The Company shall pay to the Agent such other and additional fees as may from time to time be agreed to between the Company and the Agent.

Section 3.3. Letter of Credit Fees. The applicable Borrowers shall pay to the Agent, for the ratable account of the relevant Lenders, a fee on the amount of the L/C Obligations from time to time outstanding (the “*L/C Participation Fee*”) computed at the Applicable Margin (computed on the basis of a year of 360 days and actual days elapsed), each such fee to be due and payable quarterly in arrears on the last day of each calendar quarter and on the Revolving Credit Termination Date. In addition, on the date of issuance of each Letter of Credit the applicable Borrower shall pay the Applicable Issuer for its own account an issuance fee of 1/8 of 1% of the face amount of such Letter of Credit, such fee to be retained by the Applicable Issuer for its own account. In addition, the applicable Borrower shall pay to the Applicable Issuer such issuing, processing, drawing, amendment and other fees and charges as the Applicable Issuer customarily imposes in connection with the issuance of letters of credit of the type in question, the payment of drafts thereunder or amendments thereto.

Section 3.4. Voluntary Prepayments. The Borrowers shall have the privilege of prepaying without premium or penalty (except as set forth in Section 2.5 above) and in whole or in part (but, if in part, then: (i) in an amount not less than \$2,000,000, or such lesser amount as may then be outstanding, and (ii) in each case, in an amount such that the minimum amount required for a Borrowing pursuant to Section 1.5 hereof remains outstanding) any Borrowing of EurodollarSOFR Loans at any time upon three (3) Business Days prior notice by the Company to the Agent or, in the case of a Borrowing of Base Rate Loans or Swing Loans, notice delivered by the Company to the Agent no later than 12:00 Noon (Chicago time) on the date of prepayment, such prepayment to be made by the payment of the principal amount to be prepaid and, in the case of any Term Loans or EurodollarSOFR Loans or Swing Loans, accrued interest thereon to the date fixed for prepayment plus any amounts due the Lenders under Section 2.5 hereof. Prepayments of the Loans shall be applied to the outstanding Obligations in accordance with Section 3.5(c) hereof.

Section 3.5. Mandatory Prepayments and Commitment Reductions.

 (a)- *Commitments.* In the event that (i) the Revolving Credit Exposure for all Lenders shall at any time and for any reason exceed the Aggregate Revolving Commitments; (ii) the U.S. Revolving Credit Exposure for all Lenders shall at any time exceed an amount equal to (A) the U.S. Dollar Commitments *minus* (B) the U.S. Dollar Equivalent of the aggregate principal amount of Multicurrency Revolving Loans; (iii) the U.S. Dollar Equivalent of the aggregate amount of Multicurrency Revolving Loans shall exceed an amount equal to (A) the Multicurrency Commitments *minus* (B) the U.S. Revolving Credit Exposure for all Lenders outstanding at such time; or (iv) the aggregate amount of Revolving Loans, Swing Loans and/or L/C Obligations owing from the Borrowers shall exceed any applicable Sublimit, in each case for any reason (including changes in currency rates), the relevant Borrowers shall immediately and without notice or demand pay the amount of the excess to the Agent as and for a mandatory prepayment on the relevant Revolving Loans or, if the Revolving Loans have been paid in full but L/C Obligations are outstanding, then and in any such event, such excess shall be paid over to the Agent to be applied against, or held as Cash Collateral with respect to such L/C Obligations.

(b) The Borrowers shall, on each date the U.S. Dollar Commitments are reduced pursuant to Section 3.6, prepay the U.S. Revolving Loans, Swing Loans, and, if necessary, prefund the L/C Obligations by the amount, if any, necessary to reduce the sum of the U.S.

Revolving Credit Exposure for all Lenders then outstanding to the amount to which the U.S. Dollar Commitments have been so reduced. The Borrowers shall, on each date the Multicurrency Commitments are reduced pursuant to Section 3.6, prepay the Multicurrency Revolving Loans by the amount, if any, necessary to reduce the sum of the aggregate principal amount of Multicurrency Revolving Loans then outstanding to the amount to which the Multicurrency Commitments have been so reduced.

(c) Unless the Company otherwise directs, prepayments of Loans under Section 3.4 and this Section 3.5 shall be applied first to Borrowings of Base Rate Loans until payment in full thereof with any balance applied to Borrowings of ~~Eurodollar~~SOFR Loans in the order in which their Interest Periods expire. No amount of the Term Loans paid or prepaid may be reborrowed, and, in the case of any partial prepayment, such prepayment shall be applied to the remaining payments on the Term Loans on a ratable basis among all such remaining amortization payments based on the principal amounts thereof.

Section 3.6. Commitment Terminations.

(a) *Voluntary Terminations.* The Borrowers shall have the right at any time and from time to time, upon five (5) Business Days prior written notice to the Agent (or such shorter period of time agreed to by the Agent), to terminate the Aggregate Revolving Commitments without premium or penalty and in whole or in part, any partial termination to be in an amount not less than \$5,000,000, provided that the Aggregate Revolving Commitments may not be reduced to an amount less than the sum of the Revolving Credit Exposure for all Lenders then outstanding. Any termination of the Aggregate Revolving Commitments below any Sublimit then in effect shall reduce such Sublimit by a like amount. The Agent shall give prompt notice to each Lender of any such termination of the Aggregate Revolving Commitments.

(b) If a portion of the Aggregate Revolving Commitments are terminated in accordance with this Section 3.6, the U.S. Dollar Commitment and the Multicurrency Commitment shall also terminate by an amount determined by multiplying the amount of the termination of the Aggregate Revolving Commitments by the percentage of the U.S. Dollar Commitment or Multicurrency Commitment, as applicable, to the Aggregate Revolving Commitments in effect immediately prior to such termination; provided that with respect to any voluntary terminations pursuant to clause (a) above, (i) the U.S. Dollar Commitments may not be reduced to an amount less than the sum of the U.S. Revolving Credit Exposure for all Lenders then outstanding, and (ii) the Multicurrency Commitments may not be reduced to an amount less than the aggregate principal amount of all Multicurrency Revolving Loans outstanding. Any termination of the Aggregate Revolving Commitments, U.S. Dollar Commitments or the Multicurrency Commitments shall be allocated ratably among the Lenders in proportion to their respective Revolver Percentage, U.S. Revolver Percentage and Multicurrency Revolver Percentage, as the case may be.

Section 3.7. Place and Application. All payments of principal, interest and fees shall be made to the Agent at its office at 111 West Monroe Street, Chicago, Illinois (or at such other place as the Agent may specify) in immediately available and freely transferable funds at the place of payment by no later than 12:00 Noon Central Time on the due date thereof or, if such payment is to be made in an Alternative Currency, by no later than 12:00 Noon local time at the place of payment to such office as the Agent has previously specified; *provided however that*

reimbursements of drawings under Letters of Credit shall be made to the Applicable Issuer. Any payments received by the Agent or such Applicable Issuer after such time shall be deemed received as of the opening of business on the next Business Day. All such payments shall be made (i) in U.S. Dollars, in immediately available funds at the place of payment, or (ii) in the case of Multicurrency Revolving Loans or reimbursement of drawings under a Letter of Credit in an Alternative Currency, in such Alternative Currency then customary for settlement of international transactions in such currency. All such payments shall be made without set-off or counterclaim and without reduction for, and free from, any and all present or future taxes, levies, imposts, duties, fees, charges, deductions, withholdings, restrictions or conditions of any nature imposed by any Government Authority thereof. Except as herein provided, all payments shall be received for the ratable account of the Lenders and shall be distributed by the Agent to the Lenders in accordance with their Percentages on the date the Agent receives payment, or if the Agent receives payment later than 12:00 Noon Central Time, then no later than the next Business Day. Unless the Agent shall have received notice from the Company prior to the date on which any payment is due to the Agent for the account of the Lenders or the Issuers hereunder that the applicable Borrower will not make such payment, the Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuers, as the case may be, the amount due. In such event, if such Borrower has not in fact made such payment, then each of the Lenders or the Issuers, as the case may be, severally agrees to repay to the Agent forthwith on demand the amount so distributed to such Lender or Issuer, 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 Agent, at a rate per annum equal to: (i) from the date the distribution was made to the date two (2) Business Days after payment by such Lender is due hereunder, at the greater of the Federal Funds Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation for each such day and (ii) from the date two (2) Business Days after the date such payment is due from such Lender to the date such payment is made by such Lender, the Base Rate in effect for each such day.

Anything contained herein to the contrary or in the other Loan Documents notwithstanding, all payments and collections received in respect of the Obligations and all proceeds of the Collateral, if any, and payments made under or in respect of the Guaranty Agreements received, in each instance, by the Agent or any of the Lenders after acceleration or the final maturity of the Obligations or termination of the Lender's Commitment to extend credit hereunder as a result of an Event of Default shall be remitted to the Agent and distributed as follows:

(a) first, to the payment of any outstanding reasonable costs and expenses incurred by the Agent in monitoring, verifying, protecting, preserving or enforcing the Liens on the Collateral, if any, or by the Agent in protecting, preserving or enforcing rights under the Loan Documents, and in any event all costs and expenses of a character which the Borrowers have agreed to pay under Section 11.5 hereof (such funds to be retained by the Agent for its own account unless the Agent has previously been reimbursed for such costs and expenses by the Lenders, in which event such amounts shall be remitted to the Lenders to reimburse them for payments theretofore made to the Agent);

(b) second, to the payment of principal and interest on the Swing Loans until paid in full;

(c) third, to the payment of any outstanding interest or other fees or amounts due under the Loan Documents, in each case other than for principal or in reimbursement or Cash Collateralization of L/C Obligations, ratably as among the Agent and the Lenders in accordance with the amount of such interest and other fees or amounts owing each;

(d) fourth, to the payment of the principal of the Loans and any unpaid Reimbursement Obligations and to the Agent to be held as Cash Collateral for any other L/C Obligations (until the Agent is holding an amount of cash equal to the then outstanding amount of all such L/C Obligations), for any principal amounts owing to the Lenders under Section 11.20 hereof, and Hedging Liability, the aggregate amount paid to or held as Cash Collateral for the Lenders and, in the case of Hedging Liability, their Affiliates, to be allocated pro rata in accordance with the then aggregate unpaid amounts owing to each holder thereof;

(e) fifth, to the Agent and the Lenders ratably in accordance with the amounts of any other indebtedness, obligations or liabilities of the Borrowers owing to each of them unless and until all such indebtedness, obligations and liabilities have been fully paid and satisfied; and

(f) sixth, to the Company on behalf of the Borrowers (each Borrower hereby agreeing that its recourse for its share of such payment shall be to the Company and not the Agent or any Lender) or whoever else may be lawfully entitled thereto.

Excluded Swap Obligations with respect to any Guarantor shall not be paid with amounts received from such Guarantor or its assets, but appropriate adjustments shall be made with respect to payments from the Borrowers and the other Guarantors to preserve the allocations to the Obligations and Hedging Liability otherwise set forth above in this Section 3.7.

Section 3.8. Evidence of Indebtedness. (a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrowers to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b) The Agent shall also maintain accounts in which it will record (i) the amount of each Loan made hereunder, the type thereof, the Interest Period with respect thereto, and the currency in which such Loan is denominated, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrowers to each Lender hereunder, and (iii) the amount of any sum received by the Agent hereunder from the Borrowers and each Lender's share thereof.

(c) Subject to the provisions of Section 11.17(c), the entries maintained in the accounts maintained pursuant to paragraphs (a) and (b) above shall be *prima facie* evidence of the existence and amounts of the Obligations therein recorded; *provided, however*, that the failure of the Agent or any Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrowers to repay the Obligations in accordance with their terms.

(d) Any Lender may request that its Loans be evidenced by a promissory note or notes in the forms of Exhibit A-1 (in the case of its Term Loans and referred to herein as a “*Term Note*”), A-2 (in the case of its Revolving Loans and referred to herein as a “*Revolving Credit Note*”), or A-3 (in the case of its Swing Loans and referred to herein as a “*Swing Note*”), as applicable (the Term Notes, Revolving Credit Notes and Swing Note being hereinafter referred to collectively as the “*Notes*” and individually as a “*Note*”). In such event, the Borrowers shall prepare, execute and deliver to such Lender a Note payable to such Lender or its registered assigns in the amount of the Term Loan Commitment, Aggregate Revolving Commitment or Swing Line Sublimit, as applicable. Thereafter, the Loans evidenced by such Note or Notes and interest thereon shall at all times (including after any assignment pursuant to Section 11.17) be represented by one or more Notes payable to the payee named therein or any assignee pursuant to Section 11.17, except to the extent that any such Lender or assignee subsequently returns any such Note for cancellation and requests that such Loans once again be evidenced as described in subsections (a) and (b) above.

Section 3.9. Payments Set Aside. To the extent that any payment by or on behalf of any Borrower or Guarantor is made to the Agent, any Issuer or any Lender, or the Agent, any Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Agent, such Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and each Issuer severally agrees to pay to the Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation for each such day.

SECTION 4. THE COLLATERAL AND THE GUARANTEES:

Section 4.1. The Collateral. Upon the Collateral Release Date, the Agent shall terminate and release all Liens securing the Obligations and Hedging Liability. Prior to the Collateral Release Date, the Obligations and Hedging Liability (i) of the U.S. Borrowers shall be secured by valid and perfected first Liens on all inventory, accounts receivable, equipment and other personal property (as further described in the Collateral Documents) of the U.S. Borrowers (other than EMCOR International Inc.) and the U.S. Subsidiaries which are Guarantors (other than EMCOR International Inc.) and, subject to the provisions of this Section 4.1, all capital stock of all Guarantors (other than EMCOR International Inc.), together with all instruments, securities, chattel paper and intangibles of the U.S. Borrowers (other than EMCOR International Inc.) and the U.S. Subsidiaries which are Guarantors (other than EMCOR International Inc.) and all proceeds of the foregoing, and (ii) of the U.K. Borrowers shall be secured by valid and perfected first Liens on all inventory, accounts receivable, equipment and personal property (as further described in the Collateral Documents) of the U.S. Borrowers, U.K. Borrowers, the U.S. Subsidiaries which are Guarantors and the U.K. Subsidiaries which are Guarantors, subject to the provisions of this Section 4.1, all capital stock of all Guarantors, together with all instruments, securities, chattel paper and intangibles of the U.S. Borrowers, the U.K. Borrowers, the U.S.

Subsidiaries which are Guarantors and the U.K. Subsidiaries which are Guarantors and all proceeds of the foregoing; *provided however* that unless and until the Required Lenders otherwise elect: (x) the Borrowers and the Guarantors shall not be required to note the Agent's Lien on any certificate of title issued for a vehicle or to perfect a Lien on fixtures, and (y) no Guarantor, the fair market value of whose assets aggregate less than \$5,000,000 shall be required to grant Liens on its assets to the Agent, *further provided* that:

(i) Liens on (a) any contract (or modification thereof) (a "*Contract*") to which any Guarantor is a party ("*Contractor*"), the performance of which is guaranteed by any bond, undertaking, instrument of guarantee or any continuation, extension, alteration, renewal or substitution thereof, executed by any bonding company of a Contractor; (b) any subcontract or purchase order and against any legal entity and its bonding company which has contracted with a Contractor to furnish labor, materials, equipment, and supplies in connection with any Contract; (c) monies, Contract balances, due or to become due any Contractor on any Contract, including all monies earned or unearned which are unpaid at the time of notification by a bonding company to the obligee of the bonding company's rights under any agreement of indemnity with a Contractor; (d) any actions, causes of action, claims or demands whatsoever which a Contractor may have or acquire against any party to a Contract or arising out of or in connection with any Contract, including but not limited to those against obligees and design professionals any bonding company or bonding companies of any obligee; (e) any and all rights, title, interest in, or use of any patent, copyright or trade secret which is or may be necessary for the completion of any bonded work; (f) all monies due or to become due to a Contractor on any policy of insurance relating to any claims arising out of the performance of any Contract or to premium refunds, including, but not limited to, builders risk, fire, employee dishonesty or workers' compensation policies; (g) all supplies, tools, plants, material, inventory, and equipment (whether completely manufactured or not), wherever located, which have been or hereafter may be purchased, used, or acquired for use, entirely or partly, in connection with or to be incorporated into the matter that is the subject of any Contract; (h) all amounts that may be owing from time to time by a bonding company to a Contractor or any Guarantor in any capacity including, without limitation, any balance or share belonging to such Contractor or Guarantor or any deposit or other account with a bonding company; and (i) other assets required by bonding companies to be collateral in connection with their issuance of payment and/or performance bonds, may in each case be subject to prior Liens in favor of bonding companies to secure obligations in connection with such payment and performance bonds, in each case to the extent such bonds are permitted hereunder;

(ii) no Lien need be granted on any asset subject to a lien permitted by Section 7.11(e), (i), (l) (as to Liens on fixed assets only), (m) or (n);

(iii) no Lien need be granted on the capital stock of an Unrestricted Subsidiary or on the capital stock or assets of a corporation identified on Schedule 5.2 as a designated Foreign Subsidiary;

(iv) Liens granted shall be subject and may be subordinate to Liens permitted by Section 7.11 hereof;

(v) Liens need not be perfected by possession or control (but may be perfected by the filing of a financing statement) on (A) notes receivable having a fair value of less than \$5,000,000 in any instance and \$40,000,000 in the aggregate, (B) bonds or notes pledged to the City of New York in lieu of retainage or (C) on equity securities (other than capital stock of Restricted Subsidiaries to the extent required hereby) having a fair value of less than \$5,000,000 in any instance and \$40,000,000 in the aggregate;

(vi) no Lien need be granted on any contract, license, permit or franchise, that validly prohibits the creation, attachment, or perfection of a security interest in favor of the Agent of a security interest in such contract, license, permit or franchise (or in any rights or property obtained by such Person under such contract, license, permit or franchise);

(vii) no Lien need be granted on any rights or property to the extent that any valid and enforceable law or regulation applicable to such rights or property prohibits the creation of a security interest therein;

(viii) no Lien need be granted on any rights or property to the extent that such rights or property secure purchase money financing therefor permitted by this Credit Agreement and the agreements providing such purchase money financing prohibit the creation of a further security interest therein; and

(ix) Liens on deposit accounts, securities accounts and commodity accounts maintained by the Borrowers and the Guarantors need not be perfected by entering into a control agreement or otherwise.

The Borrowers agree that they will, and will cause the Guarantors to, from time to time at the request of the Agent or the Required Lenders execute and deliver such documents, security agreements, assignments, pledges, hypothecs or charges and do such acts and things as the Agent or the Required Lenders may reasonably request in order to provide for or perfect such Liens on the Collateral. Notwithstanding anything to the contrary contained herein or in any other Loan Document, the Collateral owned by the U.K. Subsidiaries, EMCOR International Inc. and any other CFC whose assets are included as part of the Collateral (including without limitation equity interests in other U.K. Subsidiaries) shall secure solely the indebtedness, liabilities and obligations of the U.K. Subsidiaries and any CFC hereunder and under the other Loan Documents and not the indebtedness, liabilities and obligations of the U.S. Borrowers and the U.S. Subsidiaries hereunder and under the other Loan Documents. Notwithstanding the foregoing, the portion of the capital stock of each U.K. Subsidiary, EMCOR International Inc. and any other CFC owned by the Company or a U.S. Subsidiary and constituting Collateral in excess of 65% of the total issued and outstanding capital stock of such Subsidiary (herein, the "*Excess Stock Collateral*") shall secure only the indebtedness liabilities and obligations of U.K. Subsidiaries and/or any other CFC hereunder and under the other Loan Documents. In no event shall the Excess Stock Collateral secure the indebtedness, liabilities and obligations of the U.S.

Borrowers or the U.S. Subsidiaries hereunder or under the other Loan Documents. Notwithstanding the foregoing, no Lien need be granted on the capital stock of a captive insurance company or captive surety company if the granting of such Lien would violate applicable law or require the consent of any applicable regulatory body.

Section 4.2. The Guarantees. The Obligations and Hedging Liability (i) of the U.S. Borrowers shall be fully guaranteed by the Company and the U.S. Subsidiaries which are Guarantors (other than EMCOR International Inc.) and (ii) of the U.K. Borrowers shall be fully guaranteed by the Company, the U.S. Subsidiaries and the U.K. Subsidiaries in each case which are Guarantors. Subject to Section 4.1 and except as otherwise required in Section 4.1, the Required Lenders may from time to time require any Restricted Subsidiary (other than any Restricted Subsidiary (i) which is not a Wholly-Owned Subsidiary, (ii) which is a CFC but not a UK Subsidiary or (iii) which is a captive insurance company or captive surety company) to provide a Guaranty Agreement and Liens on its assets in which event the Company shall within 30 days of request cause such Restricted Subsidiary to execute and deliver a Guaranty Agreement to the Agent together with such supporting resolutions, opinions and other showings as the Agent may reasonably require. Notwithstanding anything herein to the contrary, no Guaranty Agreement delivered by any U.K. Subsidiary or EMCOR International Inc. shall guarantee, and no U.K. Subsidiary nor EMCOR International Inc. shall be obligated to make any payment in respect of, the Obligations and Hedging Liability of the U.S. Borrower and the U.S. Subsidiaries which are Guarantors.

SECTION 5. REPRESENTATIONS AND WARRANTIES.

Each Borrower represents and warrants to the Agent and the Lenders as follows:

Section 5.1. Organization and Qualification. Each Borrower is duly organized, validly existing and in good standing (or their equivalents under applicable local law) as a corporation, limited liability company or partnership under the laws of the jurisdiction in which it is incorporated or organized, as the case may be, has full and adequate power to own its Property and conduct its business as now conducted, and is duly licensed or qualified and in good standing in each jurisdiction in which the failure to be so qualified would have a Material Adverse Effect.

Section 5.2. Subsidiaries. Except as set forth in the Side Letter, each Restricted Subsidiary is duly organized, validly existing and in good standing (or their equivalents under applicable local law) under the laws of the jurisdiction in which it is incorporated or organized, as the case may be, has full and adequate power to own its Property and conduct its business as now conducted, and is duly licensed or qualified and in good standing in each jurisdiction in which the failure to be so qualified or in good standing would have a Material Adverse Effect. As of the date hereof, Schedule 5.2 hereto identifies each Restricted Subsidiary, the jurisdiction of its incorporation or organization, as the case may be, the percentage of issued and outstanding shares of each class of its capital stock or other equity interests owned by the Company and the Restricted Subsidiaries and, if such percentage is not 100% (excluding directors' qualifying shares as required by law), a description of each class of its authorized capital stock and other equity interests and the number of shares of each class issued and outstanding and the Company will notify the Agent of any material changes in such information. All of the outstanding shares

of capital stock and other equity interests of each such Subsidiary are validly issued and outstanding and fully paid and nonassessable (except for the provisions of Section 630 of the Business Corporation Law of the State of New York, as to New York corporations) and as of the date hereof all such shares and other equity interests indicated on Schedule 5.2 as owned by the Company or a Restricted Subsidiary are as of the date hereof owned, beneficially and of record, by the Company or such Restricted Subsidiary free and clear of all Liens not permitted hereby. There are no outstanding commitments or other obligations of any Restricted Subsidiary 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 Restricted Subsidiary except in favor of the Company or a Restricted Subsidiary.

Section 5.3. Corporate Authority and Validity of Obligations. Each Borrower has full right and authority to enter into this Agreement and the other Loan Documents to which it is a party, to make the borrowings herein provided for, to grant to the Agent the Liens provided for in the Collateral Documents being executed by it, and to perform all of its obligations hereunder and under the other Loan Documents to which it is a party. Each Guarantor has full right and authority to enter into the Loan Documents to which it is a party, to grant to the Agent the Liens provided for in the Collateral Documents executed by it and to perform all of its obligations under such Loan Documents. The Loan Documents have been duly authorized, executed and delivered by the Borrowers and Guarantors and constitute valid and binding obligations of the Borrowers and Guarantors enforceable in accordance with their terms except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law); and this Agreement and the other Loan Documents do not, nor does the performance or observance by any Borrower or Guarantor of any of the matters and things herein or therein provided for, contravene or constitute a default under any provision of law or any judgment, injunction, order or decree binding upon any Borrower or Guarantor or any provision of the charter, articles of incorporation or organization or by-laws of any Borrower or Guarantor or any covenant, indenture or agreement of the Borrowers or Guarantors or affecting any of their Properties, or result in the creation or imposition of any Lien on any Property of the Borrowers or Guarantors.

Section 5.4. Use of Proceeds; Margin Stock. The Borrowers shall use the proceeds of the Loans and other extensions of credit made available hereunder (i) to refinance existing indebtedness including indebtedness, obligations (other than Existing Letters of Credit) and liabilities under the Existing Credit Agreement, (ii) to support the issuance of Letters of Credit (including Existing Letters of Credit), (iii) to finance the Permitted Acquisitions and capital expenditures, and for their working capital and general corporate purposes, and (iv) to fund certain fees and expenses incurred in connection with the closing of the transaction contemplated hereby. Neither the Borrowers nor any Subsidiary is engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System), and no part of the proceeds of any Revolving Loan or any other extension of credit made hereunder will be used to purchase or carry any such margin stock in a manner that would result in a violation of Regulation U or to extend credit to others for the purpose of purchasing or carrying any such margin stock.

Section 5.5. Financial Reports. The consolidated balance sheet of the Company and its Subsidiaries as at December 31, 2018 and the related consolidated statements of operations, cash flows and shareholders' equity of the Company and its Subsidiaries for the fiscal year then ended, and accompanying notes thereto, which consolidated financial statements are accompanied by the audit report of Ernst & Young LLP, an independent registered public accounting firm, and the unaudited interim condensed consolidated balance sheet of the Company and its Subsidiaries as at September 30, 2019 and the related interim condensed consolidated statements of operations, cash flows and shareholders' equity of the Company and its Subsidiaries for the nine (9) months then ended heretofore furnished to the Lenders, fairly present in all material respects the consolidated financial condition of the Company and its Subsidiaries as at said dates and the results of their operations and cash flows for the periods then ended in conformity with generally accepted accounting principles applied on a consistent basis, but subject, in the case of such interim condensed financial statements on the related notes thereto, to year end audit adjustments which are not expected to be material. Except as disclosed in the Side Letter, neither the Company nor any Restricted Subsidiary has, to the best of its knowledge, contingent liabilities which could reasonably be expected to have a Material Adverse Effect other than as indicated on such financial statements (including the notes thereof) or, as to each reaffirmation of this sentence's representation and warranty in the future, on the most recent financial statements or the related notes thereto which are to be provided to the Lenders pursuant to Section 7.5 hereof.

Section 5.6. No Material Adverse Change. Since December 31, 2018, there has been no change in the condition (financial or otherwise) or business of the Company and its Restricted Subsidiaries which could reasonably be expected to have a Material Adverse Effect.

Section 5.7. Full Disclosure. The written statements and written information furnished by or on behalf of the Borrowers to the Agent and the Lenders through the date hereof in connection with the negotiation of this Agreement and the other Loan Documents and the commitments by the Lenders to provide all or part of the financing contemplated hereby do not, taken as a whole, contain any untrue statements of a material fact or omit a material fact necessary to make the material statements contained herein or therein not misleading in light of the circumstances in which such statements were made, the Lenders acknowledging that as to any projections furnished to the Lenders by or on behalf of the Borrowers, the Borrowers only represent that the same were prepared on the basis of information and estimates the Borrowers believed to be reasonable. On the Closing Date, the information included in the Beneficial Ownership Certification most recently delivered to the Agent and the Lenders in respect of each Borrower is true and correct in all respects.

Section 5.8. Good Title. Except to the extent heretofore disclosed on the Schedules to this Agreement or in the Side Letter, as of the date hereof the Company and the Restricted Subsidiaries have in all material respects good and marketable title to their real property and good and merchantable title to the balance of their assets as reflected on the most recent balance sheets of the Company and its Restricted Subsidiaries furnished to the Lenders (except for sales of assets by the Borrowers and their Restricted Subsidiaries in the ordinary course of business), subject to no Liens other than such thereof as are permitted by Section 7.11 hereof.

Section 5.9. Litigation and Other Controversies. Except as disclosed in the Side Letter, there is no litigation or governmental proceeding or labor controversy pending, nor to the knowledge of any Borrower threatened, against any Borrower or Restricted Subsidiary which would reasonably be expected to (a) impair the validity or enforceability of, or impair the ability of any Borrower or Guarantor to perform its obligations under, this Agreement or any other Loan Document or (b) have a Material Adverse Effect.

Section 5.10. Taxes. All tax returns which, to the best knowledge of the Company, are required to be filed by the Company or any Restricted Subsidiary in any jurisdiction have, in fact, been filed, and all taxes, assessments, fees and other governmental charges upon the Company or any Restricted Subsidiary or upon any of their respective Properties, income or franchises, which are shown to be due and payable in such returns, have been paid to the extent due, in each case except where the failure to do so would not cause a Material Adverse Effect. The Borrowers do not know of any material proposed additional tax assessment against them or the Restricted Subsidiaries for which adequate provision in accordance with GAAP has not been made in their respective financial statements. Adequate provisions in accordance with GAAP for taxes on the books of the Company, each other Borrower and each Restricted Subsidiary have been made for all open years, and for its current fiscal period.

Section 5.11. Approvals. No authorization, consent, license, or exemption from, or filing or registration with, any court or governmental department, agency or instrumentality, nor any approval or consent of the stockholders of the Borrowers or any other Person, is or will be necessary to the valid execution, delivery or performance by the Borrowers or Guarantors of this Agreement or any other Loan Document, other than the stockholders of the Guarantors.

Section 5.12. Affiliate Transactions. No Borrower nor any Restricted Subsidiary is a party to any contract or agreement with any of its Affiliates (other than contracts and agreements between and among the Borrowers and Restricted Subsidiaries) on terms and conditions which are less favorable to such Borrower or such Restricted Subsidiary than would be usual and customary in similar contracts or agreements between Persons not affiliated with each other than any such contract or agreement which could not reasonably be expected to have a Material Adverse Effect.

Section 5.13. Investment Company. No Borrower nor any Subsidiary is an “investment company” or a company “controlled” by an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

Section 5.14. ERISA. Except to the extent heretofore disclosed in writing to the Lenders, to the best of the Company’s knowledge, each Borrower and each other member of its Controlled Group has fulfilled its obligations under the minimum funding standards of and is in compliance in all material respects with ERISA and the Code to the extent applicable to it and has not incurred any material liability to the PBGC or a Plan (other than material liabilities arising in the future under a multiemployer plan as defined in Section 4001(c)(3) of ERISA which could not reasonably be expected to have a Material Adverse Effect) under Title IV of ERISA other than a material liability to the PBGC for premiums under Section 4007 of ERISA. Except as set forth in the Side Letter, as of the date hereof no Borrower nor any Restricted Subsidiary has any contingent liabilities with respect to any post-retirement benefits under a Welfare Plan, other than liability for continuation coverage described in Article 6 of Title I of ERISA.

Section 5.15. Compliance with Laws. Each Borrower and each Restricted Subsidiary is in compliance with the requirements of all federal, governmental (whether national, supra-national or otherwise), state, provincial and local laws, rules and regulations applicable to or pertaining to their Properties or business operations (including, without limitation, the Occupational Safety and Health Act of 1970, the Americans with Disabilities Act of 1990, and laws and regulations establishing quality criteria and standards for air, water, land and toxic or hazardous wastes and substances), except for such non-compliance with the same which could not reasonably be expected to have any Material Adverse Effect. No Borrower nor any Restricted Subsidiary has received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, governmental (whether national, supra-national or otherwise), state, provincial or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could reasonably be expected to have a Material Adverse Effect.

Section 5.16. Other Agreements. No Borrower nor any Restricted Subsidiary is in default under the terms of any covenant, indenture or agreement of or affecting any Borrower, any Restricted Subsidiary or any of their Properties, which default if uncured could reasonably be expected to have a Material Adverse Effect.

Section 5.17. No Default. No Default or Event of Default has occurred and is continuing.

Section 5.18. Solvency. Each Borrower is solvent, able to pay its debts as they become due, and has sufficient capital to carry on its business and all businesses in which it is about to engage.

Section 5.19. OFAC; Anti-Corruption Laws and Sanctions.

 (a)- OFAC. (i) Each Borrower is in compliance with the requirements of all OFAC Sanctions Programs applicable to it, (ii) each Restricted Subsidiary is in compliance with the requirements of all OFAC Sanctions Programs applicable to such Subsidiary, (iii) the Borrowers have provided to the Agent, the Issuers, and the Lenders all information requested in writing by the Agent regarding the Borrowers, their Affiliates and the Restricted Subsidiaries necessary for the Agent, the Issuer, and the Lenders to comply with all applicable OFAC Sanctions Programs, and (iv) to the best of the Company's knowledge, no Borrower or any Affiliates or Restricted Subsidiaries is, as of the date hereof, named on the current OFAC SDN List.

(b) *Anti-Corruption Laws and Sanctions.* The Company has implemented and maintains in effect policies and procedures designed to ensure compliance by the Company, its Subsidiaries and their respective directors, officers and employees with Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions, and the Company, its Subsidiaries and their respective directors, officers and employees are in compliance with Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions in all material respects. None of the Company, any Subsidiary or any of their respective directors, officers or employees is a Sanctioned Person or currently the subject or target of any Sanctions. No Borrowing or Letter of Credit, use of proceeds or other transaction contemplated by the Credit Agreement will violate Anti-Corruption Laws or Sanctions applicable to any party hereto.

Section 5.20. ~~EEA~~Affected Financial Institution. No Borrower or Guarantor is an ~~EEA~~Affected Financial Institution.

SECTION 6. CONDITIONS PRECEDENT.

The obligation of each Lender to advance a Borrowing or of the Issuer to issue, extend the expiration date (including by not giving notice of non-renewal) of or increase the amount of any Letter of Credit under this Agreement, shall be subject to the following conditions precedent:

Section 6.1. *All Credit Utilizations.* The obligation of the Lenders to provide any Borrower with any Credit Utilization (including the first such Credit Utilization) shall be subject to the conditions precedent that as of the time of each such Credit Utilization:

(a) each of the representations and warranties set forth herein and in the other Loan Documents shall be and remain true and correct in all material respects (or if such representation and warranty is already qualified by materially or Material Adverse Effect, in all respects) as of said time, except to the extent the same expressly relate to an earlier date (in which case such representation and/or warranty shall be true and correct in all material respects (or if such representation and warranty is already qualified by materially or Material Adverse Effect, in all respects) as of such earlier date);

(b) the Borrowers and Guarantors shall be in compliance with all of the terms and conditions hereof and of the other Loan Documents, and no Default or Event of Default shall have occurred and be continuing or would occur as a result of such Credit Utilization;

(c) after giving effect to such Credit Utilization, (i) the Revolving Credit Exposure for all Lenders shall not exceed the Aggregate Revolving Commitments then in effect, (ii) the U.S. Revolving Credit Exposure for all Lenders shall not exceed the U.S. Dollar Commitments then in effect, (iii) the aggregate principal amount of all Multicurrency Revolving Loans shall not exceed the Multicurrency Commitments then in effect, (iv) the aggregate principal amount of the Loans made to any Borrower and of L/C Obligations in respect of Letters of Credit issued for such Borrower's account shall not exceed any applicable Sublimit, (v) the aggregate principal amount of Swing Loans outstanding to the Company shall not exceed the Swing Line Sublimit and (vi) the aggregate outstanding amount of the L/C Obligations shall not exceed the lesser of the Aggregate Revolving Commitments or the applicable L/C Sublimit;

(d) such Credit Utilization shall not violate any order, judgment or decree of any court or other authority or any provision of law or regulation applicable to the Agent or any Lender (including, without limitation, Regulation U of the Board of Governors of the Federal Reserve System) as then in effect (the Lenders acknowledging that as of the date hereof they know of none of such other than the restrictions of Regulation U);

(e) in the case of the issuance of any Letter of Credit, the Applicable Issuer shall have received a properly completed Application therefor and, in the case of an

extension or increase in the amount of the Letter of Credit, the Applicable Issuer shall have received a written request therefor, in a form acceptable to the Applicable Issuer, with such Application or written request, in each case to be accompanied by the fees required by this Agreement; and

(f) in any case in which a Revolving Loan is to be made available to a Borrower to enable the acquisition of shares in a company incorporated in England and Wales, the applicable Borrower shall have complied with the provisions of Chapter VI of the Companies Act 1985 (or any statutory re-enactment of that Act) and obtained all such approvals and other matters as are required by that chapter to the satisfaction of the Agent.

Each request for a Credit Utilization hereunder shall be deemed to be a representation and warranty by the Borrowers on the date of such Credit Utilization as to the facts specified in this Section 6.1 (other than Subsection (d) or (e) above).

Section 6.2. Initial Credit Utilization for the Company. Before or concurrently with the initial Credit Utilization:

- (a) the Agent shall have received for each Lender this Agreement duly executed by the Borrowers and the Lenders;
- (b) to the extent requested by a Lender, the Agent shall have received such Lender's duly executed Notes of the Borrowers dated the date hereof and otherwise in compliance with the provisions hereof;
- (c) the Agent shall have received that certain Sixth Amended and Restated Security Agreement, that certain Sixth Amended and Restated Pledge Agreement, and that certain Fifth Amended and Restated Guaranty Agreement, in each case duly executed by the Company and the other applicable Guarantors, together with (to the extent not already on file with the Agent) (i) original stock certificates or other similar instruments or securities representing substantially all of the issued and outstanding shares of capital stock or other equity interests in the Restricted Subsidiaries (other than the Company's Subsidiary organized under the laws of the Commonwealth of Puerto Rico) as of the date hereof, (ii) stock powers for the Collateral consisting of the stock or other equity interest in each Restricted Subsidiary executed in blank and undated, (iii) UCC financing statements to be filed against the Company and each Subsidiary that is party to a Collateral Document, as debtor, in favor of the Agent, as secured party, and (iv) patent, trademark, and copyright collateral agreements, to the extent requested by the Agent;
- (d) to the extent not currently on file with the Agent, the Agent shall have received evidence of insurance required to be maintained under the Loan Documents (including endorsements), naming the Agent as additional insured and lender's loss payee with respect to policies covering insurable Property;

(e) the Agent shall have received for each Lender copies of the Company's and each other applicable Guarantor's articles of incorporation and bylaws (or comparable organizational documents) and any amendments thereto, certified in each instance by its Secretary or Clerk or Assistant Secretary or Assistant Clerk;

(f) the Agent shall have received for each Lender copies of resolutions of the Company's and each other applicable Guarantor's Board of Directors (or similar governing body) authorizing the execution, delivery and performance of this Agreement and the other Loan Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby, together with specimen signatures of the persons authorized to execute such documents on the Company's and each applicable Guarantor's behalf, all certified in each instance by its Secretary or Clerk or Assistant Secretary or Assistant Clerk;

(g) the Agent shall have received for each Lender copies of the certificates of good standing for the Company and each other applicable Guarantor (dated no earlier than 30 days prior to the date hereof) from the office of the secretary of the state or other applicable governmental office in its incorporation or organization;

(h) the Agent shall have received for each Lender a list of the Company's Authorized Representatives;

(i) the Agent shall have received for itself and for the Lenders the initial fees called for by Section 3.2 hereof;

(j) each Lender shall have received such evaluations and certifications as it may reasonably require in order to satisfy itself as to the value of the Collateral, the financial condition of the Company and the Guarantors, and the lack of material contingent liabilities of the Company and the Guarantors;

(k) the Agent shall have received financing statement search results against the personal Property of the Company and each applicable Guarantor evidencing the absence of Liens on their personal Property except as permitted by Section 7.11 hereof and searches (in form and substance satisfactory to the Agent) conducted at all relevant registries affecting the Company, such Guarantors or their respective personal Property and all registrations reasonably required by the Agent in respect of the Liens created under the Collateral Documents shall have been completed;

(l) the Agent shall have received for each Lender the favorable written opinion of counsel to the Company and each applicable Guarantor, in form and substance satisfactory to the Agent;

(m) the Agent shall have received for the account of the Lenders such other agreements, instruments, documents, certificates, and opinions as the Agent may reasonably request;

(n) the Agent shall have received the consolidated five-year projected financial statements of the Company and its Restricted Subsidiaries;

(o) since December 31, 2018, no material adverse change in the business, condition (financial or otherwise), operations, performance or Properties of the Company and its Restricted Subsidiaries, taken as a whole, shall have occurred; and

(p) each of the Lenders shall have received, sufficiently in advance of the Closing Date (i) all documentation and other information requested by any such Lender required by bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including without limitation, the United States Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) and the Beneficial Ownership Regulations including, without limitation, the information described in Section 13.24 and (ii) to the extent any Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, a Beneficial Ownership Certification in relation to such Borrower; and the Agent shall have received a fully executed Internal Revenue Service Form W-9 (or its equivalent) for the Borrowers and the Guarantors.

Section 6.3. Credit Utilization for the U.K. Borrower.

~~—(a)—~~ Before or concurrently with the initial Credit Utilization for any U.K. Borrower:

(i) the Agent shall have received the Guaranty Agreements from the Company and the ~~U.S.~~ Guarantors organized in the United States;

(ii) the Agent shall have received for each Lender copies of the U.K. Borrower’s and each applicable Guarantor’s articles of incorporation and bylaws (or comparable organizational documents) and any amendments thereto, certified in each instance by its Secretary or Clerk or Assistant Secretary or Assistant Clerk;

(iii) the Agent shall have received for each Lender copies of resolutions of the U.K. Borrower’s and each applicable Guarantor’s Board of Directors (or similar governing body) authorizing the execution, delivery and performance of this Agreement and the other Loan Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby, together with specimen signatures of the persons authorized to execute such documents on each of the U.K. Borrower’s and Guarantor’s behalf, all certified in each instance by its Secretary or Clerk or Assistant Secretary or Assistant Clerk;

(iv) the Agent shall have received for each Lender a list of the U.K. Borrower’s Authorized Representative; and

(v) each of the Lenders shall have received, sufficiently in advance of the initial Credit Utilization (i) all documentation and other information requested by any

such Lender required by bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including without limitation, the United States Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) and the Beneficial Ownership Regulations including, without limitation, the information described in Section 13.24 and (ii) to the extent any Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, a Beneficial Ownership Certification in relation to such Borrower; and the Agent shall have received a fully executed Internal Revenue Service Form W-9 (or its equivalent) for the U.K. Borrower and the applicable Guarantors; and

(vi) the Agent shall have received for the account of the Lenders such other agreements, instruments, documents, certificates, and opinions as the Agent may reasonably request;

(b) each U.K. Borrower shall, not later than 60 days after the date of the initial advance of such Loan or the initial issuance of such Letter of Credit (whichever occurs first), the U.K. Borrowers shall deliver to the Agent, in form and substance satisfactory to the Agent, the following:

(i) the Agent shall have received the Guaranty Agreements and Collateral Documents from the U.K. Borrower and applicable Guarantors required by Section 4.1 and 4.2 hereof together with: (A) original stock certificates or other similar instruments or securities representing substantially all of the issued and outstanding shares of capital stock or other equity interests in the Restricted Subsidiaries that are not U.S. Subsidiaries and otherwise required to be pledged, (B) stock powers for the Collateral consisting of the stock or other equity interest in each such Restricted Subsidiary executed in blank and undated, (C) UCC financing statements (or similar filings) to be filed against the U.K. Borrower and each Subsidiary that is party to a Collateral Document, as debtor, in favor of the Agent, as secured party, and (D) patent, trademark, and copyright collateral agreements, to the extent requested by the Agent;

(ii) to the extent not currently on file with the Agent, the Agent shall have received evidence of insurance required to be maintained under the Loan Documents (including endorsements), naming the Agent as additional insured and lender’s loss payee with respect to policies covering insurable Property of the U.K. Borrower and the applicable Guarantors;

(iii) the Agent shall have received for each Lender copies of the certificates of good standing (or comparable certificates) for the U.K. Borrower and, if applicable, such Guarantor (dated no earlier than 30 days prior to the date hereof) from the office of the secretary of the state or other applicable governmental office in its incorporation or organization;

(iv) the Agent shall have received for each Lender the favorable written opinion of counsel to the U.K. Borrower and, if applicable each Guarantor, in form and substance satisfactory to the Agent, and, if applicable, legal opinions of foreign counsel

and supporting documentation therefor with respect to, among other things, the liens on capital stock or other equity interests of Foreign Subsidiaries required by Section 4.1 hereof;

(v) the Agent shall have received lien search results against the personal Property of the U.K. Borrower and the applicable Guarantors evidencing the absence of Liens on their personal Property except as permitted by Section 7.11 hereof and searches (in form and substance satisfactory to the Agent) conducted at all relevant registries affecting the U.K. Borrower, the applicable Guarantors or their respective personal Property and all registrations reasonably required by the Agent in respect of the Liens created under the Collateral Documents shall have been completed; and

(vi) the Agent shall have received for the account of the Lenders such other agreements, instruments, documents, certificates, and opinions as the Agent may reasonably request.

SECTION 7. COVENANTS.

The Borrowers agree that, so long as any credit is available to or in use by or any amount is owing by the Borrowers hereunder, except to the extent compliance in any case or cases is waived in writing by the Required Lenders:

Section 7.1. Maintenance of Business. The Borrowers shall, and shall cause each Restricted Subsidiary to, preserve and keep in force and effect its existence and all leases, licenses and permits necessary to the proper conduct of its and their respective businesses except with respect to any Restricted Subsidiary to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect, provided that the foregoing shall not preclude the termination or discontinuance of any of such in connection with a Disposition of substantially all of the assets of the Restricted Subsidiary in question or the merger or dissolution of same in each instance to the extent permitted by Section 7.14 hereof.

Section 7.2. Maintenance of Property. The Borrowers shall maintain, preserve and keep their material plant, Properties and equipment used in the conduct of their respective businesses in good repair, working order and condition (ordinary wear and tear excepted), shall from time to time make all needful and proper repairs, renewals, replacements, additions and betterments thereto so that at all times the overall efficiency thereof shall be preserved and maintained in all material respects, and shall cause each Restricted Subsidiary so to do in respect of its material plant, Properties and equipment.

Section 7.3. Taxes and Assessments. The Borrowers shall duly pay and discharge, and shall cause each Restricted Subsidiary to duly pay and discharge, all material taxes, rates, assessments, fees and governmental charges upon or against the Borrowers or any Restricted Subsidiary or against their respective Properties, in each case before the same become delinquent and before penalties accrue thereon, unless and to the extent that the same are being contested in good faith and by appropriate proceedings which prevent enforcement of the matter under contest and adequate reserves are provided therefor.

Section 7.4. Insurance. The Borrowers shall insure and keep insured, and shall cause each Restricted Subsidiary to insure and keep insured, with insurance companies reasonably believed by them to be responsible, all insurable Property owned by them which is of a character usually insured by Persons similarly situated and operating like Properties against loss or damage from such hazards and risks, and in such amounts, as are insured by Persons similarly situated and operating like Properties, and the Borrowers shall insure, and cause each Restricted Subsidiary to insure, such other hazards and risks (including employers' and public liability risks) with insurance companies reasonably believed by them to be good and responsible as and to the extent usually insured by Persons similarly situated and conducting similar businesses, it being agreed that the foregoing shall not preclude the Borrowers and the Restricted Subsidiaries from directly or indirectly self-insuring risks as and to the extent prudent and customary for companies similarly situated. The Borrowers shall in any event maintain insurance on the Collateral to the extent required by the Collateral Documents. The Borrowers shall upon request of the Agent furnish a certificate setting forth in summary form the nature and extent of the insurance maintained pursuant to this Section 7.4.

Section 7.5. Financial Reports and Rights of Inspection. The Borrowers shall, and shall cause each Restricted Subsidiary to, maintain a system of accounting in accordance with GAAP and shall furnish to the Agent, each Lender and each of their duly authorized representatives such information respecting the business and financial condition of the Borrowers and their Restricted Subsidiaries as the Agent or such Lender may reasonably request; and without any request, shall furnish to the Lenders:

(a) as soon as available, and in any event within forty-five (45) days after the close of each of the first three quarterly accounting periods of each fiscal year of the Company, a copy of the condensed consolidated balance sheet of the Company and its Subsidiaries as of the last day of such period and the condensed consolidated statements of operations for such period and for the fiscal year to date and statements of cash flows and shareholders' equity of the Company and its Subsidiaries for the fiscal year to date, each in reasonable detail and showing in comparative form the figures for the corresponding date and period in the previous fiscal year, in the case of the condensed consolidated financial statements only, prepared by the Company in accordance with GAAP (subject to year-end audit adjustments which are not expected to be material and to the absence of footnotes);

(b) as soon as available, and in any event within ninety (90) days after the close of each annual accounting period of the Company, a copy of the consolidated balance sheet of the Company and its Subsidiaries as of the last day of the period then ended and the consolidated statements of operations, cash flows and shareholders' equity of the Company and its Subsidiaries for the period then ended, and accompanying notes thereto, each in reasonable detail showing in comparative form the figures for the previous fiscal year, accompanied by an unqualified opinion, in accordance with generally accepted auditing standards, of Ernst & Young LLP or another independent registered public accounting firm of national standing, selected by the Company and reasonably satisfactory to the Required Lenders;

(c) within the period provided in subsection (b) above, the written statement of the accountants who certified the audit report thereby required that in the course of their audit they have obtained no knowledge of any Default or Event of Default, or, if such accountants have obtained knowledge of any such Default or Event of Default, they shall disclose in such statement the nature and period of existence thereof;

(d) (i) as soon as available, and in any event within forty-five (45) days after the close of each quarterly accounting period of the Company, a work-in-progress report in reasonable detail prepared by the Company;

(ii) promptly upon the request of any Lender, an accounts receivable and accounts payable aging together with a claims report (detailing individual claims for which the amount recorded on books of the Company is in excess of \$50,000,000), each in reasonable detail prepared by the Company;

(e) promptly after receipt of final copies thereof, any additional written reports, or other detailed information contained in writing concerning significant aspects of any Borrower's or any Restricted Subsidiary's operations and financial affairs given to it by its independent public accountants;

(f) as soon as available, and in any event within ninety (90) days following the end of each fiscal year of the Company, a copy of the Company's consolidated operating budget for the following fiscal year, such operating budget to show the Company's projected consolidated revenues, expenses and net income and to be in reasonable detail prepared by the Company and in form reasonably satisfactory to the Agent;

(g) promptly after knowledge thereof shall have come to the attention of the chief executive or chief financial officer of the Company, written notice of (i) any pending litigation or governmental proceeding or labor controversy against any Borrower or Restricted Subsidiary which could reasonably be expected to have a Material Adverse Effect or (ii) any threatened litigation, governmental proceeding or labor controversy against any Borrower or Restricted Subsidiary which the Company or such Borrower or Restricted Subsidiary in good faith believes could reasonably be expected to have a Material Adverse Effect or (iii) the occurrence of any Default or Event of Default hereunder;

(h) promptly after knowledge thereof shall have come to the attention of the chief executive or chief financial officer of the Company, written notice of (i) the occurrence and continuance of any event of default as defined in an Indemnity Agreement that is likely to result in a Material Adverse Effect or (ii) any fact, condition or event that only with giving of notice or the passage of time or both, would become such an event of default thereunder; and

(i) from time to time promptly upon request by any Lender, information and documentation reasonably requested by the Agent or any Lender for purposes of

compliance with applicable “know your customer” requirements under the PATRIOT Act, the Beneficial Ownership Regulation or other applicable anti-money laundering laws, including, solely to the extent applicable to any Borrower, either (i) confirmation of the accuracy of the information set forth in the most recent Beneficial Ownership Certification provided to Agent and the Lenders or (ii) if the information set forth in the most recent Beneficial Ownership Certification provided to Agent and the Lenders is no longer accurate, a new Beneficial Ownership Certification, in form and substance acceptable to Agent and each Lender.

Each of the financial statements furnished to the Lenders pursuant to subsections (a) and (b) of this Section 7.5 shall be accompanied by a written certificate in the form attached hereto as Exhibit B signed by an Authorized Representative of the Company to the effect that, to the best of such officer’s knowledge and belief, no Default or Event of Default has occurred during the period covered by such statements or, if any such Default or Event of Default has occurred during such period, setting forth a description of such Default or Event of Default and specifying the action, if any, taken by the Company to remedy the same. Such certificate submitted as of the last day of a calendar quarter shall also set forth the calculations supporting such statements in respect of Sections 7.7 and 7.8 of this Agreement as well as the calculation of the Applicable Margins.

The Borrowers shall, and shall cause each Restricted Subsidiary to, permit the Agent, the Lenders and their duly authorized representatives to visit and inspect any of the Properties of the Borrowers and Restricted Subsidiaries, to examine all of their books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers, employees and independent public accountants (and by this provision the Borrowers authorize such accountants to discuss with the Lenders (and such Persons as any Lender may designate, subject to reasonable arrangements for confidentiality) the finances and affairs of the Borrowers and the Restricted Subsidiaries) all upon reasonable notice at such reasonable times and as often as may be reasonably requested.

Section 7.6. No Restrictions. The Borrowers shall not permit any Restricted Subsidiary to enter into any contract or agreement after the date hereof prohibiting or restricting such Restricted Subsidiary from paying dividends or making loans and advances to the Company except (a) in the case of a Restricted Subsidiary formed or acquired to be a captive insurer or a captive surety, (b) where the amount of such dividends, loans or advances subject to such prohibitions and restrictions does not exceed \$25,000,000 in the aggregate at any one time, or (c) for customary covenants in respect of Indebtedness for Borrowed Money permitted by Sections 7.10(p) or (q) so long as such covenants do not restrict the Company or any Restricted Subsidiary from performing its obligations hereunder or under any other Loan Document.

Section 7.7. Leverage Ratio. The Company shall, as of the last day of each calendar quarter, maintain the Leverage Ratio of not more than the Maximum Leverage Ratio in effect at such time.

Section 7.8. Interest Coverage Ratio. The Company shall, as of the last day of each calendar quarter, maintain the Interest Coverage Ratio of not less than 3.00 to 1.

Section 7.9. Compliance with OFAC Sanctions Programs; Anti-Corruption Laws and Application Sanctions. (a) The Borrowers shall at all times comply with the requirements of all Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions applicable to the Borrowers and shall cause each of the Subsidiaries to comply with the requirements of all Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions applicable to such Subsidiary.

(b) The Borrowers shall provide the Agent, the Issuer, and the Lenders any information requested in writing by the Agent regarding the Borrowers, their Affiliates, and the Subsidiaries necessary for the Agent, the Issuer, and the Lenders to comply with all applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions; subject however, in the case of Affiliates, to such Borrower's ability to provide information applicable to them.

(c) If any Borrower obtains actual knowledge or receives any written notice that such Borrower, any Affiliate or any Restricted Subsidiary is named on the then current OFAC SDN List (such occurrence, an "*OFAC Event*"), such Borrower shall promptly (i) give written notice to the Agent, the Issuer, and the Lenders of such OFAC Event, and (ii) comply with all applicable laws with respect to such OFAC Event (regardless of whether the party included on the OFAC SDN List is located within the jurisdiction of the United States of America), including the OFAC Sanctions Programs, and the Borrowers hereby authorize and consent to the Agent, the Issuer, and the Lenders taking any and all steps the Agent, the Issuer, or the Lenders deem necessary, in their sole but reasonable discretion, to avoid violation of all applicable laws with respect to any such OFAC Event, including the requirements of the OFAC Sanctions Programs (including the freezing and/or blocking of assets and reporting such action to OFAC).

(d) The Company will maintain in effect and enforce policies and procedures designed to ensure compliance by the Company, its Subsidiaries and their respective directors, officers and employees with Anti-Corruption Laws, Anti-Money Laundering Laws, and applicable Sanctions.

Section 7.10. Indebtedness for Borrowed Money and Guarantees. The Borrowers shall not, nor shall they permit any of the Restricted Subsidiaries to, issue, incur, assume, create or have outstanding any Indebtedness for Borrowed Money, or provide a Guarantee for any such Indebtedness for Borrowed Money; *provided, however*, that the foregoing shall not restrict nor operate to prevent:

(a) the Obligations and Hedging Liability of the Borrowers and Restricted Subsidiaries owing to the Agent and the Lenders (and their Affiliates);

(b) existing Indebtedness for Borrowed Money set forth on Schedule 7.10 hereto;

(c) intercompany indebtedness owing by (i) the Company to Restricted Subsidiaries, (ii) a Restricted Subsidiary to the Company or another Restricted Subsidiary or (iii) the Company or a Restricted Subsidiary to Foreign Subsidiaries and Unrestricted Subsidiaries; *provided*, that the aggregate amount of the indebtedness permitted by this clause (iii) (when taken together with investments, loans and advances permitted by Section 7.12(i)(iv) hereof) shall not exceed the greater of (A) \$150,000,000 and (B) 3.5%

of Consolidated Total Assets as of the last day of the most recently ended fiscal quarter of the Company for which the Company shall have delivered financial statements pursuant to Section 7.5(a) or (b) hereof;

(d) Indebtedness for Borrowed Money consisting of the financing of insurance premiums in the ordinary course of business;

(e) liabilities in respect of letters of credit not otherwise permitted by this Section 7.10 if payment of such letters of credit is fully supported by a Letter of Credit;

(f) Indebtedness for Borrowed Money of any Person existing at the time such Person becomes a Restricted Subsidiary or assumed in connection with the acquisition of assets of any Person and, in each case, not incurred in contemplation of such Person becoming a Restricted Subsidiary or such assets being acquired; *provided* that before and after giving effect thereto, no Event of Default shall exist, including with respect to the covenants contained in Sections 7.7 and 7.8 hereof on a pro forma basis;

(g) indebtedness under Interest Rate Protection and Other Hedging Agreements entered into to hedge a risk of the Company and/or its Restricted Subsidiaries and not for speculation;

(h) any renewals, extensions or replacements of Indebtedness for Borrowed Money permitted under this Section 7.10 in an aggregate amount not in excess of the Indebtedness for Borrowed Money being renewed, extended or replaced;

(i) obligations arising out of agreements with respect to the issuance of credit cards (including virtual credit cards) or debit cards to either (i) employees of the Company or any Restricted Subsidiary, or (ii) the Company or any Restricted Subsidiary, in each case for use in connection with the business and affairs of such entities;

(j) obligations arising out of agreements with respect to the execution or processing of electronic transfer of funds by automatic clearing house transfer, wire transfer, or otherwise to or from any deposit account of the Company or any Restricted Subsidiary, the acceptance for deposit or the honoring for payment of any check, draft, or other item with respect to any such deposit accounts, and other deposit disbursement, and cash management services afforded to the Company and/or any Restricted Subsidiary;

(k) purchase money indebtedness and Finance Lease Obligations of the Company and its Restricted Subsidiaries in an amount not to exceed the greater of (i) \$150,000,000 and (ii) 3.5% of Consolidated Total Assets as of the last day of the most recently ended fiscal quarter of the Company for which the Company shall have delivered financial statements pursuant to Section 7.5(a) or (b) hereof;

(l) indebtedness resulting from a change in GAAP, if any, that requires real estate and/or equipment leases of the Company and its Restricted Subsidiaries to be reclassified from operating leases to Finance Leases;

(m) obligations arising pursuant to and in accordance with the Company's Voluntary Deferral Plan;

(n) (i) Performance Guarantees of the Company or a Restricted Subsidiary, (ii) contingent obligations arising from the issuance of Performance Guarantees, assurances, indemnities, bonds, letters of credit, or similar agreements in the ordinary course of business in respect of the contracts (other than contracts for Indebtedness for Borrowed Money) of Nesma EMCOR Company Ltd. for the benefit of surety companies or for the benefit of others to induce such others to forgo the issuance of a surety bond in their favor, (iii) performance guarantees of Comstock Canada Ltd. made prior to the Comstock Sale; or (iv) indemnification obligations in respect to Comstock Surety Bonds;

(o) Guarantees of Indebtedness for Borrowed Money of, or Performance Guarantees given by, Foreign Subsidiaries and Nesma EMCOR Company Ltd. and Guarantees of or incurrence of liability for letters of credit supporting Indebtedness for Borrowed Money of Persons in which the Company and the Restricted Subsidiaries are permitted to invest pursuant to Section 7.12(h) (with respect to Strategic Ventures organized outside the United States or conducting more than 50% of their business outside the United States) or Section 7.12(n) hereof; *provided* that the aggregate amount of Indebtedness for Borrowed Money and of Performance Guarantees so permitted to be incurred, guaranteed or supported pursuant to the provisions of this subsection (o) shall not exceed \$75,000,000 at any one time outstanding less the amount invested in Foreign Subsidiaries after the Closing Date;

(p) secured Indebtedness for Borrowed Money not otherwise permitted hereunder in an aggregate amount not to exceed the greater of (i) \$350,000,000 and (ii) 8.0% of Consolidated Total Assets as of the last day of the most recently ended fiscal quarter of the Company for which the Company shall have delivered financial statements pursuant to Section 7.5(a) or (b) hereof;

(q) unsecured Indebtedness for Borrowed Money not otherwise permitted hereunder so long as immediately before and after giving effect thereto, no Event of Default shall exist, including with respect to the covenants contained in Sections 7.7 and 7.8 hereof on a pro forma basis; and

(r) Guarantees by the Company and the Restricted Subsidiaries of Indebtedness for Borrowed Money of the Company and the Restricted Subsidiaries otherwise permitted under this Section.

Section 7.11. Liens. The Borrowers shall not, nor shall they permit the Restricted Subsidiaries to, create, incur or permit to exist any Lien of any kind on any Property owned by any Borrower or Restricted Subsidiary; *provided, however,* that the foregoing shall not apply to nor operate to prevent:

(a) Liens arising by statute in connection with worker's compensation, unemployment insurance, old age benefits, social security obligations, taxes, assessments, statutory obligations or other similar charges, good faith cash deposits in connection with the foregoing or in connection with tenders, contracts or leases to which the Borrowers or any of their Restricted Subsidiaries are a party or other cash deposits required to be made

in the ordinary course of business, provided in each case that the obligation is not for borrowed money and that the obligation secured is not overdue or, if overdue, is being contested in good faith by appropriate proceedings which prevent enforcement of the matter under contest and adequate reserves have been established therefor;

(b) mechanics', workmen's, materialmen's, landlords', carriers', or other similar Liens arising in the ordinary course of business with respect to obligations which are not due or which are being contested in good faith by appropriate proceedings which prevent enforcement of the matter under contest;

(c) judgment liens and judicial attachment liens not constituting an Event of Default under Section 8.1(h) hereof and the pledge of assets for the purpose of securing an appeal, stay or discharge in the course of any legal proceeding;

(d) the Liens granted in favor of the Agent for the benefit of the Lenders pursuant to the Collateral Documents;

(e) Liens on Property of the Company or any Restricted Subsidiary created solely for the purpose of securing indebtedness permitted by Section 7.10(k), representing or incurred to finance, refinance, or refund the purchase price of such Property, provided that no such Lien shall extend to or cover other Property of the Company or such Restricted Subsidiary other than the respective Property so acquired, and the principal amount of indebtedness secured by any such Lien shall at no time exceed the purchase price of such Property, as reduced by repayments of principal thereon;

(f) liens on deposits provided in connection with long-term maintenance contracts of facilities of the Borrowers and the Restricted Subsidiaries located in the United Kingdom relating to United Kingdom private finance initiatives;

(g) Liens in favor of bonding companies and their affiliates (a) to the extent described in clause (i) of the second proviso of Section 4.1 hereof and (b) to secure indemnification obligations under surety bonds issued for the benefit of Comstock Canada Ltd. prior to the disposition (the "*Comstock Sale*") of the Company's equity ownership interest in Comstock Canada ("*Comstock Surety Bonds*");

(h) rights of subrogation and similar rights of issuers of surety bonds and unperfected lien rights of such issuers to assets associated with projects which they have bonded;

(i) restrictions on the disbursement or withdrawal of funds deposited by Restricted Subsidiaries in bank accounts maintained by them in the ordinary course of business consistent with past practice which are maintained in connection with specific construction projects or contracts from which payments and disbursements with respect to such contracts or projects are to be made;

(j) Liens on insurance policies arising in connection with Indebtedness for Borrowed Money permitted by Section 7.10(d) hereof;

(k) Liens consisting of cash collateral deposits made in connection with the insurance programs of the Company and its Restricted Subsidiaries and rights of a depository bank to offset balances in any account maintained with it by a Subsidiary incorporated under the laws of the United Kingdom against debit balances in any other account maintained with it by such Subsidiary or any other U.K. Subsidiary (it being acknowledged by the Lenders that such rights of offset shall be superior to any rights they may have in and to such accounts or the balances as are from time to time standing on deposit therein);

(l) Liens existing on any property of a Person at the time such Person becomes a Restricted Subsidiary or in connection with the acquisition of assets of such Person, in each case which Liens were not created, incurred or assumed in contemplation thereof; provided that no such Liens shall extend to or cover any other property of the Company or any Restricted Subsidiary;

(m) the Liens listed and described on Schedule 7.11 attached hereto;

(n) any extension, renewal or replacement (or successive extensions, renewals or replacements) of Liens permitted by this Section 7.11 without any increase in the amount of indebtedness secured thereby or in the assets subject to such Liens;

(o) Liens securing indebtedness permitted by Section 7.10(p) hereof; and

(p) Liens securing obligations up to, but not to exceed, \$50,000,000.

Section 7.12. Investments, Acquisitions, Loans, and Advances- The Borrowers shall not, nor shall they permit any of the Restricted Subsidiaries to, directly or indirectly, make, retain or have outstanding any investments (whether through purchase of stock or obligations or otherwise) in, or loans or advances (other than for relocation and travel advances and other loans made to employees in the ordinary course of business) to, any other Person, or acquire all or any substantial part of the assets or business of any other Person or division thereof; *provided, however,* that the foregoing shall not apply to nor operate to prevent:

(a) investments in direct obligations of the United States of America or of any agency or instrumentality thereof whose obligations constitute full faith and credit obligations of the United States of America, provided that any such obligations shall mature within one year of the date of issuance thereof;

(b) investments in commercial paper maturing within 270 days of the date of issuance thereof which has been accorded one of the two highest ratings available from the S&P, Moody's or any other nationally recognized credit rating agency of similar standing providing similar ratings;

(c) investments in money market funds which in turn invest primarily in investments of the types described in clauses (a), (b) and (d) of this Section 7.12;

(d) investments in certificates of deposit issued by any commercial bank organized under the laws of the United States or (as to investments of EMCOR U.K. Limited and its Subsidiaries, the United Kingdom) in each case having capital, surplus and undivided profits of not less than \$500,000,000 or by any Lender, in each case maturing within one year from the date of issuance thereof or in Eurodollar time deposits maturing not more than one year from the date of acquisition thereof placed with any Lender or other such commercial bank (to the extent investments in certificates of deposit issued by such other bank are permitted by this subsection) or in banker's acceptances endorsed by any Lender or other such commercial bank (to the extent investments in certificates of deposit issued by such other bank are permitted by this subsection) and maturing within nine months of the date of acceptance;

(e) endorsement of items for deposit or collection of commercial paper received in the ordinary course of business;

(f) the investments, loans and advances listed and described on Schedule 7.12 attached hereto;

(g) the Company's and Restricted Subsidiaries' investments in their respective Subsidiaries existing on the Closing Date;

(h) investments by the Company and the Restricted Subsidiaries in Strategic Ventures in an aggregate amount not to exceed the greater of (i) \$150,000,000 and (ii) 3.5% of Consolidated Total Assets as of the last day of the most recently ended fiscal quarter of the Company for which the Company shall have delivered financial statements pursuant to Section 7.5(a) or (b) hereof;

(i) intercompany loans and advances from and investments by:

(i) the Company to Restricted Subsidiaries,

(ii) a Restricted Subsidiary to the Company or another Restricted Subsidiary,

(iii) the Company and Restricted Subsidiaries in a Restricted Subsidiary formed as a captive insurer or surety company; or

(iv) the Company and Restricted Subsidiaries to Foreign Subsidiaries and Unrestricted Subsidiaries; *provided*, that the aggregate amount of the intercompany loans, advances and investments permitted by this clause (iv) (when taken together with intercompany indebtedness permitted by Section 7.10(c)(iii) hereof) shall not exceed the greater of (A) \$150,000,000 and (B) 3.5% of Consolidated Total Assets as of the last day

of the most recently ended fiscal quarter of the Company for which the Company shall have delivered financial statements pursuant to Section 7.5(a) or (b) hereof;

(j) Permitted Acquisitions;

(k) acquisitions of assets (including stock, notes and other evidences of indebtedness) and subordinations of claims as a part of good faith collection efforts on doubtful accounts;

(l) Guarantees permitted by Section 7.10 hereof;

(m) notes and other deferred payment obligations (other than general partnership and similar interests) acquired by the Company or any Restricted Subsidiary in connection with the Disposition of assets permitted hereby;

(n) investments of the Company or any Restricted Subsidiary made in the ordinary course of business in connection with joint ventures, Persons or other similar pooling of efforts in respect to a specific project or series of related specific projects for a limited or fixed duration and formed to conduct business of the type in which the Company or such Restricted Subsidiary is presently engaged and guarantees of obligations of, and incurrence of liabilities in respect of letters of credit for, such joint ventures or Persons;

(o) investments made pursuant to and in accordance with the Company's Voluntary Deferral Plan;

(p) loans and advances made by the Company or any Restricted Subsidiary to employees, vendors, suppliers and contractors in the ordinary course of its business in an aggregate amount not in excess of \$30,000,000 at any one time outstanding;

(q) lease, utility and other similar deposits arising in the ordinary course of the Company's or any Restricted Subsidiary's business; and

(r) investments, loans and advances by the Company and the Restricted Subsidiaries not otherwise permitted hereunder in an aggregate amount not to exceed the greater of (i) \$300,000,000 and (ii) 7.0% of Consolidated Total Assets as of the last day of the most recently ended fiscal quarter of the Company for which the Company shall have delivered financial statements pursuant to Section 7.5(a) or (b) hereof.

In determining the amount of investments, acquisitions, loans, advances and guarantees permitted under this Section 7.12, investments and acquisitions shall always be taken at the original cost thereof (regardless of any subsequent appreciation or depreciation therein), loans and advances shall be taken at the principal amount thereof then remaining unpaid, and guarantees shall be taken at the amount of obligations guaranteed thereby.

Section 7.13. Mergers, Consolidations and Dispositions. The Company shall not, nor shall it permit any of its Restricted Subsidiaries to, be a party to any merger, consolidation or dissolution, or sell, transfer, lease or otherwise dispose of all or any part of the Property of the Company and the Restricted Subsidiaries, taken as a whole, including any Disposition of Property as part of a sale and leaseback transaction, or in any event sell or discount (with or without recourse) any of its notes or accounts receivable; *provided, however,* that this Section 7.13 shall not apply to nor operate to prevent:

(a) the Borrowers or any of the Restricted Subsidiaries from selling their inventory, licensing their intellectual Property or leasing or subleasing excess real Property, in each case in the ordinary course of its business or from selling equipment which is obsolete, worn out, or no longer needed for the operation of the business of the Company and the Restricted Subsidiaries or which is promptly replaced with equipment of at least equal utility;

(b) (i) the merger of a Restricted Subsidiary with and into the Company and sales by a Restricted Subsidiary of all or substantially all of its assets to the Company, and (ii) the merger of a Restricted Subsidiary with and into another Restricted Subsidiary and the sale of all or substantially all of the assets of a Restricted Subsidiary to another Restricted Subsidiary; *provided* in each case that if either of the two Restricted Subsidiaries in question is or becomes a Guarantor, the survivor of the transaction in question remains or becomes a Guarantor and, prior to the Collateral Release Date, all such actions are taken as the Agent requires to preserve its Liens on the Collateral;

(c) any Disposition of Property as part of a sale and leaseback transaction so long as (i) such transaction would be permitted had it been structured as a purchase money mortgage or Finance Lease and is treated as such for purposes of this Agreement or (ii) such sale and leaseback transaction is between the Company or any of its Restricted Subsidiaries and a Restricted Subsidiary;

(d) the sale or discount (with or without recourse) of any of the Company's or any Restricted Subsidiary's notes or accounts receivable so long as (i) such sale by the Company or any Restricted Subsidiary of notes or accounts receivable is to the Company or another Restricted Subsidiary, (ii) such notes or accounts receivable are delinquent and such sale is in the ordinary course of business for purposes of collection only or (iii) the original amount of such notes or accounts receivable sold during any fiscal year of the Company does not exceed an aggregate amount of (A) \$50,000,000 if such sale or discount is with recourse and (B) \$250,000,000 if such sale or discount is without recourse;

(e) the dissolution or liquidation of any Restricted Subsidiary whose activities are no longer, in the opinion of the Chief Executive Officer or the Board of Directors of the Company, necessary for the operation of the business of the Company and its Restricted Subsidiaries taken as a whole, *provided* that (i) no Default or Event of Default has occurred and is continuing or will result therefrom and (ii) if the Restricted Subsidiary to be dissolved or liquidated is a Guarantor, all of its assets remaining after the

dissolution or liquidation in question are transferred to the Company or another Guarantor and, prior to the Collateral Release Date, all such actions, if any, are taken as the Agent may reasonably require in order to insure that it has a Lien on the assets so transferred of the priority required by Section 4.1 hereof;

(f) any assignment or sale or transfer of shares in the capital stock of a Restricted Subsidiary permitted by Section 7.13 hereof;

(g) the Disposition to any Person of any shares of capital stock of a Restricted Subsidiary for the purpose of (i) qualifying, and to the extent legally necessary to qualify, such person as a director of such Subsidiary or (ii) solely for the purpose of permitting such Subsidiary to carry on a licensed business;

(h) any other Disposition not permitted hereunder, *provided*, that the value of the Property subject to the Disposition when aggregated with the value of the Property of all other such Dispositions during the period from and including the Closing Date to and including the date of such Disposition, would not exceed the greater of (i) \$500,000,000 and (ii) 12.5% of the Consolidated Total Assets as of such date. Prior to the Collateral Release Date, the Agent shall release its Lien on any Property sold pursuant to the foregoing provisions if no Default or Event of Default has occurred and is continuing or would result therefrom; and

(i) Dispositions of non-core assets acquired in connection with Permitted Acquisitions or other investments after the Closing Date made within 36 months of such Permitted Acquisition or Investment; *provided* that such non-core assets, in the aggregate, do not exceed 40% of value of the total assets acquired pursuant to such Permitted Acquisition or Investment.

Pursuant to Section 10.12 hereof, the Agent shall release any Guaranty Agreement of a Restricted Subsidiary and Liens on the stock issued by or the assets of such Restricted Subsidiary in each case that is sold in accordance with this Section (including a sale of all the capital stock or other equity interests or assets of such Restricted Subsidiary), and such entity shall no longer constitute a Restricted Subsidiary hereunder.

Section 7.14. Dividends and Certain Other Restricted Payments. The Company shall not during any fiscal year (a) declare or pay any dividends on or make any other distributions in respect of any class or series of its capital stock (except for dividends payable solely in its capital stock) or (b) directly or indirectly purchase, redeem or otherwise acquire or retire any of its capital stock or any options or warrants therefor except out of the net proceeds of a substantially concurrent issuance and sale of capital stock or options or warrants therefor (collectively, "*Restricted Payments*"); *provided*, that the foregoing shall not operate or prevent:

(x) the making of Restricted Payments if after giving effect thereto (i) no Default or Event of Default shall have occurred and be continuing; and (ii) the Leverage Ratio is less than 2.75 to 1.0 on a pro forma basis; and

(y) the making of Restricted Payments by the Company (i) in satisfaction of withholding taxes for the account of participants in the Company's equity based benefit plans in connection with the surrender to the Company of such participants' restricted stock units in respect of which shares of the Company's capital stock are issuable, or such participants' shares of the Company's capital stock or stock options to acquire shares of the Company's capital stock, in each case in lieu of paying to the Company such withholding taxes in cash by reason of the issuance of such shares in respect of such restricted stock units, the acquisition of such shares or the exercise of such stock options and (ii) with respect to the value of stock options to acquire shares of the Company's capital stock or the shares underlying such stock options upon surrender to the Company of stock options in connection with payment of such stock option exercise price by way of a "net settlement" of such stock options.

Section 7.15. ERISA. The Borrowers shall, and shall cause each of the Restricted Subsidiaries to, promptly pay and discharge all obligations and liabilities arising under ERISA of a character which if unpaid or unperformed might result in the imposition of a Lien against any of their Properties. The Borrowers shall, and shall cause each of the Restricted Subsidiaries to, promptly notify the Agent and each Lender of (i) the occurrence of any reportable event (as defined in ERISA) with respect to any employee benefit plan subject to Title IV of ERISA (other than a multiemployer plan) sponsored or contributed to by either of the Borrowers or any member of the Controlled Group (a "*Plan*") with respect to which the PBGC has neither waived the 30 day reporting requirement nor issued a public announcement that the penalty applicable to a failure to report will not apply, (ii) receipt of any notice from the PBGC of its intention to seek termination of any Plan or appointment of a trustee therefor, (iii) its intention to terminate any Plan or withdraw from any multiemployer plan if such termination or withdrawal could reasonably be expected to have a Material Adverse Effect, and (iv) the occurrence of any other event with respect to any Plan which would result in the incurrence by the Borrowers or any of their Restricted Subsidiaries of any material liability, fine or penalty, or any material increase in the contingent liability of the Borrowers or any of the Restricted Subsidiaries with respect to any post-retirement Welfare Plan benefit which could reasonably be expected to have a Material Adverse Effect.

Section 7.16. Compliance with Laws. The Company shall, and shall cause each of its Restricted Subsidiaries to, comply in all respects with the requirements of all foreign (whether national, supra-national or otherwise), federal, state, provincial, and local laws, rules, regulations, ordinances and orders applicable to or pertaining to their Properties or business operations, non-compliance with which could have a Material Adverse Effect or could result in a Lien upon any of their Property material to the Company and the Restricted Subsidiaries taken as a whole.

Section 7.17. Burdensome Contracts With Affiliates. The Company shall not, nor shall it permit any of its Restricted Subsidiaries to, enter into any contract, agreement or business arrangement with any of its Affiliates (other than with or among Restricted Subsidiaries and the Company) on terms and conditions which are less favorable to the Company or any such Restricted Subsidiary than would be usual and customary in similar contracts, agreements or business arrangements between Persons not affiliated with each other.

Section 7.18. No Changes in Fiscal Year. The Company shall not change its fiscal year from its present basis without the prior written consent of the Required Lenders.

Section 7.19. Formation of Subsidiaries. The Company shall not, nor shall it permit any Restricted Subsidiary to, form or acquire any Subsidiary unless the newly formed or acquired Subsidiary shall, if the Required Lenders so request and to the extent required by the Required Lenders, execute and deliver a Guaranty Agreement and grant Liens on its assets of the priority required by Section 4.1 or 4.2 hereof (and provide the Agent with such documentation therefore and such supporting documentation, including opinions of counsel, as it may reasonably request); *provided*, that any Foreign Subsidiary formed or acquired after the date hereof shall not be required to comply with this Section if the U.K. Borrower has not satisfied the conditions set forth in Section 6.3 hereof. Each Subsidiary acquired or formed pursuant hereto shall constitute a Restricted Subsidiary unless the Required Lenders otherwise agree in writing or unless included as an exception in the definition of Restricted Subsidiary.

Section 7.20. Change in the Nature of Business. The Company shall not, nor shall it permit any of the Restricted Subsidiaries to, engage in any business or activity if as a result the general nature of the business of the Company and the Restricted Subsidiaries, taken as a whole, would be materially changed from the general nature of the business engaged in by the Company and the Restricted Subsidiaries, taken as a whole, on the date of this Agreement. For purpose of this Section 7.20, a material change from the general nature of the business of the Company and its Restricted Subsidiaries shall not have occurred if the aggregate consideration (including as such consideration any indebtedness of the Acquired Business assumed or guaranteed by the Company or a Restricted Subsidiary) for any Permitted Acquisition that is not an Eligible Line of Business is \$850,000,000 or less.

Section 7.21. Use of Proceeds. The Borrowers shall use the proceeds of the Credit Utilizations (including the initial Credit Utilization) hereunder for the purposes set forth in, or otherwise permitted by, Section 5.4 hereof. No Borrower will request any Borrowing or Letter of Credit, and no Borrower shall use, and shall procure that its Subsidiaries and its or their respective directors, officers and employees shall not use, the proceeds of any Borrowing or Letter of Credit in violation of any Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions applicable to any party hereto.

SECTION 8. EVENTS OF DEFAULT AND REMEDIES.

Section 8.1. Events of Default. Any one or more of the following shall constitute an Event of Default hereunder:

- (a) default in the payment when due of all or any part of the principal of the Loans (whether at the stated maturity thereof or at any other time provided for in this Agreement) or of any Reimbursement Obligation and any such default continues for one (1) Business Day after notice thereof from the Agent (acting at the direction of any Lender) to the Company;

(b) default in the payment when due of all or part of the interest on any Loan (whether the stated maturity thereof or at any other time provided for in this Agreement) or of any fee or other amount payable hereunder or under any other Loan Document and any such default continues for five (5) Business Days after notice thereof from the Agent (acting at the direction of any Lender) to the Company;

(c) (i) default in the observance or performance of any covenant set forth in Sections 7.6, 7.7, 7.8, 7.13, 7.14 or 7.21 hereof or of any provision in any Loan Document dealing with the maintenance of insurance on the Collateral, or (ii) default in the observance or performance of any covenant set forth in Section 7.10 or Section 7.12 which is not remedied within fifteen (15) days after the earlier of (A) the date on which such failure shall first become known to any officer of the Company or (B) written notice thereof to the Company by the Agent;

(d) default in the observance or performance of any other provision hereof or of any other Loan Document which is not remedied within thirty (30) days after the earlier of (i) the date on which such failure shall first become known to any officer of the Company or (ii) written notice thereof to the Company by the Agent;

(e) any representation or warranty made herein or in any of the other Loan Document or in any certificate furnished to the Agent or the Lenders pursuant hereto or thereto or in connection with any transaction contemplated hereby or thereby proves untrue in any material respect as of the date of the issuance or making thereof;

(f) any event occurs or condition exists (other than those described in subsections (a) through (e) above) which is specified as an event of default under any of the other Loan Documents and any period of grace applicable thereto shall have elapsed, or any of the Loan Documents shall for any reason not be or shall cease to be in full force and effect, or any of the Loan Documents is declared to be null and void, or, prior to the Collateral Release Date, any of the Collateral Documents shall for any reason fail to create a valid and perfected Lien in favor of the Agent in any material amount of Collateral purported to be covered thereby of the priority required by Section 4.1 hereof;

(g) default shall occur under any evidence of Indebtedness for Borrowed Money aggregating in excess of the greater of \$75,000,000 and 3.0% of the Net Worth of the Company and its Subsidiaries on a consolidated basis issued, assumed or guaranteed by any Borrower or Restricted Subsidiary or under any indenture, agreement or other instrument under which the same may be issued, and such default shall continue for a period of time sufficient to permit the acceleration of the maturity of any such Indebtedness for Borrowed Money (whether or not such maturity is in fact accelerated) without being waived or any such Indebtedness for Borrowed Money shall not be paid when due (whether by demand, lapse of time, acceleration or otherwise);

(h) any judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes in an aggregate amount in excess of the greater of \$75,000,000 and 3.0% of the Net Worth of the Company and its Subsidiaries

on a consolidated basis (*provided*, that in determining such amount there shall be deducted therefrom the amount which is covered by insurance from any insurer which has been notified thereof and does not dispute its liability thereon) shall be entered or filed against any Borrower or Material Restricted Subsidiary or against any of the Property or assets of any of them and remains undischarged, unvacated, unbonded or unstayed for a period of thirty (30) days;

(i) any party obligated on any Guaranty Agreement shall purport to disavow, revoke, discontinue, repudiate or terminate such Guaranty Agreement or such Guaranty Agreement shall otherwise cease to have force or effect;

(j) any Change in Control occurs;

(k) any Borrower or Material Restricted Subsidiary shall (i) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended or any analogous action is taken under any other applicable law relating to bankruptcy or insolvency, (ii) not pay, admit in writing its inability to pay, or be deemed under applicable law not to be able to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, receiver-manager, receiver and manager, interim receiver, administrative receiver, administrator, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its Property, (v) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended or any foreign insolvency or bankruptcy laws to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, or (vi) fail to contest in good faith any appointment or proceeding described in Section 8.1(l) hereof; or

(l) a custodian, receiver, receiver-manager, receiver and manager, interim receiver, administrative receiver, administrator, trustee, examiner, liquidator or similar official shall be appointed for any Borrower or Material Restricted Subsidiary or any substantial part of any of their Property, or a proceeding described in Section 8.1(k)(v) shall be instituted against any Borrower or Material Restricted Subsidiary, and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of sixty (60) days.

Section 8.2. Non-Bankruptcy Defaults. When any Event of Default described in subsections 8.1(a) to 8.1(j), both inclusive, has occurred and is continuing, the Agent shall, upon request of the Required Lenders by notice to the Company, take any or all of the following actions:

(a) terminate the obligation of the Lenders to extend any further credit hereunder on the date (which may be the date thereof) stated in such notice; and

(b) declare the principal of and the accrued interest on the Loans to be forthwith due and payable and thereupon the Loans, including both principal and interest, and all fees, charges, commissions and other Obligations payable hereunder, shall be and become immediately due and payable without further demand, presentment, protest or notice of any kind.

Without limiting the generality of the foregoing, the Agent, upon request of the Required Lenders, shall be entitled to realize upon and enforce all of its rights and remedies under the Collateral Documents and proceed by any other action, suit, remedy or proceeding as authorized or permitted by this Agreement, the Collateral Documents or at law or in equity.

Section 8.3. Bankruptcy Defaults. When any Event of Default described in subsection 8.1(k) or 8.1(l) has occurred and is continuing, then the unpaid balance of the Loans, including both principal and interest, and all fees, charges, commissions and other Obligations payable hereunder, shall immediately become due and payable without presentment, demand, protest or notice of any kind, and the obligation of the Lenders to extend further credit pursuant to any of the terms hereof shall immediately terminate. Without limiting the generality of the foregoing, the Agent, upon request of the Required Lenders, shall be entitled to realize upon and enforce all of its rights and remedies under the Collateral Documents and proceed by any other action, suit, remedy or proceeding and authorized or permitted by this Agreement, the Collateral Documents or at law or in equity.

Section 8.4. Collateral for Undrawn Letters of Credit. (a) If and when (w) any Event of Default, other than an Event of Default described in subsections (k) or (l) of Section 8.1, has occurred and is continuing, the Borrowers shall, upon demand of the Agent (including at the direction of or with the consent of the Required Lenders), or (x) any Event of Default described in subsections (k) or (l) of Section 8.1 has occurred, or (y) prepayment of the Letters of Credit as required by Section 2.12, Section 2.13 or Section 3.5 hereof; or (z) any Letter of Credit is outstanding on the Revolving Credit Termination Date (whether or not any Event of Default has occurred), the Borrowers shall, without notice or demand from the Agent, either (i) immediately pay to the Agent the full amount of each Letter of Credit to be held by the Agent as provided in subsection (b) below or (ii) provide a back-up letter of credit for the benefit of the Applicable Issuer in a stated amount equal to the full amount of all Letters of Credit then outstanding which letter of credit shall give the Applicable Issuer the unconditional right to make drawings thereunder upon receipt of a drawing request under any Letter of Credit and otherwise be in form and substance satisfactory to the Applicable Issuer and issued by an issuer satisfactory to the Applicable Issuer in its sole discretion, the Borrowers agreeing to immediately make each such payment or provide such back-up letter of credit and acknowledging and agreeing the Agent and the Applicable Issuers would not have an adequate remedy at law for failure of the Borrowers to honor any such demand and that the Agent shall have the right to require the Borrowers to specifically perform such undertaking whether or not any draws had been made under the Letters of Credit.

(b) All amounts prepaid pursuant to subsection (a) above or paid over to the Agent pursuant to Section 1.3(b) shall be held by the Agent in one or more separate collateral accounts (each such account, and the credit balances, properties, and any investments from time to time

held therein, and any substitutions for such account, any certificate of deposit or other instrument evidencing any of the foregoing and all proceeds of and earnings on any of the foregoing being collectively called the “*Collateral Account*”) as security for, and for application by the Agent (to the extent available) to, the reimbursement of any payment under any Letter of Credit then or thereafter made by the Applicable Issuer, and to the payment of the unpaid balance of all other Obligations and Hedging Liability. The Collateral Account shall be held in the name of and subject to the exclusive dominion and control of the Agent for the benefit of the Agent, the Lenders, and the Applicable Issuers. If and when requested by the Company, the Agent shall invest funds held in the Collateral Account from time to time in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America with a remaining maturity of one year or less, *provided* that the Agent is irrevocably authorized to sell investments held in the Collateral Account when and as required to make payments out of the Collateral Account for application to amounts due and owing from the Borrower to the Applicable Issuer, the Agent or the Lenders. Subject to the terms of Sections 2.12 and 2.13, if the Borrowers shall have made payment of all obligations referred to in subsection (a) above, at the request of the Company the Agent shall release to the Company amounts held in the Collateral Account so long as at the time of the release and after giving effect thereto no Default or Event of Default exists. After all Letters of Credit have expired or been cancelled and the expiration or termination of all Commitments, at the request of the Company, the Agent shall release any remaining amounts held in the Collateral Account following payment in full in cash of all Obligations and Hedging Liability.

SECTION 9. DEFINITIONS INTERPRETATIONS.

Section 9.1. Definitions. The following terms when used herein have the following meanings:

“*Acquired Business*” means the entity or assets acquired by a Borrower or Restricted Subsidiary in an Acquisition after the date hereof.

“*Acquisition*” means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of any business or division of a Person, (b) the acquisition of in excess of 50% of the capital stock, partnership interests, membership interests or equity of any Person (other than a Person that is a Subsidiary), or otherwise causing any Person to become a Subsidiary, or (c) a merger or consolidation or any other combination with another Person (other than a Person that is a Subsidiary) provided that a Borrower or Restricted Subsidiary is the surviving entity.

“*Additional Lender*” is defined in Section 1.11 hereof.

“*Adjusted EBITDA*” means, with reference to any period, EBITDA for such period calculated on a pro forma basis in good faith by the Company and established to the reasonable satisfaction of the Agent as if each Acquisition which occurred during such period had taken place on the first day of such period (including adjustments for non-recurring expenses and income reasonably determined by the Company in good faith and established to the reasonable satisfaction of the Agent).

~~“Adjusted LIBOR Term SOFR” means, for with respect to any Interest Period tenor, a rate the per annum determined in accordance with the following formula: rate equal to the sum of (i) Term SOFR for such tenor plus (ii) 0.10% (10 basis points); provided, if Adjusted Term SOFR determined as provided above shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.~~

~~Adjusted LIBOR = $\frac{\text{LIBOR}}{1 - \text{Eurocurrency Reserve Percentage}}$~~

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

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

“Affiliate” means any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, another Person. A Person shall be deemed to control another Person for the purposes of this definition if such Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the other Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise; *provided that*, in any event for purposes of this definition, any Person that owns, directly or indirectly, 41% or more of the securities having ordinary voting power for the election of directors or governing body of a corporation or 41% or more of the partnership or other ownership interests of any other Person (other than as a limited partner of such other Person) will be deemed to control such corporation or other Person.

“Agent” shall mean Bank of Montreal and any successor thereto appointed pursuant to Section 10.1 hereof.

“Aggregate Revolving Commitment” means, as to any Lender, the amount set forth on Schedule 1.1 opposite such Lender under the heading “Aggregate Revolving Commitments” as the same may be increased, reduced or modified at any time or from time to time pursuant to the terms hereof, and reference to the term “Aggregate Revolving Commitments” shall mean the aggregate of each Lender’s Aggregate Revolving Commitment.

“Agreement” means this Sixth Amended and Restated Credit Agreement, as the same may be amended, modified or restated from time to time in accordance with the terms hereof.

“Alternative Currency” means pounds sterling, Euro and any other currency (other than United States Dollars) approved as such in writing by all Multicurrency Lenders, in each case for so long as such currency is readily available to all the Multicurrency Lenders and is freely transferable and freely convertible to U.S. Dollars and Reuters Monitor Money Rates Service (or any successor thereto) reports a ~~LIBOR~~ the relevant interest rate for such currency for interest periods of one, two, three and six calendar months; *provided that* if any Multicurrency Lender provides written notice to the Company (with a copy to the Agent) that any currency control or other exchange regulations are imposed in the country in which any such Alternative Currency is

issued and that in the reasonable opinion of such Lender funding a Loan in such currency is impractical, then such currency shall cease to be an Alternative Currency hereunder until such time as all the Lenders reinstate such country's currency as an Alternative Currency. For the avoidance of doubt, no Alternative Currency shall be available under this Agreement on December 14, 2021 and at all times thereafter until such time as the Borrowers, the Guarantors, the Lenders and the Agent enter into an amendment to the Credit Agreement re-implementing such Alternative Currencies.

“*Anti-Corruption Laws*” means all laws, rules, and regulations of any jurisdiction applicable to a Borrower or any of their Subsidiaries from time to time concerning or relating to bribery or corruption.

“*Anti-Money Laundering Laws*” means any and all laws, statutes, regulations or obligatory government orders, decrees, ordinances or rules applicable to a Borrower or its Subsidiaries related to terrorism financing or money laundering, including any applicable provision of the Patriot Act.

“*Applicable Issuer*” means the Issuer of Letters of Credit for the account of a particular Borrower or Borrowers or in a particular jurisdiction or jurisdictions.

“*Applicable Issuer's Cap*” means (i) with respect to Bank of Montreal, the U.S. Dollar Equivalent of \$125,000,000, and (ii) with respect to any other Applicable Issuer and its affiliate that is an Issuer hereunder, the U.S. Dollar Equivalent of \$75,000,000.

“*Applicable Margin*” shall mean with respect to all applicable Loans and fees, the rate per annum specified below for the Leverage Ratio and type of Loan or fee for which the Applicable Margin is being determined:

	Level I	Level II	Level III	Level IV	Level V
	<1.00x	≥1.00x and <2.00x	≥2.00x and <2.50x	≥2.50x and <3.00x	≥3.00x
Leverage Ratio					
Base Rate	0.00%	0.25%	0.375%	0.50%	0.75%
Loan Margin					
Eurodollar SOFR Loan	1.00%	1.25%	1.375%	1.50%	1.75%
Margin and L/C Participation					
Fee for Financial Letters of Credit					
Commitment Fee	0.10%	0.125%	0.15%	0.20%	0.25%
L/C Participation Fees for	0.75%	0.95%	1.00%	1.125%	1.30%
Performance Letters of Credit					

provided, however, that the foregoing is subject to the following:

(i) the Leverage Ratio and Adjusted EBITDA shall be determined as at the last day of each fiscal quarter of the Company (commencing with the first full fiscal quarter ending after the Closing Date), with any adjustment in the Applicable Margins resulting from a change therein to be effective five (5) Business Days after receipt by the Agent of the financial statements for such quarter called for by Section 7.5(a) and 7.5(b) hereof (provided that if such financial statements are not submitted within the time limitations of Section 7.5(a) and Section 7.5(b) hereof and would result in an increase in the Applicable Margins, then such Applicable Margins shall be increased to the appropriate level effective five (5) Business Days after the last date when such financial statements should have been submitted in compliance with Section 7.5(a) or 7.5(b) hereof);

(ii) if the financial statements are not submitted within the time limitations of Section 7.5(a) and 7.5(b), then, at the request of the Required Lenders, the Applicable Margin shall be set at highest level (ie. Level V) until receipt of such financial statements, and any adjustments to the Applicable Margin after receipt of such financial statements shall be made in accordance with clause (i) above;

(iii) the Applicable Margins for the period from the Closing Date through the first redetermination pursuant to clause (i) above shall be those set forth above for Level I; and

(iv) each determination of the Applicable Margins pursuant to the foregoing shall remain in effect until the Applicable Margins are next redetermined pursuant to the foregoing.

“*Application*” is defined in Section 1.3(b) hereof and shall include Applications executed by the Borrowers with respect to Existing Letters of Credit.

“*Approved Fund*” means any Fund 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.

“*Assignment and Acceptance*” means an assignment and acceptance entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 11.17 hereof), and accepted by the Agent, in substantially the form of Exhibit C or any other form approved by the Agent.

“*Authorized Representative*” means the Chief Executive Officer, the President, the Chief Financial Officer, the Controller, the Treasurer, the Assistant Treasurer or any further or different persons so named by any Authorized Representative in a written notice to the Agent.

“*Available Tenor*” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if such Benchmark is a term rate, any tenor for such

Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to Section 2.14(d) (but including any tenor for such Benchmark that is added to the definition of “Interest Period” pursuant to Section 2.14).

“*Bail-In Action*” means the exercise of any Write-Down and Conversion Powers by the applicable ~~EEA~~ Resolution Authority in respect of any liability of an ~~EEA~~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).

“*Base Rate*” means, for any day, the rate per annum equal to the greatest of: (a) the rate of interest announced or otherwise established by the Agent from time to time as its prime commercial rate, or its equivalent, for U.S. Dollar loans to borrowers located in the United States as in effect on such day, with any change in the Base Rate resulting from a change in said prime commercial rate to be effective as of the date of the relevant change in said prime commercial rate (it being acknowledged and agreed that such rate may not be the Agent’s best or lowest rate), (b) the sum of (i) the rate determined by the Agent to be the average (rounded upward, if necessary, to the next higher 1/100 of 1%) of the rates per annum quoted to the Agent at approximately 10:00 a.m. (Chicago time) (or as soon thereafter as is practicable) on such day (or, if such day is not a Business Day, on the immediately preceding Business Day) by two or more Federal funds brokers selected by the Agent for sale to the Agent at face value of Federal funds in the secondary market in an amount equal or comparable to the principal amount for which such rate is being determined, *plus* (ii) 1/2 of 1%, (c) ~~the LIBOR Quoted Rate for~~Adjusted Term SOFR for a one-month tenor in effect on such day *plus* 1.00%; and (d) 0.00%. If the Base Rate is being used as an alternative rate of interest pursuant to Sections 2.7 or 2.14, then the Base Rate shall be the greater of clauses (a), (b) and (d) above and shall be determined without reference to clause (c) above.

“*Base Rate Loan*” means a U.S. Revolving Loan or Term Loan bearing interest as specified in Section 2.1 hereof.

“*Benchmark*” means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date has occurred with

respect to the Term SOFR Reference Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.14.

“Benchmark Replacement” means the sum of: ~~(ai)~~ the alternate benchmark rate ~~(which may include SOFR, Compounded SOFR or Term SOFR)~~ that has been selected by the Agent and the ~~Borrowers~~Company giving due consideration to ~~(iA)~~ any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or ~~(iB)~~ any evolving or then-prevailing market convention for determining a benchmark rate ~~of interest~~ as a replacement to ~~LIBOR for U.S. dollar-denominated broadly~~the then-current Benchmark for syndicated credit facilities denominated in the applicable currency at such time in the United States and ~~(bii)~~ the related Benchmark Replacement Adjustment; ~~provided that, if,~~

If the Benchmark Replacement ~~as so determined~~ would be less than ~~zero~~the Floor, the Benchmark Replacement will be deemed to be ~~zero~~the Floor for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of ~~LIBOR~~the then-current Benchmark with an Unadjusted Benchmark Replacement for ~~each~~any applicable Interest Period and Available Tenor for any setting of such, 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 Agent and the ~~Borrowers~~Company for the applicable Corresponding Tenor giving due consideration to ~~(ia)~~ any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of ~~LIBOR~~such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or ~~(ib)~~ 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 ~~LIBOR~~such Benchmark with the applicable Unadjusted Benchmark Replacement for ~~U.S. dollar-denominated broadly~~ syndicated credit facilities denominated in the applicable currency at such time;

~~“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest and other administrative matters) that the Agent and the Company decide may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent, in consultation with the Company, decides that adoption of any portion of such market practice is not administratively feasible or if the Agent and the Borrower determine that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Agent and the Borrower decide is reasonably necessary in connection with the administration of this Agreement) in the United States.~~

“Benchmark Replacement Date” means, with respect to any Benchmark, the earlier to occur of the following events with respect to ~~LIBOR~~such then-current Benchmark:

(1a) in the case of clause (1a) or (2b) 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 ~~LIBOR~~such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide ~~LIBOR~~all Available Tenors of such Benchmark (or such component thereof); or

(2b) in the case of clause (3c) of the definition of “Benchmark Transition Event”, the first date ~~of the public on which~~ such Benchmark (or the published component used in the calculation thereof) has been determined and announced by or on behalf of the administrator of such Benchmark (or such component thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; provided, that such non-representativeness or non-compliance will be determined by reference to the most recent statement or publication ~~of information~~ referenced therein such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

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

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

(1a) a public statement or publication of information by or on behalf of the administrator of ~~LIBOR~~such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide ~~LIBOR~~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 ~~LIBOR~~any Available Tenor of such Benchmark (or such component thereof);

(2b) a public statement or publication of information by the regulatory supervisor for the administrator of ~~LIBOR~~such Benchmark (or the published component used in the calculation thereof), the ~~U.S.~~ Federal Reserve ~~System~~Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for ~~LIBOR~~such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for ~~LIBOR~~such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for ~~LIBOR~~such Benchmark (or such component), which states that the administrator of ~~LIBOR~~such Benchmark (or such component) has ceased or will cease to provide ~~LIBOR~~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 ~~LIBOR~~any Available Tenor of such Benchmark (or such component thereof); or

(3c) 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) or the regulatory supervisor for the administrator of LIBORsuch Benchmark (or such component thereof) announcing that LIBOR is no longer 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.

~~“Benchmark Transition Start Date” means (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by the Agent or the Required Lenders, as applicable, by notice to the Borrowers, the Agent (in the case of such notice by the Required Lenders) and the Lenders.~~

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, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR and solely to the extent that LIBOR has not been replaced with a any Benchmark Replacement, the period (xif any)(a) beginning at the time that such a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced LIBORsuch then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.14 and (yb) ending at the time that a Benchmark Replacement has replaced LIBORsuch then-current Benchmark for all purposes hereunder pursuant toand under any Loan Document in accordance with~~ Section 2.14.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership 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 ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“Borrower DTTP Filing” means a filing to notify HM Revenue & Customs about the U.K. Borrower’s passported loan.

“Borrowers” means (a) the U.S. Borrowers and (b) the U.K. Borrowers, with (i) the term “Borrowers” to mean the Borrowers, collectively, and, also each individually, and (ii) all

promises and covenants (including promises to pay) and representations and warranties of and by the Borrowers made in the Loan Documents or any instruments or documents delivered pursuant thereto to be and constitute the several promises, covenants, representations and warranties of and by each and all of such corporations, except to the extent explicitly otherwise provided. The term “Borrower” appearing in such singular form shall be deemed a reference to any of the Borrowers unless the context in which such term is used shall otherwise require.

“Borrowing” means the total of Loans of a single type in a single currency advanced, continued for an additional Interest Period, or converted from a different type into such type by the Lenders under a Facility on a single date and, in the case of ~~Eurodollar~~SOFR Loans, for a single Interest Period. Borrowings of Loans are made and maintained ratably from each of the Lenders under a Facility according to their Percentages of such Facility. A Borrowing is “advanced” on the day Lenders advance funds comprising such Borrowing to the Borrower, is “continued” on the date a new Interest Period for the same type of Loans commences for such Borrowing, and is “converted” when such Borrowing is changed from one type of Loans to the other, all as determined pursuant to Section 1.4. Borrowings of Swing Loans are made by the Swing Line Lender in accordance with the procedures set forth in Section 1.8 hereof.

“Business Day” means any day other than a Saturday or Sunday on which banks are not authorized or required to close in Chicago, Illinois and, (i) if the applicable Business Day relates to a Borrowing or payment in an Alternative Currency or to a Credit Utilization into U.S. Dollars, a day on which banks and foreign exchange markets are open for business in the city where disbursements of, conversions of, or payments on such Borrowings are to be made and (ii) with respect to all notices and determinations with, and payments of principal and interest on, SOFR Loans, any day which is a Business Day must also be a U.S. Government Securities Business Day.

“Cash Collateralize” means, to pledge and deposit with or deliver to the Agent or the Applicable Issuer, as the case may be, for the benefit of one or more of the Issuers or Lenders, as collateral for L/C Obligations or obligations of Lenders to fund participations in respect of L/C Obligations, cash or deposit account balances subject to a first priority perfected security interest in favor of the Agent or, if the Agent and each Applicable Issuer shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to the Agent and each Applicable Issuer. “Cash Collateral” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“CFC” shall mean (i) a “controlled foreign corporation” within the meaning of Section 957(a) of the Code or (ii) any U.S. Subsidiary that is treated as a disregarded entity for United States federal income tax purposes that has no material assets other than the capital stock of one or more direct or indirect Subsidiaries that are described in subparagraph (i) hereto.

“Change in Control” means that (i) more than 35% of the Voting Stock of the Company shall at any time and for any reason be owned, either legally or beneficially, by any Person or group of Persons acting in concert or (ii) (1) another Person merges into the Company or the Company consolidates with or merges into any other Person or (2) the Company conveys,

transfers or leases all or substantially all its assets to any Person or group, other than any conveyance, transfer or lease between the Company and a wholly owned subsidiary of the Company, in each case, in one transaction or a series of related transactions with the effect that a Person or group becomes the beneficial owner of more than 35% of the Voting Stock of the surviving or transferee Person of such transaction or series; or (iii) during any period of two consecutive years, individuals who at the beginning of such period constituted the Company's Board of Directors (together with any new directors whose election by the Company's Board of Directors, or whose nomination for election was previously so approved) cease for any reason to constitute a majority of the Directors then in office.

"Change in Law" means the occurrence, after the date of this Agreement, 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) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States 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 or issued.

"Closing Date" means the date upon which all the conditions set forth in Sections 6.1 and 6.2 of this Agreement have been satisfied.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" means all Properties, rights, interests and privileges from time to time subject to the Liens granted to the Agent by the Collateral Documents or required so to be by the terms hereof.

"Collateral Account" is defined in Section 8.4(b) hereof.

"Collateral Documents" means all security agreements, pledge agreements, hypothecs, assignments, financing statements, debentures and other documents as shall from time to time secure the Loans or any other Obligations.

"Collateral Release Conditions" means the satisfaction of the following: (i) the Company shall have obtained a Corporate Credit Rating of at least BBB- from S&P and a Corporate Family Rating of at least Baa3 from Moody's, and (ii) no Default or Event of Default has occurred and is continuing.

"Collateral Release Date" means the date on which the Company (a) satisfies the Collateral Release Conditions and (b) provides written notice to the Agent requesting that the Liens on all Collateral of the Company and its Restricted Subsidiaries which are Guarantors

granted to or held by the Agent (for the benefit of the Lenders) pursuant to the Collateral Documents be released.

“*Commitments*” means the Multicurrency Commitments, U.S. Dollar Commitments and the Term Loan Commitments.

“*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.

“*Company*” is defined in the introductory paragraph hereof.

~~“*Compounded SOFR*” means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which may include compounding in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period) being established by the Agent in accordance with: (1) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that: (2) if, and to the extent that, the Agent determines that Compounded SOFR cannot be determined in accordance with clause (1) above, then the rate, or methodology for this rate, and conventions for this rate that the Agent determines are substantially consistent with at least five currently outstanding U.S. dollar-denominated broadly syndicated credit facilities at such time (as a result of amendment or as originally executed) that are publicly available for review; provided, further, that if the Agent decides that any such rate, methodology or convention determined in accordance with clause (1) or clause (2) is not administratively feasible for the Agent, then Compounded SOFR will be deemed unable to be determined for purposes of the definition of “Benchmark Replacement”.~~

“*Comstock Sale*” is defined in Section 7.11(g).

“*Comstock Surety Bonds*” is defined in Section 7.11(g).

“*Conforming Changes*” means with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “Interest Period,” the definition of “U.S. Government Securities Business Day”, the timing and frequency of determining rates and making payments of interest, the timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Agent decides (in consultation with the Company) may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Agent (in consultation with the Company) decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“*Connection Income Taxes*” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profit Taxes.

“*Consolidated Total Assets*” means, as of any date of determination, the net book value of all assets of the Company and its Subsidiaries on such date determined on a consolidated basis in accordance with GAAP.

“*Controlled Group*” means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Company or any of its Subsidiaries, are treated as a single employer under Section 414 of the Code.

“*Corresponding Tenor*” with respect to a Benchmark Replacement, means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the applicable Interest Period with respect to the then-current Benchmark Replacement.

“*Credit Utilization*” means the advancing of any Loan, or the issuance of, or extensions of the expiration date or in the increase in the amount of, any Letter of Credit.

“*Debtor Relief Laws*” means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“*Default*” means any event or condition the occurrence of which would, with the passage of time or the giving of notice, or both, constitute an Event of Default.

“*Defaulting Lender*” means, subject to Section 2.12(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Agent and the Company in writing that such failure is the result of such Lender’s good faith and reasonable determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Agent, any Issuer, the Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swing Loans) within two (2) Business Days of the date when due, (b) has notified the Company, the Agent or any Issuer or the Swing Line Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s good faith and reasonable determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by the Agent or the Company, to confirm in writing to the Agent and the Company that it will comply with its

prospective funding obligations hereunder (*provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Agent and the Company), or (d) has, or has a direct or indirect parent company that has, at any time after the Closing Date (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or (iii) become the subject of a Bail-in Action; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Agent that a Lender is a Defaulting Lender under clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.13(b)) upon delivery of written notice of such determination to the Company, each Issuer, the Swing Line Lender and each Lender.

“*Departing Lenders*” is defined in Section 11.29 hereof.

“*Disposition*” means the sale, transfer, license, lease or other disposition of any Property (including any disposition of owned stock or other equity interests) by the Company or any Restricted Subsidiary (or the granting of any option or other right to do any of the foregoing).

~~“*Early Opt-in Election*” means the occurrence of:~~

~~—(1)—(i) a determination by the Agent or (ii) a notification by the Required Lenders to the Agent (with a copy to the Borrowers) that the Required Lenders have determined that U.S. dollar-denominated broadly syndicated credit facilities being executed at such time, or that include language similar to that contained in Section 2.14, are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace LIBOR, and~~

~~—(2)—(i) the election by the Agent or (ii) the election by the Required Lenders to declare that an Early Opt-in Election has occurred and the provision, as applicable, by the Agent of written notice of such election to the Borrowers and the Lenders or by the Required Lenders of written notice of such election to the Agent.~~

~~Subject, in each case, to the consent of the Borrower (not to be unreasonably withheld or delayed).~~

“*Earn-Out Obligations*” means an obligation the payment of which is dependent upon the future performance of an asset or assets the sale of which gave rise to such obligation.

“*EBITDA*” means, with reference to any period, as determined for the Company and its Restricted Subsidiaries on a consolidated basis in accordance with GAAP, Net Income for such period plus all amounts deducted in arriving at such Net Income amount in respect of (i) Interest Expense for such period, (ii) federal, state, provincial, foreign and local income taxes for such period, (iii) all amounts properly charged for depreciation of fixed assets and amortization of intangible assets during such period on the books of the Company and its Restricted Subsidiaries, (iv) other non-cash charges of the Company and its Restricted Subsidiaries during such period including, but not limited to, goodwill and intangible asset impairment charges, and (v) extraordinary, non-recurring cash charges not to exceed \$50,000,000 in the aggregate during any fiscal year and \$200,000,000 in the aggregate during the term of this Agreement (A) relating to any restructuring of the Company and/or its Subsidiaries, (B) incurred in connection with Permitted Acquisitions and investments in Strategic Ventures permitted pursuant to Section 7.12(h) hereof, (C) incurred in connection with sales, transfers, and dispositions of Property of the Company and its Subsidiaries permitted pursuant to Section 7.13 hereof, or (D) that have been approved by the Agent; *provided*, that extraordinary, non-recurring cash charges shall specifically exclude project related losses and write-downs.

“*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 delegatee) having responsibility for the resolution of any EEA Financial Institution.

“*Eligible Assignee*” means (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund, and (d) any other Person (other than a natural person) approved by (i) the Agent, (ii) the Issuers, and (iii) unless an Event of Default has occurred and is continuing, the Company (each such approval not to be unreasonably withheld or delayed); *provided* that notwithstanding the foregoing, “*Eligible Assignee*” shall not include any Borrower or Guarantor or any of such Borrower’s or such Guarantor’s Affiliates or Subsidiaries, a Defaulting Lender or a Sanctioned Person.

“*Eligible Line of Business*” means any business engaged in as of the date of this Agreement by any Borrower or any Restricted Subsidiary or any other business line reasonably related thereto or any reasonable extensions thereof or a business complimentary or ancillary to such existing businesses.

“*EMCOR UK*” is defined in the introductory paragraph hereof.

“*EMU Legislation*” means the legislative measures of the European Council for the introduction of, changeover to, or operation of a single or unified European currency being part of the implementation of the Third Stage.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor statute.

“*ERISA Affiliate*” means any (i) corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as the Company, (ii) partnership or other trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Code) with any Borrower, and (iii) member of the same affiliated service group (within the meaning of Section 414(m) of the Code) as the Company, any corporation described in clause (i) above or any partnership or trade or business described in clause (ii) above.

“*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.

“*Euro*” means the single lawful currency for the time being of the Participating Member States.

~~“*Eurocurrency Reserve Percentage*” means, for any Borrowing in a currency, the daily average for the applicable Interest Period of the maximum rate, expressed as a decimal, at which reserves (including, without limitation, any supplemental, marginal and emergency reserves) are imposed during such Interest Period by the Board of Governors of the Federal Reserve System (or any successor) on “eurocurrency liabilities”, as defined in such Board’s Regulation D (or in respect of any other category of liabilities that includes deposits by reference to which the interest rate on Loans in the relevant currency is determined or any category of extensions of credit or other assets that include loans by non-United States offices of any Lender to United States residents), subject to any amendments of such reserve requirement by such Board or its successor, taking into account any transitional adjustments thereto. For purposes of this definition, the Loans shall be deemed to be “eurocurrency liabilities” as defined in Regulation D without benefit or credit for any prorations, exemptions or offsets under Regulation D.~~

~~“*Eurodollar Loan*” means a Revolving Loan or Term Loan bearing interest as specified in Section 2.2 hereof.~~

“*Event of Default*” means any event or condition specified as such in Section 8.1 hereof.

“*Excess Cash*” means, at any time the same is to be determined, all cash, cash equivalents and marketable securities of the Company and the Guarantors.

“*Excess Stock Collateral*” has the meaning assigned thereto in Section 4.1.

“*Excluded Swap Obligation*” means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by

such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason not to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the Guarantee of such Guarantor or the grant of such security interest becomes effective with respect to such related Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or its applicable lending office (or relevant office for receiving payments from or on account of the Borrower or making funds available to or for the benefit of the Borrower) located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) U.S. Federal and United Kingdom withholding Taxes that are or would be required to be withheld pursuant to a law in effect on the date on which (i) such Recipient acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.11) or (ii) such Recipient changes its office for receiving payments by or on account of the Borrower or making funds available to or for the benefit of the Borrower), except in each case to the extent that, pursuant to Section 11.1 amounts with respect to such Taxes were payable either to such Recipient's assignor immediately before such Recipient became a party hereto or to such Recipient immediately before it changed its office for receiving payments by or on account of the Borrower or making funds available to or for the benefit of the Borrower, (c) Taxes attributable to such Recipient's failure to comply with Section 11.1(g) and Section 11.1(l), (d) any U.S. federal withholding Taxes imposed under FATCA, and (e) any U.S. backup withholding Taxes.

"Existing Credit Agreement" is defined in the introductory paragraph hereof.

"Existing Letters of Credit" means those certain Letters of Credit issued at the Company's request for the account of the applicable Borrowers by the Applicable Issuer and listed on Schedule 1.3 hereof.

"Facility" means any of any Revolving Facility or the Term Loan Facility.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, and any agreements entered into pursuant to Section 1471(b) of the Code.

"Federal Funds Rate" means the fluctuating interest rate per annum described in part (i) of clause (b) of the definition of Base Rate.

~~“Federal Reserve Bank of New York’s Website” means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source.~~

“*Finance Lease*” means any lease of Property (whether real or personal) which in accordance with GAAP is required to be classified as a finance lease on the balance sheet of the lessee.

“*Finance Lease Obligation*” means the amount of the liabilities shown on the balance sheet of any Person in respect of a Finance Lease determined in accordance with GAAP. For the avoidance of doubt, “Finance Lease Obligations” shall not include Operating Lease Obligations.

“*Financial Letter of Credit*” means a Letter of Credit (whether standby or commercial) that is not, as reasonably determined by the Agent, a Performance Letter of Credit.

“Floor” means the rate per annum of interest equal to 0.0%.

“*Foreign Lender*” means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the 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 Subsidiary*” means as to any particular corporation or other entity, any other corporation or limited liability company organized under the laws of and conducting business primarily in a jurisdiction which is not part of the United States, the Commonwealth of Puerto Rico or the United Kingdom and (i) at least 50.1% of the outstanding Voting Stock of which is at the time directly or indirectly owned by such parent corporation or limited liability company or by one or more other corporations or limited liability companies or other entities which are themselves subsidiaries of such parent corporation or limited liability company, (ii) the Company or a Subsidiary of the Company has effective control over such corporation or limited liability company, and (iii) is not designated as an “Unrestricted Subsidiary”. Foreign Subsidiaries include those Subsidiaries set forth on Schedule 5.2 under the heading “Foreign Subsidiaries.”

“*Fronting Exposure*” means, at any time there is a Defaulting Lender, (a) with respect to any Applicable Issuer, such Defaulting Lender’s Percentage of the outstanding L/C Obligations with respect to Letters of Credit issued by such Applicable Issuer other than L/C Obligations as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swing Line Lender, such Defaulting Lender’s Percentage of outstanding Swing Loans made by the Swing Line Lender other than Swing Loans as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders.

“*Fund*” means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

“GAAP” means generally accepted accounting principles in the United States as in effect from time to time.

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

“*Guaranty Agreements*” means instruments of guarantee from the Guarantors of the Obligations satisfactory in form and substance to the Agent.

“*Guarantee*” of or by any Person means any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness for Borrowed Money or other monetary obligation of any other Person (the “*primary obligor*”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness for Borrowed Money 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 for Borrowed Money 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 for Borrowed Money 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 for Borrowed Money or obligation; *provided* that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

“*Guarantors*” means those entities listed on Schedule 4.2 hereto and such other Restricted Subsidiaries (other than Restricted Subsidiaries which are not Wholly-Owned Subsidiaries or any captive insurance company or captive surety company) as the Required Lenders may from time to time designate as Guarantors in a written notice to the Company provided that such Subsidiary has assets in excess of \$20,000,000 or such other Restricted Subsidiaries as the Company may from time to time designate.

“*Hedging Liability*” means the liability of any Borrower or any Subsidiary to any of the Lenders, or any Affiliates of such Lenders, in respect of any Interest Rate Protection and Other Hedging Agreement as such Borrower or such Subsidiary, as the case may be, may from time to time enter into with any one or more of the Lenders party to this Agreement or their Affiliates; *provided, however*, that, with respect to any Guarantor, Hedging Liability guaranteed by such Guarantor shall exclude all Excluded Swap Obligations.

“*HM Revenue & Customs*” means the HM Revenue & Customs agency of the United Kingdom.

“*Hostile Acquisition*” means the acquisition of the capital stock or other equity interests of a Person through a tender offer or similar solicitation of the owners of such capital stock or other equity interests which has not been approved (prior to such acquisition) by resolutions of

the Board of Directors of such Person or by similar action if such Person is not a corporation, and as to which such approval has not been withdrawn.

“Indebtedness for Borrowed Money” means for any Person (without duplication) all indebtedness created, assumed or incurred in any manner by such Person or in respect of which such Person is directly or indirectly liable, whether by guarantee, commitment to purchase, undertaking to maintain the solvency, liquidity or a balance sheet condition of the obligor, or otherwise representing (i) money borrowed (including by the issuance of debt securities), (ii) indebtedness for the deferred purchase price of property or services (other than trade accounts payable arising in the ordinary course of business and Earn-Out Obligations), (iii) indebtedness secured by any Lien upon Property of such Person, whether or not such Person has assumed or become liable for the payment of such indebtedness but if such Person is not liable then such indebtedness shall be included at the lesser of the amount thereof or the fair market value of the Property securing same, (iv) Finance Lease Obligations of such Person, and (v) all obligations of such Person on or with respect to letters of credit (other than letters of credit which support payment of obligations which do not constitute Indebtedness for Borrowed Money of any Person), and bankers’ acceptances. Operating Lease Obligations, obligations for the payment of deferred compensation benefits contemplated by the Company’s Voluntary Deferral Plan and Performance Guarantees shall not constitute Indebtedness for Borrowed Money.

“Indemnified Taxes” means (a) all Taxes other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Borrower or Guarantor under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

“Indemnity Agreement” means any General Agreement of Indemnity or other indemnity agreement by and among or any of its Restricted Subsidiaries and the surety party thereto, as amended or modified from time to time.

“Interest Coverage Ratio” means, as at any date the same is to be determined, the ratio of (i) Adjusted EBITDA for the period of twelve calendar months then ending to (ii) Net Interest Expense for the same period.

“Interest Expense” means, with reference to any period, the sum of all interest charges (including imputed interest charges with respect to Finance Lease Obligations and all amortization of debt discount and expense but excluding fees payable under Sections 3.1 and 3.2 hereof) and letter of credit fees and commissions of the Borrowers and the Restricted Subsidiaries for such period determined in accordance with GAAP, but interest paid through the issuance of securities to the holders of the indebtedness in question having a maturity of more than one year from the date of issuance and being of no higher ranking or priority than the indebtedness in question shall not be included in Interest Expense.

“Interest Period” means the period commencing on the date a Borrowing is advanced or continued through a new Interest Period and ending: (a) in the case of a ~~Eurodollar~~SOFR Loan,

1~~-week or 1, 2~~, 3, or 6 months thereafter and (b) in the case of a Swing Loan, on the date 10 Business Days thereafter; *provided, however, that:*

- (i) no Interest Period shall extend beyond the final maturity date of the relevant Loans;
- (ii) no Interest Period with respect to any portion of the Term Loans shall extend beyond a date on which the Company is required to make a scheduled payment of principal on the Term Loans unless the sum of (a) the aggregate principal amount of Term Loans that are Base Rate Loans *plus* (b) the aggregate principal amount of Term Loans that are ~~Eurodollar~~SOFR Loans with Interest Periods expiring on or before such date equals or exceeds the principal amount to be paid on the Term Loans on such payment date;
- (iii) whenever the last day of any Interest Period would otherwise be a day that is not a Business Day, the last day of such Interest Period shall be extended to the next succeeding Business Day, *provided that*, if such extension would cause the last day of an Interest Period for a Borrowing of ~~Eurodollar~~SOFR Loans to occur in the following calendar month, the last day of such Interest Period shall be the immediately preceding Business Day; ~~and~~
- (iv) for purposes of determining an Interest Period for a Borrowing of ~~Eurodollar~~SOFR Loans, a month means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month; *provided, however*, that if there is no numerically corresponding day in the month in which such an Interest Period is to end or if such an Interest Period begins on the last Business Day of a calendar month, then such Interest Period shall end on the last Business Day of the calendar month in which such Interest Period is to end; ~~and~~

~~(v) no tenor that has been removed from this definition pursuant to Section 2.14 shall be available for specification in such borrowing request or interest election request.~~

“Interest Rate Protection and Other Hedging Agreements” means one or more of the following agreements entered into by one or more financial institutions:

- (a) interest rate protection agreements (including, without limitation, interest rate swaps, caps, floors, collars and similar agreements),
- (b) foreign exchange contracts, currency swap agreements or other, similar agreements or arrangements designed to protect against fluctuations in currency values and/or
- (c) other types of hedging agreements from time to time.

“*Issuer*” means (i) BMO Harris Bank N.A. and any lender party to the Existing Credit Agreement who issued an Existing Letter of Credit, (ii) Bank of Montreal, Bank of America, N.A., JPMorgan Chase Bank, N.A., U.S. Bank National Association and Citizens Bank, N.A., and (iii) any other Lender who agrees in writing to be an Issuer and is approved by the Required Lenders and the Company as an issuer of Letters of Credit to a particular Borrower or Borrowers hereunder or for use in a particular jurisdiction.

“*L/C Documents*” means the Letters of Credit, any draft or other document presented in connection with a drawing thereunder, the Applications and this Agreement.

“*L/C Obligations*” means the aggregate undrawn face amounts of all outstanding Letters of Credit and all unpaid Reimbursement Obligations.

“*L/C Participation Fee*” is defined in Section 3.3.

“*L/C Sublimit*” means \$400,000,000, as may be reduced pursuant to the terms hereof.

“*Lenders*” means and includes Bank of Montreal and the other Persons listed on Schedule 1.1. and any other Person that shall have become party hereto pursuant to an Assignment and Acceptance, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Acceptance. Unless the context requires otherwise, the term “*Lenders*” includes the Swing Line Lender.

“*Letter of Credit*” is defined in Section 1.3(a) hereof and shall include Existing Letters of Credit.

“*Leverage Ratio*” means, as of any time the same is to be determined, the ratio of (x) Total Funded Debt *minus* Excess Cash as of such date, to (y) Adjusted EBITDA for the period of twelve calendar months then ending.

~~“*LIBOR*” means, for an Interest Period, (a) the LIBOR Index Rate for such Interest Period, if such rate is available, and (b) if the LIBOR Index Rate cannot be determined, the average rate of interest per annum (rounded upwards, if necessary, to the nearest one hundred-thousandth of a percentage point) at which deposits in the relevant currency in immediately available funds are offered to the Agent at 11:00 a.m. (London, England time) two (2) Business Days before the beginning of such Interest Period (or with respect to any Eurodollar Loan denominated in Pound Sterling, the first day of such Interest Period) by major banks in the interbank eurocurrency market for delivery on the first day of and for a period equal to such Interest Period in an amount equal or comparable to the principal amount of the Borrowing in such currency scheduled to be made by the Agent; provided that in no event shall “LIBOR” be less than 0.00%. The Agent will provide the Company with evidence of such rate upon its request.~~

~~“*LIBOR Index Rate*” means, for any Interest Period, the rate per annum (rounded upwards, if necessary, to the next higher one hundred-thousandth of a percentage point) for deposits in the relevant currency for a period equal to such Interest Period, as reported on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Agent from time to time) as of 11:00 a.m. (London,~~

England time) on the day two (2) Business Days before the commencement of such Interest Period.

~~“LIBOR Quoted Rate” means, for any day, the rate per annum equal to the quotient of (i) the rate per annum (rounded upwards, if necessary, to the next higher one hundred thousandth of a percentage point) for deposits in the relevant currency for a one-month interest period as reported on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Agent from time to time) as of 11:00 a.m. (London, England time) on such day (or, if such day is not a Business Day, on the immediately preceding Business Day) divided by (ii) one (1) minus the Eurocurrency Reserve Percentage, provided that in no event shall the “LIBOR Quoted Rate” be less than 0.00%.~~

“Lien” means any mortgage, lien, pledge, charge, hypothec or security interest of any kind or nature (whether fixed or floating or of any ambulatory or non-crystallized nature or otherwise) in respect of any Property, excluding operating leases but including the interest of a vendor or lessor under any conditional sale, Finance Lease or other title retention arrangement.

“Loan” means any Revolving Loan, Swing Loan or Term Loan, whether outstanding as a Base Rate Loans or ~~Eurodollar~~ SOFR Loans or otherwise, each of which is a “type” of Loan hereunder.

“Loan Documents” means this Agreement, the Notes (if any), the L/C Documents, the Guaranty Agreements, the Collateral Documents, and each other instrument or document to be delivered hereunder or thereunder or otherwise in connection therewith and any reference to any of the foregoing shall be deemed to include any amendment, novation, supplement substitution or replacement from time to time of any of the foregoing, however fundamental.

“Material Adverse Effect” means, with respect to any act, omission or occurrence, any of the following consequences:

- (a) the material impairment of the ability of the Company or of the Company and the Guarantors taken as a whole to pay or perform their obligations under or pursuant to the Loan Documents;
- (b) any material adverse change in the assets, liabilities, financial condition, operations or business of the Company and its Restricted Subsidiaries taken as whole, or
- (c) any material impairment in the right of the Company and its Restricted Subsidiaries taken as whole to carry on their business substantially as now conducted.

“Material Restricted Subsidiary” means, as of any date of determination, any Restricted Subsidiary with a Net Worth at such time greater than \$20,000,000.

“Maximum Leverage Ratio” means 3.25 to 1.0; *provided*, that in the event that the Company and/or any Restricted Subsidiary consummates a Permitted Acquisition where the total amount expended by the Company and the Restricted Subsidiaries exceed \$100,000,000, then

the Maximum Leverage Ratio shall be (i) 3.75 to 1.0 as of the last day of the first and second fiscal quarters following the consummation of such Permitted Acquisition and 3.50 to 1.0 as of the last day of the third and fourth fiscal quarters following the consummation of such Permitted Acquisition or (ii) solely if the Company incurs at least \$300,000,000 of unsecured indebtedness to finance a portion of such Permitted Acquisition, 4.00 to 1.0 as of the last day of the first and second fiscal quarters following the consummation of such Permitted Acquisition, 3.75 to 1.0 as of the last day of the third and fourth fiscal quarters following the consummation of such Permitted Acquisition, and 3.50 to 1.0 as of the last day of the fifth and sixth fiscal quarters following the consummation of such Permitted Acquisition.

“*Multicurrency Commitment*” means, as to any Multicurrency Lender and subject to Section 1.1(c) hereof, the obligation of such Multicurrency Lender to make Multicurrency Revolving Loans in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Multicurrency Lender’s name on Schedule 1.1 attached hereto and made a part hereof, as the same may be increased, reduced or modified at any time or from time to time pursuant to the terms hereof. The Borrowers and the Multicurrency Lenders acknowledge and agree that the Multicurrency Commitments of the Multicurrency Lenders aggregate the U.S. Dollar Equivalent of \$1,300,000,000 on the date hereof.

“*Multicurrency Lenders*” means and includes Bank of Montreal and each financial institution from time to time party to this agreement with a Multicurrency Commitment as set forth on Schedule 1.1 attached hereto, including each assignee Lender of a Multicurrency Lender pursuant to Section 11.17 hereof.

“*Multicurrency Revolving Facility*” means the credit facility for making Multicurrency Revolving Loans as set forth herein.

“*Multicurrency Revolver Percentage*” means, for each Multicurrency Lender, the percentage of the Multicurrency Commitments represented by such Multicurrency Lender’s Multicurrency Commitment or, if the Multicurrency Commitments have been terminated, the percentage held by such Multicurrency Lender of the aggregate principal amount of all Multicurrency Revolving Loans.

“*Multicurrency Revolving Loan*” is defined in Section 1.1(b) hereof and, as so defined, includes a ~~Eurodollar~~SOFR Loan made to a Borrower, which is a “type” of Revolving Loan hereunder.

“*Moody’s*” means Moody’s Investors Service, Inc.

“*Net Income*” for any period means the net income of the Company and the Restricted Subsidiaries for such period computed on a consolidated basis in accordance with GAAP and, without limiting the foregoing, after deduction from gross income of all expenses and provisions, including provisions for taxes on or measured by income, but excluding any gains or losses on the sale or other Disposition of investments or fixed or capital assets, any extraordinary gains and losses, the cumulative effect of accounting changes (as that term is defined under GAAP) any taxes on such excluded gains, and any tax deductions or credits on account of any such excluded losses.

“*Net Interest Expense*” means, for any period, Interest Expense paid or payable in cash less all interest income received by the Company and its Restricted Subsidiaries during such period, as determined on a consolidated basis in accordance with GAAP.

“*Net Worth*” means, as of any time the same is to be determined, the total shareholders’ equity (including capital stock, additional paid-in-capital, warrants, accumulated other comprehensive income (as defined under GAAP) and retained earnings but after deducting treasury stock and, excluding minority interests in Restricted Subsidiaries) which would appear on the balance sheet of a Restricted Subsidiary or of the Company and its Restricted Subsidiaries determined on a consolidated basis in accordance with GAAP.

“*Non-Consenting Lender*” means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all affected Lenders in accordance with the terms of Section 11.4 and (b) has been approved by the Required Lenders.

“*Non-Defaulting Lender*” means, at any time, each Lender that is not a Defaulting Lender at such time.

“*Notes*” is defined in Section 3.8(d) hereof.

“*Obligations*” shall mean all obligations of the Borrowers to pay principal and interest on the Loans, all Reimbursement Obligations owing under the Applications, all fees and charges payable hereunder, and all other payment obligations of the Borrowers or any Guarantor arising under or in relation to any Loan Document, in each case whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired (including interest and fees accruing during the pendency of any proceeding under any Debtor Relief Law, regardless of whether allowed or allowable in such proceeding).

“*OFAC*” means the United States Department of Treasury Office of Foreign Assets Control.

“*OFAC Event*” means the event specified in Section 7.9(c) hereof.

“*OFAC Sanctions Programs*” means all laws, regulations, and Executive Orders administered by OFAC, including without limitation, the Bank Secrecy Act, anti-money laundering laws (including, without limitation, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56 (a/k/a the USA Patriot Act)), and all economic and trade sanction programs administered by OFAC, any and all similar United States federal laws, regulations or Executive Orders, and any similar laws, regulators or orders adopted by any State within the United States.

“*OFAC SDN List*” means the list of the Specially Designated Nationals and Blocked Persons maintained by OFAC.

“Operating Lease” means any lease of property (whether real or personal) which, in accordance with GAAP, is classified as an operating lease on the balance sheet of the lessee. For the avoidance of doubt, any lease that would not have been a capital lease under GAAP prior to giving effect to FASB ASC 842 (or any similar accounting principle) shall be considered an Operating Lease.

“Operating Lease Obligation” means the amount of the liabilities shown on the balance sheet of any Person in respect of an Operating Lease determined in accordance with GAAP.

“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 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, grant of a participation, designation of a new office for receiving payments by or on account of the Borrower or other transfer (other than an assignment made pursuant to Section 2.11).

“Participant” has the meaning assigned to such term in clause (d) of Section 11.16.

“Participant Register” has the meaning specified in clause (d) of ~~Section~~ 11.16.

“Participating Interest” is defined in Section 1.3(d) hereof.

“Participating Lender” is defined in Section 1.3(d) hereof.

“Participating Member State” means each State so described in any EMU Legislation.

“Percentage” means for any Lender its Multicurrency Revolver Percentage, Revolver Percentage, Term Loan Percentage, or U.S. Revolver Percentage, as applicable; and where the term *“Percentage”* is applied on an aggregate basis, such aggregate percentage shall be calculated by aggregating the separate components of the Revolver Percentage and Term Loan Percentage, and expressing such components on a single percentage basis.

“Performance Guarantees” means, in respect of the Company or any of the Restricted Subsidiaries, contingent obligations arising from the issuance of performance guarantees, assurances, indemnities, bonds, letters of credit, or similar agreements in the ordinary course of business in respect of the contracts (other than contracts for Indebtedness for Borrowed Money) of the Company, any Restricted Subsidiary, or any Person in which the Company or a Restricted Subsidiary has an equity interest.

“Performance Letters of Credit” means a Letter of Credit that, as reasonably determined by the Agent, assures that the applicable Borrower or Subsidiary will fulfill a contractual non-financial obligation.

“Permitted Acquisition” means any Acquisition with respect to which all of the following conditions shall have been satisfied:

(a) the Acquired Business has its primary operations within the United States of America, Canada or Europe;

(b) the Acquired Business is in an Eligible Line of Business or, if such Acquired Business is not in an Eligible Line of Business, then the aggregate consideration (including as such consideration any indebtedness of the Acquired Business assumed or guaranteed by the Company or a Restricted Subsidiary and deferred payment obligations) for such Acquired Business shall not exceed \$850,000,000;

(c) the Acquisition shall not be a Hostile Acquisition; and

(d) after giving effect to the Acquisition (including any Indebtedness for Borrowed Money incurred in connection therewith), (i) no Default or Event of Default shall exist, including with respect to the covenants contained in Sections 7.8 hereof on a pro forma basis, and (ii) the Company is in compliance on a pro forma basis as of the last day of the last fiscal quarter for which financial statements have been delivered, with the Maximum Leverage Ratio in effect at the time of such Acquisition (including any increases to the Maximum Leverage Ratio as a result of such Acquisition) and the minimum Interest Coverage Ratio. Such Acquisition shall be deemed to have occurred as of the date the Company enters into a definite agreement with respect to such Acquisition.

“Person” shall mean any person, firm, corporation, limited liability company, partnership, joint venture or other entity.

“Property” shall mean, as to any Person, all types of real, personal, tangible, intangible or mixed property owned by such Person whether or not included in the most recent balance sheet of such Person and its subsidiaries under GAAP.

“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.

“Quoted Rate” is defined in Section 1.8(c) hereof.

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

“Reimbursement Obligations” is defined in Section 1.3(c) hereof.

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

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

“Required Facility Lenders” means, at any time, with respect to one or more Facilities, Lenders having more than 50% of the Total Credit Exposures of all Lenders under such Facility or Facilities. To the extent provided in the last paragraph of Section 11.4, the Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Facility Lenders at any time.

“Required Lenders” means, at any time, Lenders having Total Credit Exposures representing more than 50% of the Total Credit Exposures of all Lenders. To the extent provided in the last paragraph of Section 11.4, the Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

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

“Restricted Payments” is defined in Section 7.14 hereof.

“Restricted Subsidiaries” means those Subsidiaries designated as such on Schedule 5.2 hereof and all other Subsidiaries designated in writing by the Company as “Restricted Subsidiaries” (at which point Section 5.2 shall automatically be deemed updated to include such designated Restricted Subsidiaries). Any corporation or other entity which is a Subsidiary but which is not organized under the laws of, and conducts business primarily in a jurisdiction which is not part of, a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or the United Kingdom is not nor shall it become a Restricted Subsidiary unless the Required Lenders consent to the designation of such Subsidiary by the Company as a “Restricted Subsidiary” (at which point Section 5.2 shall automatically be deemed updated to include such designated Restricted Subsidiaries).

“Revolver Percentage” means, for each Lender, the percentage of the total Aggregate Revolving Commitments represented by such Lender’s Aggregate Revolving Commitment or, if the Aggregate Revolving Commitments have been terminated or expired, the percentage of the total Revolving Credit Exposure then outstanding held by such Lender.

“Revolving Credit Exposure” means, at any time, the aggregate principal amount of Revolving Loans, Swing Loans and L/C Obligations outstanding at such time to all Lenders; and

“Revolving Credit Exposure”, as to any Lender at any time, the aggregate principal amount at such time of its outstanding Revolving Loans and such Lender’s participation in L/C Obligations and Swing Loans at such time.

“Revolving Credit Notes” is defined in Section 3.8(d) hereof.

“Revolving Credit Termination Date” means the date that is five (5) years from the Closing Date or such earlier date on which the Aggregate Revolving Commitments are terminated in whole pursuant to Sections 3.5, 3.6, 8.2 or 8.3 hereof.

“*Revolving Facility*” means either the Multicurrency Revolving Facility or the U.S. Revolving Facility; and “*Revolving Facilities*” means both the Multicurrency Revolving Facility and the U.S. Revolving Facility.

“*Revolving Loans*” means collectively Multicurrency Revolving Loans and a U.S. Revolving Loans.

~~“*Sanctions*” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any EU member state, or Her Majesty’s Treasury of the United Kingdom or any other relevant sanctions authority with jurisdiction over any Borrower or any of their Subsidiaries or Affiliates.~~

“*Sanctioned Country*” means, at any time, a region, country or territory which is the subject or target of any Sanctions (including Crimea, Cuba, North Korea, Sudan 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, by the United Nations Security Council, the European Union, any EU member state, ~~Her~~His Majesty’s Treasury of the United Kingdom or any other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned 50% or more or controlled by any such Person or Persons described in the foregoing clauses (a) or (b) or (d) any Person otherwise the subject of Sanctions.

~~“*Sanctions*” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any EU member state, or His Majesty’s Treasury of the United Kingdom or any other relevant sanctions authority with jurisdiction over any Borrower or any of their Subsidiaries or Affiliates.~~

“*Side Letter*” means that certain letter dated the date hereof from the Company to the Agent, as the same may be supplemented or amended from time to time.

“*SOFR*” ~~with respect to any day~~ means a rate equal to the secured overnight financing rate ~~published for such day as administered~~ by the Federal Reserve Bank of New York, ~~as the administrator of the benchmark,~~ (or a successor administrator of the secured overnight financing rate) ~~on the Federal Reserve Bank of New York’s Website.~~

“*SOFR-Based Rate Loan*” means ~~SOFR, Compounded SOFR~~a Revolving Loan or Term ~~SOFR~~Loan bearing interest as specified in Section 2.2 hereof.

“*S&P*” means Standard & Poor’s Ratings Services Group, a division of The McGraw-Hill Companies, Inc.

“*Strategic Ventures*” means joint ventures, limited liability companies, partnerships, corporations or similar pooling of efforts entered into for the purpose of expanding the mechanical, electrical, industrial and/or facilities services (or natural extensions thereof) businesses of the Company or any Restricted Subsidiary or entering or expanding a business related to such businesses and includes Restricted Subsidiaries that are not Guarantors. A Restricted Subsidiary which is a Guarantor is not a Strategic Venture.

“*Sublimits*” means the L/C Sublimit, the Swing Line Sublimit, the Multicurrency Sublimit and the UK Borrowers Sublimit.

“*Subsidiary*” means, as to any particular parent corporation or other entity, any other entity at least 50.1% of the outstanding Voting Stock of which is at the time directly or indirectly owned by such parent corporation or limited liability company or by any one or more other corporations or limited liability companies or other entities which are themselves subsidiaries of such parent corporation or limited liability company.

“*Swap Obligation*” means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act.

“*Swing Line*” means the credit facility for making one or more Swing Loans described in Section 1.8 hereof.

“*Swing Line Lender*” means Bank of Montreal, acting in its capacity as the Lender of Swing Loans hereunder, or any successor Lender acting in such capacity appointed pursuant to Section 11.17 hereof.

“*Swing Line Sublimit*” means \$75,000,000, as reduced pursuant to the terms hereof.

“*Swing Loan*” and “*Swing Loans*” each is defined in Section 1.8 hereof.

“*Swing Note*” is defined in Section 3.8(d) hereof.

“*Tangible Net Worth*” means, at any time the same is to be determined, the Net Worth of the Company and its Restricted Subsidiaries determined on a consolidated basis less the sum of (a) all notes receivable from officers and employees of the Company and its Restricted Subsidiaries, (b) the aggregate book value of all assets which would be classified as intangible assets under GAAP, including, without limitation, goodwill, patents, trademarks, trade names, copyrights, franchises and deferred charges (including, without limitation, unamortized debt discount and expense, organization costs and deferred research and development expense) and similar assets and (c) the write-up of assets above cost.

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

“Term Loan” is defined in Section 1.2 and, as so defined, includes a Base Rate Loan or a ~~Eurodollar~~SOFR Loan in each case made to the Company, each of which is a “type” of Term Loan hereunder.

“Term Loan Commitment” means, as to any Lender, the obligation of such Lender to make its Term Loan in the principal amount not to exceed the amount set forth opposite such Lender’s name on Schedule 1.1 attached hereto and made a part hereof. The Company and the Lenders acknowledge and agree that the Term Loan Commitments of the Lenders aggregate \$300,000,000 on the date hereof.

“Term Loan Facility” means the credit facility for the Term Loans described in Section 1.2.

“Term Loan Maturity Date” means the date that is five (5) years from the Closing Date.

“Term Loan Percentage” means, for each Lender, the percentage of the Term Loan Commitments represented by such Lender’s Term Loan Commitment or, if the Term Loan Commitments have been terminated or have expired, the percentage held by such Lender of the aggregate principal amount of all Term Loans then outstanding.

“Term Note” is defined in Section 3.8(d).

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

“Term SOFR Administrator” means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Agent in its reasonable discretion).

“Term SOFR Determination Day” is defined in the definition of “Term SOFR”.

“Term SOFR Reference Rate” means the forward-looking term rate based on SOFR~~that has been selected or recommended by the Relevant Governmental Body.~~

“*Third Stage*” means third stage of European economic and monetary union pursuant to the Treaty on European Union.

“*Total Credit Exposure*” means, as to any Lender at any time, the unused Commitments, Revolving Credit Exposure and outstanding Term Loans of such Lender at such time.

“*Total Funded Debt*” means, at any time the same is to be determined, the aggregate of all Indebtedness for Borrowed Money of the Company and its Restricted Subsidiaries at such time, including all Indebtedness for Borrowed Money of any other Person which is directly or indirectly guaranteed by the Company or any of its Restricted Subsidiaries or which the Company or any of its Restricted Subsidiaries has agreed (contingently or otherwise) to purchase or otherwise acquire or in respect of which the Company or any of its Restricted Subsidiaries has otherwise assured a creditor against loss, it being understood that pursuant to Section 9.4 hereof, Total Funded Debt shall not include Indebtedness for Borrowed Money relating to Finance Leases as permitted by Section 7.10(l) hereof unless the parties agree to accommodate a change in GAAP.

“*Treaty on European Union*” means the Treaty of Rome of March 25, 1957, as amended by the Single European Act of 1986 and the Maastricht Treaty (which was signed at Maastricht on February 7, 1992, and came into force on November 1, 1993, as amended from time to time).

“*U.K. Borrowers*” means and includes EMCOR UK and such other Restricted Subsidiaries organized under the laws of the United Kingdom as may from time to time be designated as such in writing by the Company and approved as such in writing by all Lenders (but subject to such conditions and limitations as either the Company or the Lenders may impose).

“*U.K. Borrowers Sublimit*” is defined in Section 1.1(c)(v) hereof.

“*U.K. Subsidiaries*” means the U.K. Borrowers and such other Subsidiaries organized under the laws of the United Kingdom.

“*U.S. Borrowers*” mean the Company and such other Restricted Subsidiaries organized under the laws of a state of the United States of America, the District of Columbia or the Commonwealth of Puerto Rico as may from time to time be designated as such in writing by the Company and approved as such in writing by all Lenders (but subject to such conditions and limitations as either the Company or Lenders may impose).

“*U.S. Dollars*” or “\$” means lawful currency of the United States of America.

“*U.S. Dollar Commitment*” means, as to any U.S. Lender and subject to Section 1.1(c) hereof, the obligation of such U.S. Lender to make U.S. Revolving Loans, and to participate in Swing Loans and Letters of Credit issued for the account of a U.S. Borrower hereunder in an aggregate principal or face amount at any one time outstanding not to exceed the amount set forth opposite such Lender’s name on Schedule 1.1 attached hereto and made a part hereof, as the same may be increased, reduced or modified at any time or from time to time pursuant to the

terms hereof. The Company and the U.S. Lenders acknowledge and agree that the U.S. Dollar Commitments of the U.S. Lenders aggregate \$1,300,000,000 on the date hereof.

“U.S. Dollar Equivalent” means the amount of U.S. Dollars which would be realized by converting an Alternative Currency into U.S. Dollars in the spot market at the exchange rate quoted by the Agent, at approximately 11:00 a.m. (London time) on the date on which a computation thereof is to be made, to major banks in the interbank foreign exchange market for the purchase of U.S. Dollars for such Alternative Currency.

“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. Lenders” means and includes Bank of Montreal and the other financial institutions from time to time party to this agreement with a U.S. Dollar Commitment as set forth on Schedule 1.1 attached hereto, including each assignee Lender of a U.S. Lender pursuant to Section 11.17 hereof, and unless the context otherwise requires, the Swing Line Lender.

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

“U.S. Revolving Facility” means the credit facility for making U.S. Revolving Loans and Swing Loans and issuing Letters of Credit as set forth herein.

“U.S. Revolving Credit Exposure” means, at any time, the aggregate principal amount of U.S. Revolving Loans, Swing Loans and L/C Obligations for all U.S. Lenders outstanding at such time; and the *“U.S. Revolving Credit Exposure”* for any U.S. Lender at any time means the aggregate principal amount of such Lender’s outstanding U.S. Revolving Loans and its participation in L/C Obligations and Swing Loans at such time.

“U.S. Revolving Loan” is defined in Section 1.1(a) hereof and, as so defined, includes a Base Rate Loan or a ~~Eurodollar~~ SOFR Loan in each case made to the U.S. Borrower, each of which is a “type” of Revolving Loan hereunder.

“U.S. Revolver Percentage” means, for each U.S. Lender, the percentage of the U.S. Dollar Commitments represented by such U.S. Lender’s U.S. Dollar Commitment or, if the U.S. Dollar Commitments have been terminated, the percentage held by such U.S. Lender (including through participation interests in Reimbursement Obligations) of the aggregate principal amount of all U.S. Revolving Loans and L/C Obligations then outstanding.

“U.S. Subsidiaries” means the Subsidiaries of the Company organized under the laws of a state of the United States of America or under the laws of the District of Columbia as may from time to time be designated as such in writing by the Company (but subject to such reasonable conditions and limitations as either the Company or Lenders may impose); *provided*, that U.S. Subsidiaries shall exclude Subsidiaries described in clause (ii) of the definition of CFC.

“U.S. Tax Compliance Certificate” has the meaning assigned to such term in subsection (f) of Section 11.1.

“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.

“Unrestricted Subsidiaries” means those Subsidiaries designated as such on Schedule 5.2 hereof.

“Unused Commitments” means, at any time, the difference between the Aggregate Revolving Commitments then in effect and the aggregate outstanding principal amount of Revolving Loans and L/C Obligations; *provided*, that Swing Loans outstanding from time to time shall be deemed to reduce the Unused Commitment of the Swing Line Lender for purposes of computing the commitment fee under Section 3.1 hereof.

“Voluntary Deferral Plan” means the Company’s deferred compensation plan for employees of the Company and its Subsidiaries that are eligible to participate in such plan and includes, in certain circumstances, matching contributions from the Company.

“Voting Stock” of any Person means capital stock or other equity interests of any class or classes (however designated) having ordinary power for the election of directors of such Person, other than stock having such power only by reason of the happening of a contingency.

“Welfare Plan” means a “welfare plan” as defined in Section 3(l) of ERISA.

“Wholly-Owned Subsidiary” means a Subsidiary of which all of the issued and outstanding shares of capital stock (other than directors’ qualifying shares as required by law and other than shares held by others for licensing purposes) or other equity interests are owned by the Company and/or one or more wholly-owned subsidiaries within the meaning of this definition.

“Withholding Agent” means any Borrower or Guarantor and the Agent.

“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 9.2. Interpretation. The foregoing definitions are equally applicable to both the singular and plural forms of the terms defined. The words “*hereof*”, “*herein*”, and “*hereunder*” and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All references to time of day herein are references to Chicago, Illinois time unless otherwise specifically provided. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, it shall be done in accordance with GAAP except where such principles are inconsistent with the specific provisions of this Agreement.

Section 9.3. Capital Stock. All references in this Agreement to “*capital stock*” shall be deemed to include a reference to shares and all references to “*stockholders*” shall be deemed to include references to shareholders (where appropriate).

Section 9.4. Change in Accounting Principles. If, after the date of this Agreement, there shall occur any change in GAAP from those used in the preparation of the financial statements referred to in Section 5.5 hereof and such change shall result in a change in the method of calculation of any financial covenant, standard or term found in this Agreement, either the Company or the Required Lenders may by notice to the Lenders and the Company, respectively, require that the Lenders and the Company negotiate in good faith to amend such covenants, standards, and terms so as equitably to reflect such change in accounting principles, with the desired result being that the criteria for evaluating the financial condition of the Company and its Subsidiaries shall be the same as if such change had not been made (it being understood that the refusal by the Company to pay a fee in connection with an amendment to the financial covenants resulting solely from a change in GAAP pursuant to this Section 9.4 shall not be deemed to be in bad faith). No delay by the Company or the Required Lenders in requiring such negotiation shall limit their right to so require such a negotiation at any time after such a change in accounting principles. Until any such covenant, standard, or term is amended in accordance with this Section 9.4, such covenants, standard or terms shall be computed and determined in accordance with GAAP in effect prior to such change in accounting principles. Without limiting the generality of the foregoing, the Company shall neither be deemed to be in compliance with any financial covenant hereunder nor out of compliance with any financial covenant hereunder if such state of compliance or noncompliance, as the case may be, would not exist but for the occurrence of a change in accounting principles after the date hereof.

Section 9.5. Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction’s laws): (a) if any asset, right, obligation or liability of any Person becomes the asset,

right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its equity interests at such time.

Section 9.6. Interest Rates. The Agent does not warrant or accept responsibility for, and shall not have any liability with respect to, in each case, except as expressly set forth in this Agreement (a) the continuation of, administration of, submission of, calculation of or any other matter related to the Benchmark, any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Benchmark or any other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Agent and its affiliates or other related entities may engage in transactions that affect the calculation of the Benchmark, any alternative, successor or replacement rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the borrowers under all credit facilities agented by the Agent, including the Borrowers under this Agreement. The Agent may select information sources or services in its reasonable discretion to ascertain the Benchmark or any other Benchmark, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrowers, 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 10. THE AGENT.

Section 10.1. Appointment and Authority. Each of the Lenders and the Issuers hereby irrevocably appoints Bank of Montreal to act on its behalf as the Agent hereunder and under the other Loan Documents and authorizes the Agent to take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Section 10 (other than Section 10.6 with respect to appointing a successor Agent as described therein and Section 10.12) are solely for the benefit of the Agent, the Lenders and the Issuers, and no Borrower or any Restricted Subsidiary shall have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

Section 10.2. Rights as a Lender. The Person serving as the Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Agent, and the term “Lender” or “Lenders” shall, unless

otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Agent hereunder and without any duty to account therefor to the Lenders.

Section 10.3. Action by Agent; Exculpatory Provisions. (a) The Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Agent and its Related Parties:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), *provided* that the Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law. The Agent shall in all cases be fully justified in failing or refusing to act hereunder or under any other Loan Document unless it first receives any further assurances of its indemnification from the Lenders that it may require, including prepayment of any related expenses and any other protection it requires against any and all costs, expense, and liability which may be incurred by it by reason of taking or continuing to take any such action; and

(iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty or responsibility to disclose, and shall not be liable for the failure to disclose, any information relating to any Borrower, Restricted Subsidiary or any of their Affiliates that is communicated to or obtained by the Person serving as the Agent or any of its Affiliates in any capacity.

(b) Neither the Agent nor any of its Related Parties shall be liable for any action taken or not taken by the Agent under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby or thereby (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 3.7 (with respect to application of proceeds), 8.2, 8.3, 8.4, and 11.4), or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. Any such action taken or failure to

act pursuant to the foregoing shall be binding on all Lenders. The Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until notice describing such Default or Event of Default is given to the Agent in writing by a Borrower, a Lender, or an Issuer.

(c) Neither the Agent nor any of its Related Parties shall be responsible for or have any duty or obligation to any Lender or Issuer or participant or any other Person to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Collateral Documents, (v) the value or sufficiency of any Collateral, or (vi) the satisfaction of any condition set forth in Section 6.1 or 6.2 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agent.

Section 10.4. Reliance by Agent. The Agent shall be entitled to rely upon, and shall be fully protected in relying and shall not incur any liability for relying upon, any notice, request, certificate, communication, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall be fully protected in relying and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an Issuer, the Agent may presume that such condition is satisfactory to such Lender or Issuer unless the Agent shall have received notice to the contrary from such Lender or Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Agent may consult with legal counsel (who may be counsel for the Borrowers), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 10.5. Delegation of Duties. The Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Agent. The Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Section shall apply to any such sub-agent and to the Related Parties of the Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided hereby as well as activities as Agent. The Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

Section 10.6. Resignation of Agent. (a) The Agent may at any time give notice of its resignation to the Lenders, the Issuers and the Company. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Company, to appoint a successor, which shall be a bank with an office in the United States of America, or an Affiliate of any such bank with an office in the United States of America. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the “*Resignation Effective Date*”), then the retiring Agent may (but shall not be obligated to), on behalf of the Lenders and the Issuers, appoint a successor Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) With effect from the Resignation Effective Date, (i) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents, and (ii) except for any indemnity payments owed to the retiring or removed Agent, all payments, communications and determinations provided to be made by, to or through the Agent shall instead be made by or to each Lender and Issuer directly, until such time, if any, as the Required Lenders appoint a successor Agent as provided for above. If on the Resignation Effective Date no successor has been appointed and accepted such appointment, the Agent’s rights in the Collateral Documents shall be assigned without representation, recourse or warranty to the Lenders and Issuer as their interests may appear. Upon the acceptance of a successor’s appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Agent (other than any rights to indemnity payments or other amounts owed to the retiring Agent), and the retiring Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrowers to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Company and such successor. After the retiring Agent’s resignation hereunder and under the other Loan Documents, the provisions of this Section 10 and Section 11.5 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Agent was acting as Agent.

Section 10.7. Non-Reliance on Agent and Other Lenders. Each Lender and Issuer acknowledges that it has, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and Issuer also acknowledges that it will, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Section 10.8. Issuers and Swing Line Lender. Each Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the Swing Line Lender shall act on behalf of the Lenders with respect to the

Swing Loans made hereunder. The Issuers and the Swing Line Lender shall each have all of the benefits and immunities (i) provided to the Agent in this Section 10 with respect to any acts taken or omissions suffered by such Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and the Applications pertaining to such Letters of Credit or by the Swing Line Lender in connection with Swing Loans made or to be made hereunder as fully as if the term “Agent”, as used in this Section 10, included the Issuers and the Swing Line Lender with respect to such acts or omissions and (ii) as additionally provided in this Agreement with respect to such Issuer or Swing Line Lender, as applicable. Any resignation by the Person then acting as Agent pursuant to Section 10.6 shall also constitute its resignation or the resignation of its Affiliate as Issuer and Swing Line Lender except as it may otherwise agree. If such Person then acting as an Issuer so resigns, it shall retain all the rights, powers, privileges and duties of an Issuer hereunder with respect to all Letters of Credit outstanding that have been issued by such Issuer as of the effective date of its resignation as Issuer and all L/C Obligations with respect thereto, including the right to require the Lenders to make Loans or fund risk participations in Reimbursement Obligations pursuant to Section 1.8. If such Person then acting as Swing Line Lender resigns, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Loans or fund risk participations in outstanding Swing Loans pursuant to Section 1.8. Upon the appointment by the Company of a successor Issuer or Swing Line Lender hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Issuer or Swing Line Lender, as applicable (other than any rights to indemnity payments or other amounts that remain owing to the retiring Issuer or Swing Line Lender), and (ii) the retiring Issuer and Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents other than with respect to its outstanding Letters of Credit and Swing Loans, and (iii) upon the request of the resigning Issuer, the successor Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the resigning Issuer to effectively assume the obligations of the resigning Issuer with respect to such Letters of Credit.

Section 10.9. Hedging Liability. By virtue of a Lender’s execution of this Agreement or an Assignment and Acceptance pursuant to Section 11.17, as the case may be, any Affiliate of such Lender with whom any Borrower or any Subsidiary has entered into an agreement creating Hedging Liability shall be deemed a Lender party hereto for purposes of any reference in a Loan Document to the parties for whom the Agent is acting, it being understood and agreed that the rights and benefits of such Affiliate under the Loan Documents consist exclusively of such Affiliate’s right to share in payments and collections out of the Collateral and the Guaranty Agreements as more fully set forth in Section 3.7. In connection with any such distribution of payments and collections, or any request for the release of the Guaranty Agreements and the Agent’s Liens in connection with the termination of the Commitments and the payment in full of the Obligations, the Agent shall be entitled to assume no amounts are due to any Lender or its Affiliate with respect to Hedging Liability unless such Lender has notified the Agent in writing of the amount of any such liability owed to it or its Affiliate prior to such distribution or payment or release of the Guaranty Agreements and Liens.

Section 10.10. Designation of Additional Agents. The Agent shall have the continuing right, with the consent of the Company (such consent not to be unreasonably withheld or delayed) for purposes hereof, at any time and from time to time to designate one or more of the Lenders (and/or its or their Affiliates) as “syndication agents,” “documentation agents,” “book runners,” “lead arrangers,” “arrangers,” or other designations for purposes hereto, but such designation shall have no substantive effect, and such Lenders and their Affiliates shall have no additional powers, duties or responsibilities as a result thereof.

Section 10.11. Authorization to Enter into, and Enforcement of, the Collateral Documents; Possession of Collateral. The Agent is hereby irrevocably authorized by each of the Lenders and the Issuers to execute and deliver the Collateral Documents on behalf of each of the Lenders, the Issuers, and their Affiliates and to take such action and exercise such powers under the Collateral Documents as the Agent considers appropriate; *provided* that subject to the last paragraph of Section 11.4, the Agent shall not amend the Collateral Documents unless such amendment is agreed to in writing by the Required Lenders. Upon the occurrence of an Event of Default, the Agent shall take such action to enforce its Lien on the Collateral and to preserve and protect the Collateral as may be directed by the Required Lenders. Unless and until the Required Lenders give such direction, the Agent may (but shall not be obligated to) take or refrain from taking such actions as it deems appropriate and in the best interest of all the Lenders and Issuers. Each Lender and Issuer acknowledges and agrees that it will be bound by the terms and conditions of the Collateral Documents upon the execution and delivery thereof by the Agent. The 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 Agent’s Lien thereon, or any certificate prepared by any Borrower or Restricted Subsidiary in connection therewith, nor shall the Agent be responsible or liable to the Lenders, the Issuers or their Affiliates for any failure to monitor or maintain any portion of the Collateral. The Lenders and Issuers hereby irrevocably authorize (and each of their Affiliates holding any Hedging Liability entitled to the benefits of the Collateral shall be deemed to authorize) the Agent, based upon the instruction of the Required Lenders, to credit bid and purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral at any sale thereof conducted by the Agent (or any security trustee therefore) under the provisions of the Uniform Commercial Code, including pursuant to Sections 9-610 or 9-620 of the Uniform Commercial Code, at any sale thereof conducted under the provisions of the United States Bankruptcy Code, including Section 363 of the United States Bankruptcy Code, or at any sale or foreclosure conducted by the Agent or any security trustee therefore (whether by judicial action or otherwise) in accordance with applicable law. Except as otherwise specifically provided for herein, no Lender, Issuer, or their Affiliates, other than the Agent, shall have the right to institute any suit, action or proceeding in equity or at law for the foreclosure or other realization upon any Collateral or for the execution of any trust or power in respect of the Collateral or for the appointment of a receiver or for the enforcement of any other remedy under the Collateral Documents; it being understood and intended that no one or more of the Lenders or Issuers or their Affiliates shall have any right in any manner whatsoever to affect, disturb or prejudice the Lien of the Agent (or any security trustee therefor) under the Collateral Documents by its or their action or to enforce any right thereunder, and that all proceedings at law or in equity shall be instituted, had, and maintained by the Agent (or its security trustee) in the manner provided for in the relevant Collateral Documents for the benefit of the Lenders, the Issuers, and their Affiliates.

Each Lender and Issuer is hereby appointed agent for the purpose of perfecting the Agent's security interest in assets which, in accordance with Article 9 of the Uniform Commercial Code or other applicable law can be perfected only by possession. Should any Lender or Issuer (other than the Agent) obtain possession of any Collateral, such Lender or Issuer shall notify the Agent thereof, and, promptly upon the Agent's request therefor shall deliver such Collateral to the Agent or in accordance with the Agent's instructions.

Section 10.12. Authorization to Release, Limit or Subordinate Liens or to Release Guaranty Agreements. The Agent is hereby irrevocably authorized by each of the Lenders, the Issuers, and their Affiliates to (a) release any Lien covering any Collateral that is sold, transferred, or otherwise disposed of in accordance with the terms and conditions of this Agreement and the relevant Collateral Documents (including a Disposition permitted by the terms of Section 7.13 (including the sale of all of the capital stock of a Restricted Subsidiary permitted by such section) or which has otherwise been consented to in accordance with Section 11.4), (b) release or subordinate any Lien on Collateral consisting of goods financed with purchase money indebtedness or under a Finance Lease to the extent such purchase money indebtedness or Finance Lease Obligation, and the Lien securing the same, are permitted by Sections 7.10 and 7.11, (c) reduce or limit the amount of the indebtedness secured by any particular item of Collateral to an amount not less than the estimated value thereof to the extent necessary to reduce mortgage registry, filing and similar tax, (d) release Liens on the Collateral following the Collateral Release Date or the termination or expiration of the Commitments and payment in full in cash of the Obligations (other than contingent indemnification obligations) and the expiration or termination of all Letters of Credit (other than Letters of Credit that have been Cash Collateralized to the reasonable satisfaction of the Agent and the relevant Issuer) and, if then due, Hedging Liability (other than Hedging Liability under any Interest Rate Protection and other Hedging Agreements as to which arrangements shall have been made that are reasonably satisfactory to the Lender (or such Lender's Affiliate, if applicable) to which such Hedging Liability is owed), and (e) release any Restricted Subsidiary from its obligations as a Guarantor if such Person ceases to be a Restricted Subsidiary as a result of a transaction permitted under the Loan Documents (including the sale of all of the capital stock of such Restricted Subsidiary permitted by such Section 7.13). Upon the Agent's request, the Required Lenders will confirm in writing the Agent's authority to release or subordinate its interest in particular types or items of Property or to release any Person from its obligations as a Guarantor under the Loan Documents.

Section 10.13. Authorization of Agent to File Proofs of Claim In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Borrower or Material Restricted Subsidiary, the Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

- (a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations 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 Lenders, the Issuers and the Agent (including any claim for

the reasonable compensation, expenses, disbursements and advances of the Lenders, the Issuers and the Agent and their respective agents and counsel and all other amounts due the Lenders, the Issuers and the Agent under the Loan Documents including, but not limited to, Sections 2.5, 2.8, 3.1, 3.3, and 11.5) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and Issuer to make such payments to the Agent and, in the event that the Agent shall consent to the making of such payments directly to the Lenders and the Issuers, to pay to the Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agent and its agents and counsel, and any other amounts due the Agent under Sections 3.1, 3.3 and 11.5. Nothing contained herein shall be deemed to authorize the Agent to authorize or consent to or accept or adopt on behalf of any Lender or Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or Issuer or to authorize the Agent to vote in respect of the claim of any Lender or Issuer in any such proceeding.

Section 10.14. Certain ERISA Matters.

~~—(a)—~~ Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, Agent and its Affiliates, and not, for the avoidance of doubt, to or for the benefit of any Borrower or any ~~other Loan Party~~ Guarantor, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments or this Agreement;

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement; or

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such

Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement; or

(iv) such other representation, warranty and covenant as may be agreed in writing between Agent, the Borrowers and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, Agent and not, for the avoidance of doubt, to or for the benefit of any Borrower or any ~~other Loan Party~~ Guarantor, that Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

SECTION 11. MISCELLANEOUS.

Section 11.1. Withholding Taxes.

(a) *Certain Defined Terms.* For purposes of this Section, the term "Lender" includes any Issuer and the term "applicable law" includes FATCA.

(b) *Payments Free of Taxes.* Any and all payments by or on account of any obligation of any Borrower or Guarantor under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Borrower or Guarantor shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) *Payment of Other Taxes by the Borrowers and Guarantors.* The Borrowers and Guarantors shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Agent timely reimburse it for the payment of, any Other Taxes.

(d) *Indemnification by the Borrowers and Guarantors.* The Borrowers and Guarantors shall jointly and severally indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate setting forth in reasonable detail a description of such Indemnified Taxes and the amount of such payment or liability delivered to the Company by a Lender (with a copy to the Agent), or by the Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) *Indemnification by the Lenders.* Each Lender shall severally indemnify the Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Borrower or Guarantor has not already indemnified the Agent for such Indemnified Taxes and without limiting the obligation of the Borrowers and Guarantors to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.16 relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the 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 Agent to the Lender from any other source against any amount due to the Agent under this subsection (e).

(f) *Evidence of Payments.* As soon as practicable after any payment of Taxes by any Borrower or Guarantor to a Governmental Authority pursuant to this Section, such Borrower or Guarantor shall deliver to the 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 Agent.

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

Section 11.1(g)(ii)(A), (ii)(B) and (ii)(D) 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, (it being understood that providing any information currently required by any U.S. federal income tax withholding form shall not be considered prejudicial to the position of a Lender).

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Company and the Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Company or the Agent), executed originals of IRS Form W-9 (or successor form) certifying that such Lender is exempt from U.S. federal backup withholding tax; *provided*, however, that if the Lender is a disregarded entity for U.S. federal income tax purposes, it shall provide the appropriate withholding form of its owner (together with appropriate supporting documentation);

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Company and the Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Company or the Agent), whichever of the following is applicable:

(i) 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 originals of IRS Form W-8BEN (or successor form) 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 successor form) 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;

(ii) executed originals of IRS Form W-8ECI (or successor form);

(iii) 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 in a form acceptable to the Agent 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 originals of IRS Form W-8BEN (or successor form); or

(iv) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate acceptable to the Agent, IRS Form

W-9, and/or other certification documents from each beneficial owner, as applicable (or successor form); *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 acceptable to the Agent on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Company and the Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Company or the Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Company or the Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Company and the Agent at the time or times prescribed by law and at such time or times reasonably requested by the Company or the 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 Agent as may be necessary for the Company and the Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Agent in writing of its legal inability to do so.

(h) *Treatment of Certain Refunds.* If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this subsection (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this

subsection (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts giving rise to such refund had never been paid. This subsection shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) *Agent.* The Agent shall provide to the Company two duly-signed, properly completed copies of the documentation prescribed in clause (i) or (ii) below, as applicable (together with all required attachments thereto): (i) IRS Form W-9 or any successor thereto, or (ii) (A) IRS Form W-8ECI or any successor thereto, and (B) with respect to payments received on account of any Lender, a U.S. branch withholding certificate on IRS Form W-8IMY or any successor thereto evidencing its agreement with the Borrower to be treated as-U.S. Person for U.S. federal withholding purposes. At any time thereafter, the Agent shall provide updated documentation previously provided (or a successor form thereto) when any documentation previously delivered has expired or become obsolete or invalid or otherwise upon the reasonable request of the Company.

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

(k) *Timely Notification.* With respect to a claim by a Recipient for indemnification or payment of additional amounts pursuant to this Section 11.1, the Borrower shall not be required to compensate such Recipient for any amount in respect of which the Recipient has received notice of claim, adjustment or assessment more than six (6) months prior to the date that such person notifies the Borrower of the event that gives rise to such claim; *provided* that, if the circumstance giving rise to such claim is retroactive, then such 6-month period referred to above shall be extended to include the period of retroactive effect thereof.

(l) *Additional United Kingdom Withholding Tax Matters.* (i) Subject to (ii) below, each Lender and each UK Borrower which makes a payment to such Lender shall cooperate in completing any procedural formalities necessary for such UK Borrower to obtain authorization to make such payment without withholding or deduction for Taxes imposed under the laws of the United Kingdom.

(ii) (A)-A Lender on the day on which the U.K. Borrower initially requests a Borrowing hereunder or the issuance of a Letter of Credit that (x) holds a passport under the HMRC DT Treaty Passport scheme and (y) wishes such scheme to apply to this Agreement, shall promptly provide its scheme reference number and its jurisdiction of tax residence to each UK Borrower and the Agent; and

 (B)- a Lender which becomes a Lender hereunder after the date the U.K. Borrower requests the initial Borrowing or issuance of a Letter of Credit that (x) holds a passport under the HMRC DT Treaty Passport scheme and (y) wishes such scheme to apply to this Agreement,

shall, upon becoming a Lender, provide its scheme reference number and its jurisdiction of tax residence to each UK Borrower and the Agent, and

~~___(C)-~~ Upon satisfying either clause (A) or (B) above, such Lender shall have satisfied its obligation under paragraph (l)(i) above.

~~___(iii)-~~ If a Lender has confirmed its scheme reference number and its jurisdiction of tax residence in accordance with paragraph (l)(ii) above, the UK Borrower shall make a Borrower DTTP Filing with respect to such Lender, and shall promptly provide such Lender with a copy of such filing; *provided* that, if:

~~___(A)-~~ each UK Borrower making a payment to such Lender has not made a Borrower DTTP Filing in respect of such Lender; or

~~___(B)-~~ each UK Borrower making a payment to such Lender has made a Borrower DTTP Filing in respect of such Lender but:

~~___(1)-~~ such Borrower DTTP Filing has been rejected by HM Revenue & Customs; or

~~___(2)-~~ HM Revenue & Customs has not given such UK Borrower authority to make payments to such Lender without a deduction for tax within 60 days of the date of such Borrower DTTP Filing;

and in each case, such UK Borrower has notified that Lender in writing of either (1) or (2) above, then such Lender and such UK Borrower shall co-operate in completing any additional procedural formalities necessary for such UK Borrower to obtain authorization to make that payment without withholding or deduction for Taxes imposed under the laws of the United Kingdom.

~~___(iv)-~~ If a Lender has not confirmed its scheme reference number and jurisdiction of tax residence in accordance with paragraph (l)(ii) above, no UK Borrower shall make a Borrower DTTP Filing or file any other form relating to the HMRC DT Treaty Passport scheme in respect of that Lender's Commitment(s) or its participation in any Loan unless the Lender otherwise agrees.

~~___(v)-~~ Each UK Borrower shall, promptly on making a Borrower DTTP Filing, deliver a copy of such Borrower DTTP Filing to the Agent for delivery to the relevant Lender.

~~___(vi)-~~ Each Lender shall notify the Borrower and Agent if it determines in its sole discretion that it ceases to be entitled to claim the benefits of an income tax treaty to which the United Kingdom is a party with respect to payments made by any U.K. Borrower hereunder.

Section 11.2. Holidays. If any payment of principal or interest on any of the Loans or any fees shall fall due on a Saturday, Sunday or on another day which is a legal holiday for lenders in the State of New York, (i) interest at the rates such Loans bear for the period prior to maturity shall continue to accrue on such principal from the stated due date thereof to and including the

next succeeding Business Day and (ii) such principal, interest and fees shall be payable on such succeeding Business Day.

Section 11.3. No Waiver, Cumulative Remedies. No delay or failure on the part of the Agent, any Issuer or any Lender or on the part of the Agent, any Issuer or any holder of any of the Obligations in the exercise of any power or right shall operate as a waiver thereof, nor as an acquiescence in any default nor shall any single or partial exercise of any power or right preclude any other or further exercise of any other power or right. The rights and remedies hereunder of the Agent, the Issuers, Lenders and of the holders of any of the Obligations are cumulative to, and not exclusive of, any rights or remedies which any of them would otherwise have.

Section 11.4. Amendments. Any provision of this Agreement or the other Loan Documents may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by (a) the Borrowers, (b) the Required Lenders (except as otherwise stated below to require only the consent of the Lenders affected thereby), and (c) if the rights or duties of the Agent, the Issuers, or the Swing Line Lender are affected thereby, the Agent, the Issuers, or the Swing Line Lender, as applicable; *provided that*:

(i) no amendment or waiver pursuant to this Section 11.4 shall (A) increase any Commitment of any Lender without the consent of such Lender or (B) reduce the amount of or postpone the date for any scheduled payment of any principal of (excluding any mandatory prepayments set forth in Section 3.5 herein) or interest on any Loan or of any Reimbursement Obligation or of any fee payable hereunder without the consent of the Lender to which such payment is owing or which has committed to make such Loan or Letter of Credit (or participate therein) hereunder; *provided, however*, that only the consent of the Required Lenders shall be necessary (i) to amend the default rate provided in Section 1.9 or to waive any obligation of the Borrowers to pay interest or fees at the default rate as set forth therein or (ii) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest or any fee payable hereunder;

(ii) no amendment or waiver pursuant to this Section 11.4 shall, unless signed by each Lender, change the definition of Required Lenders, Alternative Currency, Collateral Release Conditions, Collateral Release Date, U.K. Borrowers or U.S. Borrowers, change the provisions of this Section 11.4, change Section 11.26 in a manner that would affect the ratable sharing of setoffs required thereby, change the application of payments contained in Section 3.7, release any material Guarantor (including without limitation, the Company in its capacity as Guarantor) or all or substantially all of the Collateral (except as otherwise provided for in the Loan Documents), or affect the number of Lenders required to take any action hereunder or under any other Loan Document;

(iii) no amendment or waiver pursuant to this Section 11.4 shall, unless signed by (A) each Lender under the Revolving Facilities directly affected thereby, extend the Revolving Credit Termination Date, or (B) the Applicable Issuer, extend the stated expiration date of any Letter of Credit beyond the Revolving Credit Termination Date.

Notwithstanding anything to the contrary herein, (1) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender, (2) if the Agent and the Company have jointly identified an obvious error or any error or omission of a technical nature, in each case, in any provision of the Loan Documents, then the Agent and the Company shall be permitted to amend such provision, (3) guarantees, collateral security documents and related documents executed by the Borrowers or any other Restricted Subsidiary in connection with this Agreement may be in a form reasonably determined by the Agent and may be amended, supplemented or waived without the consent of any Lender if such amendment, supplement or waiver is delivered in order to (x) comply with local law or advice of local counsel, (y) cure ambiguities, omissions, mistakes or defects or (z) cause such guarantee, collateral security document or other document to be consistent with this Agreement and the other Loan Documents, and (4) the Company and the Agent may, without the input or consent of any other Lender, effect amendments to this Agreement and the other Loan Documents as may be necessary in the reasonable opinion of the Company and the Agent to effect the provisions of Section 1.10.

Section 11.5. Costs and Expenses. (a) The Borrowers agree to pay on demand all reasonable costs and expenses of the Agent in connection with the negotiation, preparation, execution, delivery, recording or filing or release of the Loan Documents or in connection with any consents hereunder or thereunder or waivers or amendments hereto or thereto or assignments pursuant hereto, including the reasonable fees and expenses of counsel for the Agent with respect to all of the foregoing, and all recording, filing, insurance or other fees, costs and taxes incident to perfecting a Lien upon the collateral security for the Loans and the other Obligations, and all reasonable costs and expenses (including reasonable attorneys' fees) incurred by the Agent, the Issuers, the Lenders or any other holders of the Obligations in connection with any Default or Event of Default or in connection with the enforcement of the Loan Documents, and all reasonable costs, fees and taxes of the types enumerated above incurred in supplementing (and recording or filing supplements to) the Collateral Documents in connection with assignments contemplated by Section 11.17 hereof if counsel to the Agent believes such supplements to be appropriate or desirable; *provided*, that the Borrowers shall only be obligated to pay reasonable attorneys fees for the one counsel to the Agent in each applicable jurisdiction and one counsel for the Issuers, the Lenders and the other holders in each applicable jurisdiction. The Borrowers agree to indemnify and save the Lenders, the Issuers, the Agent and any of their respective Related Parties and any security trustee for the Agent or the Lenders harmless from any and all liabilities, losses, reasonable costs and reasonable expenses incurred by the Lenders, the Issuers or the Agent or any of their respective Related Parties in connection with any action, suit or proceeding brought against the Agent, or the Issuers, any security trustee or any Lender or any of their respective Related Parties by any Person which arises out of the transactions contemplated or financed by any of the Loan Documents or out of any action or inaction by the Agent, any security trustee or any Lender thereunder or any of their respective Related Parties, except for

liabilities, losses, costs and expenses (x) caused by the gross negligence or willful misconduct of the party seeking to be indemnified or any of its Related Parties, or the material breach by any Lender of its obligations under the Loan Documents, in each case, as determined by a final, nonappealable judgment of a court of competent jurisdiction or (y) incurred by such Affiliate to the extent any such liability, loss, cost or expense does not directly relate to or arise from the transactions contemplated by the Loan Documents. Other than with respect to Taxes resulting from Change in Law, this Section 11.5(a) shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(b) *Reimbursement by Lenders.* To the extent that (i) the Borrowers for any reason fail to indefeasibly pay any amount required under subsection (a) of this Section to be paid by any of them to the Agent (or any sub-agent thereof), any Issuer, any Swing Line Lender or any Related Party or (ii) any liabilities, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever are imposed on, incurred by, or asserted against, Agent, the Issuer, any Swing Line Lender or a Related Party in any way relating to or arising out of this Agreement or any other Loan Document or any action taken or omitted to be taken by Agent, the Issuer, any Swing Line Lender or a Related Party in connection therewith, then, in each case, each Lender severally agrees to pay to the Agent (or any such sub-agent), such Issuer, such Swing Line Lender or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); *provided* that with respect to such unpaid amounts owed to any Issuer or Swing Line Lender solely in its capacity as such, only the Lenders party to the Revolving Facility shall be required to pay such unpaid amounts, such payment to be made severally among them based on such Lenders' pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each such Lender's share of the Revolving Credit Exposure at such time); and *provided, further*, that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Agent (or any such sub-agent), such Issuer or such Swing Line Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Agent (or any such sub-agent), such Issuer or any such Swing Line Lender in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 11.10.

(c) *Waiver of Consequential Damages, Etc.* To the fullest extent permitted by applicable law, the Borrowers shall not assert, and hereby waive, any claim against Agent, any Issuer, Lender or any of their Related Parties, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit, or the use of the proceeds thereof. None of the Agent, any Issuer, Lender or any of their Related Parties shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(d) *Survival.* Each party's obligations under this Section shall survive the termination of the Loan Documents and payment of the obligations hereunder.

Section 11.6. No Waiver, Cumulative Remedies. No delay or failure on the part of the Agent, any Issuer, or any Lender, or on the part of the holder or holders of any of the Obligations, in the exercise of any power or right under any Loan Document shall operate as a waiver thereof or as an acquiescence in any default, nor shall any single or partial exercise of any power or right preclude any other or further exercise thereof or the exercise of any other power or right. The rights and remedies hereunder of the Agent, the Issuers, the Lenders, and of the holder or holders of any of the Obligations are cumulative to, and not exclusive of, any rights or remedies which any of them would otherwise have.

Section 11.7. Survival of Representations and Indemnities. All representations and warranties made herein or in any of the other Loan Documents or in certificates given pursuant hereto or thereto shall survive the execution and delivery of this Agreement and the other Loan Documents, and shall continue in full force and effect with respect to the date as of which they were made as long as any credit is in use or available hereunder. All indemnities and other provisions relative to reimbursement to the Agent, the Issuers and the Lenders of amounts sufficient to protect the yield of the Agent, the Issuers and the Lenders with respect to the Loans and Letters of Credit, shall survive the termination of this Agreement and the payment of the Obligations.

Section 11.8. Construction. The parties hereto acknowledge and agree that this Agreement shall not be construed more favorably in favor of one than the other based upon which party drafted the same, it being acknowledged that all parties hereto contributed substantially to the negotiation and preparation of this Agreement.

Section 11.9. Notices. Except as otherwise specified herein, all notices hereunder and under the other Loan Documents shall be in writing (including, without limitation, notice by facsimile) and shall be given to the relevant party at its address or telecopier number set forth below, or such other address or telecopier number as such party may hereafter specify by notice to the Agent and the Company given by courier, by United States certified or registered mail, by facsimile or by other telecommunication device capable of creating a written record of such notice and its receipt. Notices under the Loan Documents to the Agent, any Lender or Issuer shall be addressed to its address or telecopier number set forth on its Administrative Questionnaire or such other address as shall be designated by such party in a written notice given to each other party pursuant to this Section 11.9; and notices under the Loan Documents to any Borrower shall be addressed to the Company at 301 Merritt Seven Corporate Park, Norwalk, Connecticut, 06851, Attention: Chief Executive Officer, Facsimile: (203) 849-7850, with a copy to General Counsel, Facsimile: (203) 849-7830. Each such notice, request or other communication shall be effective (i) if given by telecopier, when such facsimile is transmitted to the facsimile number specified in this Section or in the relevant Administrative Questionnaire and a confirmation of such facsimile has been received by the sender, (ii) if given by mail, seven days after such communication is deposited in the mail, certified or registered with return receipt requested, addressed as aforesaid or (iii) if given by any other means, when delivered at the addresses specified in this Section or in the relevant Administrative Questionnaire; *provided that*

any notice given pursuant to Section 1 hereof shall be effective only upon receipt. Upon the Company's request, the Agent shall provide the Company with a copy of each Lender's Administrative Questionnaire within two Business Days of Company's request therefor.

Section 11.10. Obligations Several. The obligations of the Lenders and Issuers hereunder are several and not joint. Nothing contained in this Agreement and no action taken by the Lenders or Issuers pursuant hereto shall be deemed to constitute the Lenders and Issuers a partnership, association, joint venture or other entity.

Section 11.11. Headings. Article and Section headings used in this Agreement are for convenience of reference only and are not a part of this Agreement for any other purpose.

Section 11.12. Severability of Provisions. Any provision of this Agreement which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. All rights, remedies and powers provided in this Agreement and other Loan Documents may be exercised only to the extent that the exercise thereof does not violate any applicable mandatory provisions of law, and all the provisions of this Agreement and other Loan Documents are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this Agreement or other Loan Documents invalid or unenforceable.

Section 11.13. Counterparts. This Agreement may be executed in any number of counterparts, and by different parties hereto on separate counterparts, and all such counterparts taken together shall be deemed to constitute one and the same instrument.

Section 11.14. Binding Nature and Governing Law. This Agreement shall be binding upon the Borrowers and their successors and assigns, and shall inure to the benefit of the Lenders and the benefit of their successors and assigns, including any subsequent holder of an interest in the Obligations. This Agreement and the rights and duties of the parties hereto shall be construed and determined in accordance with, and shall be governed by the internal laws of the State of New York (including Section 5-1401 and Section 5-1402 of the General Obligations law of the State of New York) without regard to principles of conflicts of law that would cause the internal laws of any other jurisdiction to apply. No Borrower may assign its rights or obligations hereunder without the written consent of all of the Lenders.

Section 11.15. Entire Understanding. This Agreement, together with the other Loan Documents and any agreements between the Company and the Agent concerning fees, constitute the entire understanding of the parties with respect to the subject matter hereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby.

Section 11.16. Participations. Any Lender may at any time, without the consent of, or notice to, the Company or the Agent, sell participations to any Person (other than a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person) or the Company or any Guarantor or any their Affiliates or

Subsidiaries, a Defaulting Lender or a Sanctioned Person) (each, 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 Commitments and/or the Loans owing to it); *provided* that (i) such Lender’s obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrowers, the Agent, the Issuers and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 10.8 with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that would reduce the amount of or postpone any fixed date for payment of any Obligation in which such participant has an interest. The Company agrees that each Participant shall be entitled to the benefits of Sections 2.5, 2.8, and 11.1 (subject to the requirements and limitations therein, including the requirements under Section 11.1(g) (it being understood that the documentation required under Section 11.1(g) 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 Section 11.17(b); *provided* that such Participant (A) agrees to be subject to the provisions of Sections 1.1, 1.8 and 2.9 as if it were an assignee under Section 11.7(b); and (B) shall not be entitled to receive any greater payment under Sections 11.1 or 2.8, with respect to any participation, than its participating Lender would have been entitled to receive, except, in the case of a Participant to which the Company has consented, 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 2.11 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.27 (Right of Setoff) as though it were a Lender; *provided* that such Participant agrees to be subject to Section 11.26 (Sharing of Payments by Lenders) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrowers (but subject to Section 11.30 hereof), maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant’s interest in the Loans or other obligations under the Loan Documents (the “*Participant Register*”); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant’s interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations or as otherwise required under applicable law. 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 Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register.

Section 11.17. Assignments.

(a) *Successors and Assigns Generally.* The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Agent, each Issuer and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of Section 11.16, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (d) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 11.16 and, to the extent expressly contemplated hereby, the Related Parties of each of the Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) *Assignments by Lenders.* Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it); *provided that* (in each case with respect to any Facility) any such assignment shall be subject to the following conditions:

(i) *Minimum Amounts.* (A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitments and the Loans at the time owing to it (in each case with respect to any Facility) or contemporaneous assignments to related Approved Funds that equal at least the amount specified in paragraph (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in paragraph (b)(i)(A) of this Section, the aggregate amount of the relevant Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Agent or, if "*Trade Date*" is specified in the Assignment and Acceptance, as of the Trade Date) shall not be less than \$5,000,000 in the case of any assignment in respect of any Facility, unless each of the Agent and, so long as no Event of Default has occurred and is continuing, the Company otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) *Proportionate Amounts.* 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 with respect to the Loan or the Commitment assigned, except that this clause (ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate Facilities on a non-pro rata basis.

(iii) *Required Consents.* No consent shall be required for any assignment except to the extent required by paragraph (b)(i)(B) of this Section and, in addition:

(A) the consent of the Company (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; *provided* that the Company shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Agent within five (5) Business Days after having received written notice thereof;

(B) the consent of the Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (i) the Revolving Facility if such assignment is to a Person that is not a Lender with a Commitment in respect of such Revolving Facility, an Affiliate of such Lender or an Approved Fund with respect to such Lender, or (ii) any Term Loans to a Person who is not a Lender, an Affiliate of a Lender or an Approved Fund; and

(C) the consent of the Issuers (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Letters of Credit (whether or not then outstanding); and

(D) the consent of the Swing Line Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Swing Loans (whether or not then outstanding).

(iv) *Assignment and Acceptance.* The parties to each assignment shall execute and deliver to the Agent an Assignment and Acceptance, together with a processing and recordation fee of \$3,500; *provided* that the Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Agent an Administrative Questionnaire.

(v) *No Assignment to Certain Persons.* No such assignment shall be made to (A) the Borrowers or any of their Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B).

(vi) *No Assignment to Natural Persons.* No such assignment shall be made to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person).

(vii) *Certain Additional Payments.* In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be

outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Company and the Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Agent, each Issuer, the Swing Line Lender and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swing Loans in accordance with its Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 11.5 and 11.27 with respect to facts and circumstances occurring prior to the effective date of such assignment; *provided* that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 11.16.

(c) *Register.* The Agent, acting solely for this purpose as an agent of the Borrowers, shall maintain at one of its offices in Chicago, Illinois a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans 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 Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) *Certain Pledges.* 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 any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto; *provided further, however*, the right of any such pledgee or grantee (other than any Federal Reserve Bank) to

further transfer all or any portion of the rights pledged or granted to it, whether by means of foreclosure or otherwise, shall be at all times subject to the terms of this Agreement.

Section 11.18. Terms of Collateral Documents not Superseded. Subject to Section 10.7 hereof, nothing contained herein shall be deemed or construed to permit any act or omission which is prohibited by the terms of any Collateral Document, the covenants and agreements contained herein being in addition to and not in substitution for the covenants and agreements contained in the Collateral Documents.

Section 11.19. PERSONAL JURISDICTION AND JURY TRIAL WAIVERS.

(a) *EXCLUSIVE JURISDICTION.* EXCEPT AS PROVIDED IN SUBSECTION (B), THE AGENT, THE LENDERS AND THE BORROWERS AGREE THAT ALL DISPUTES AMONG THEM ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT, AND WHETHER ARISING IN CONTRACT, TORT, EQUITY, OR OTHERWISE, SHALL BE RESOLVED ONLY BY (AND EACH OF THEM FOR THE BENEFIT OF THE OTHERS HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF) THE STATE OR FEDERAL COURTS LOCATED IN THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, BUT EACH OF THE AGENT, THE LENDERS AND THE BORROWERS ACKNOWLEDGE THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF NEW YORK COUNTY, NEW YORK. THE BORROWERS WAIVE IN ALL DISPUTES ANY OBJECTION THAT THEY MAY HAVE TO THE LOCATION OF THE COURT CONSIDERING THE DISPUTE.

(b) *OTHER JURISDICTIONS.* THE BORROWERS AGREE THAT THE AGENT, AND EACH OF THE LENDERS SHALL HAVE THE RIGHT TO PROCEED AGAINST THE BORROWERS OR THEIR PROPERTY (“PROPERTY”) IN A COURT IN ANY LOCATION OR JURISDICTION TO ENABLE THE AGENT OR ANY LENDER TO REALIZE ON PROPERTY, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER ENTERED IN FAVOR OF THE AGENT OR ANY LENDER AND, WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING, EACH BORROWER AGREES THAT THE AGENT OR ANY LENDER SHALL BE ENTITLED TO COMMENCE PROCEEDINGS (WHETHER FOR THE PURPOSE OF OBTAINING OR ENFORCING ANY ORDER OR JUDGMENT OR OTHERWISE HOWSOEVER) IN THE COURTS OF THE JURISDICTIONS WHERE SUCH BORROWER OR ANY OF ITS PROPERTY IS LOCATED.

(c) *Jury Trial Waiver. The Borrowers, the Agent, and each Lender hereby irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to any Loan Document or the transactions contemplated thereby.*

Section 11.20. Currency. Each reference in this Agreement to U.S. Dollars or to an Alternative Currency (the “relevant currency”) is of the essence. To the fullest extent permitted by law, the obligation of each Borrower in respect of any amount due in the relevant currency under this Agreement or any Loan Document shall, notwithstanding any payment in any other currency (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in the relevant currency that the Agent, Issuer or Lender entitled to receive such payment may, in accordance with normal banking procedures, purchase with the sum paid in such other

currency (after any premium and costs of exchange) on the Business Day immediately following the day on which such party receives such payment. If the amount in the relevant currency so purchased for any reason falls short of the amount originally due in the relevant currency, the Borrowers shall pay such additional amounts, in the relevant currency, as may be necessary to compensate for the shortfall. Any obligations of the Borrowers not discharged by such payment shall, to the fullest extent permitted by applicable law, be due as a separate and independent obligation and, until discharged as provided herein, shall continue in full force and effect.

Section 11.21. Currency Equivalence. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from any Borrower on the Obligations in the currency expressed to be payable herein or in an Application or under any other Loan Documents (the “*specified currency*”) into another currency, the parties agree that the rate of exchange used shall be that at which in accordance with normal banking procedures the Agent could purchase the specified currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of each Borrower in respect of any such sum due to the Agent, any Issuer or any Lender on the Obligations 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 the Agent, such Issuer or such Lender, as applicable, of any sum adjudged to be so due in such other currency, the Agent, such Issuers or such Lender, as applicable, may in accordance with normal 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 the Agent, such Issuers or such Lender in the specified currency, the Borrowers agree, as a separate obligation and notwithstanding any such judgment, to indemnify the Agent, such Issuers or such Lender, as the case may be, against such loss, and if the amount of the specified currency so purchased exceeds the amount originally due to the Agent, such Issuer or such Lender in the specified currency, the Agent, such Issuer or such Lender, as the case may be, agrees to remit such excess to the Borrowers.

Section 11.22. Change in Currency. (a) If more than one currency or currency unit are at the same time recognized by the central bank of any country as the lawful currency of that country, (i) any reference in any Loan Documents to, and any obligations arising under any Loan Documents in, the currency of that country shall be translated into, and paid in, the currency or currency unit designated by the Agent, after consultation with the Borrowers and the Lenders and (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognized by the central bank of that country for the conversion of that currency or currency unit into the other, rounded up or down by the Agent, acting reasonably.

(b) If a change in any currency of a country occurs, the Loan Documents will, to the extent the Agent (acting reasonably) specifies is necessary, be amended to comply with any generally accepted conventions and market practice in any relevant interbank market and otherwise to reflect the change in currency and, if there is no generally accepted convention or market practice, or the Agent considers, in its absolute discretion, that there is no generally accepted convention or market practice, in such manner and to such extent as the Agent specifies. The Agent will notify the other parties to the relevant Loan Documents of any such amendment, which shall be binding on all the parties to that Loan Document.

(c) The Borrowers shall, from time to time immediately on demand by the Agent, pay to the Agent for the account of any Lender the amount of any costs or increased costs incurred by, or of any reduction in any amount payable to or in the effective return on its capital pursuant to, or of interest or other return foregone by, such Lender or any holding company of such Lender as a result of any change in the currency of a country.

Section 11.23. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan to any Borrower, 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 permitted by applicable law (the “Maximum Rate”) which may be contracted for, charged, taken, received or reserved by any one or more of the Lenders 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 with respect to such Loan but were not payable as a result of the operation of this Section 11.23 shall be cumulated and the interest and Charges payable to such Lender or Lenders in respect of other Loans shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the rate set out herein, to the date of repayment, shall be have been received by such Lender or Lenders.

Section 11.24. USA Patriot Act. Each Lender and Issuer that is subject to the requirements of the USA Patriot Act hereby notifies the Borrowers that pursuant to the requirements of such Act, it is required to obtain, verify, and record information that identifies the Borrowers, which information includes the name and address of the Borrowers and other information that will allow such Lender or Issuer to identify the Borrowers in accordance with the USA Patriot Act.

Section 11.25. -Confidentiality. Each of the Agent, the Lenders and the Issuers severally 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 to the extent any such Person has a need to know such Information (it being understood that the Persons to whom such disclosure is made will first be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory 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 hereto, (e) in connection with the exercise of any remedies hereunder or under 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 (A) any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under this Agreement; *provided, however*, that under no circumstances shall Information be disclosed to a participant or prospective participant whose primary business is in direct competition with the business of the Company and its Subsidiaries or (B) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Company or any of its Subsidiary and its obligations, (g) with the prior written consent of the Company, (h) to the extent such Information (A) becomes publicly

available other than as a result of a breach of this Section or (B) becomes available to the Agent, any Lender or Issuer on a non-confidential basis from a source other than the Company or any of its Subsidiaries or any of their directors, officers, employees or agents, including accountants, legal counsel and other advisors, (i) with the prior consent of the Company, to rating agencies if requested or required by such agencies in connection with a rating relating to the Loans, Aggregate Revolving Commitments, or Term Loan Commitments hereunder, or (j) to entities which compile and publish information about the syndicated loan market, *provided* that only basic information about the pricing and structure of the transaction evidenced hereby may be disclosed pursuant to this subsection (j). For purposes of this Section, “*Information*” means all information received from any Borrower or any Subsidiary or from any other Person on behalf of the Borrowers or Subsidiaries relating to any Borrower or Subsidiary or any of their respective businesses, other than any such information that is available to the Agent, any Lender or Issuer on a nonconfidential basis prior to disclosure by any Borrower or Subsidiary or from any other Person on behalf of the Company or any of its Subsidiaries.

Section 11.26. Sharing of Set-Off. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, 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 other amounts owing them; *provided* that:

(a) 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

(b) the provisions of this Section shall not be construed to apply to (x) any payment made by the Borrowers pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), or (y) 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 Obligations to any assignee or participant, other than to any Borrower or any Restricted Subsidiary thereof (as to which the provisions of this Section 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 each Borrower or any Restricted Subsidiary rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of each Borrower and Restricted Subsidiary in the amount of such participation.

Section 11.27. Set-off. In addition to any rights now or hereafter granted under the Loan Documents or applicable law and not by way of limitation of any such rights, if an Event of

Default shall have occurred and be continuing, each Lender, each Issuer, and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender, such Issuer or any such Affiliate, to or for the credit or the account of the Borrowers or any other Restricted Subsidiary against any and all of the obligations of the Borrowers or such Restricted Subsidiary now or hereafter existing under this Agreement or any other Loan Document to such Lender or such Issuer or their respective Affiliates, irrespective of whether or not such Lender, Issuer or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrowers or such Restricted Subsidiary may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender or such Issuer different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; *provided* that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Agent for further application in accordance with the provisions of Section 2.12 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Agent, the Issuers, and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, each Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, such Issuer or their respective Affiliates may have. Each Lender and Issuer agrees to notify the Company and the 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 11.28. Amendment and Restatement. This Agreement amends and restates the Existing Credit Agreement and is not intended to be or operate as a novation or an accord and satisfaction of the Existing Credit Agreement or the Obligations of the Borrowers evidenced or provided for thereunder. Without limiting the generality of the foregoing, the Borrowers agree that notwithstanding the execution and delivery of this Agreement and the Collateral Documents, the Liens previously granted to the Agent pursuant to the Collateral Documents shall be and remain in full force and effect and that any rights and remedies of the Agent thereunder and obligations of the Borrowers and the Guarantors thereunder shall be and remain in full force and effect, shall not be affected, impaired or discharged thereby and shall secure all of the Borrowers' and the Guarantors' indebtedness, Obligations and liabilities to the Agent and the Lenders under the Existing Credit Agreement as amended and restated hereby. Nothing herein contained shall in any manner affect or impair the priority of the Liens created and provided for by the Collateral Documents as to the indebtedness, Obligations and liabilities that would be secured thereby prior to giving effect hereto.

Section 11.29. Removal of Lenders and Assignment of Interests; Equalization of Loans.

(a) *Removal of Lenders and Assignment of Interests.* Each of the Lenders listed under the heading "Departing Lenders", as Departing Lenders, hereby agrees to sell and assign without representation, recourse, or warranty (except that each Departing Lender represents it

has authority to execute and deliver this Agreement and sell its Obligations contemplated hereby, which Obligations are owned by such Departing Lender free and clear of all Liens), and upon the satisfaction of the conditions precedent set forth in Section 6.2 hereof (A) the Lenders hereby agree to purchase, 100% of such Departing Lender's outstanding Obligations under the Existing Credit Agreement and the Loan Documents (including, without limitation, all of the Obligations held by such Departing Lender, together with all of its interests in outstanding Letters of Credit) for a purchase price equal to the outstanding principal balance of Loans and accrued but unpaid interest and fees owed to such Departing Lender under the Existing Credit Agreement as of the Closing Date, which purchase price shall be paid in immediately available funds on the Closing Date (B) to the extent such Departing Lender is a Participating Lender in an Existing Letter of Credit, its Participating Interest shall be deemed reduced to zero and reallocated to the Lenders as contemplated in Section 11.29(b) herein and (C) the Borrowers shall pay to such Departing Lender any amounts otherwise owing to such Departing Lender not payable by the Lenders pursuant to subclause (A) hereof including, but not limited to, those arising under Section 2.5 hereof. Such purchases and sales shall be arranged through the Agent and each Departing Lender hereby agrees to execute such further instruments and documents, if any, as the Agent may reasonably request in connection therewith. Upon the execution and delivery of this Agreement by the Departing Lenders, the Lenders, and the Borrowers and the payment of the Obligations owing to the Departing Lenders, each Departing Lender shall cease to be a Lender under the Credit Agreement and the other Loan Documents and (i) the Lenders shall have the rights of the Departing Lenders thereunder subject to the terms and conditions hereof and (ii) each Departing Lender shall have relinquished its rights (other than rights to indemnification and reimbursements referred to in the Existing Credit Agreement which survive the repayment of the Obligations owed to such Departing Lender in accordance with its terms, including Section 11.5 and 11.7 thereof) and be released from their obligations under the Existing Credit Agreement. The parties hereto agree that, except as provided for in the preceding sentence, all references in the Loan Documents to the Lenders or any Lender shall from and after the date hereof no longer include the Departing Lenders and the Departing Lenders shall have no obligations under this Agreement other than those set out in this Section 11.29.

(b) *Equalization of Loans.* Upon the satisfaction of the conditions precedent set forth in Section 6.2 hereof, all loans and letters of credit outstanding under the Existing Credit Agreement shall remain outstanding as the initial Borrowing of Loans and Letters of Credit under this Agreement and, in connection therewith, the Borrowers shall be deemed to have prepaid all outstanding Eurodollar Loans (as defined in the Credit Agreement in effect on the Closing Date) on the Closing Date. On the Closing Date, the Lenders each agree to make such purchases and sales of interests in the outstanding Loans and interests in outstanding Letters of Credit between themselves so that each Lender is then holding its relevant Percentage of outstanding Loans and L/C Obligations. Such purchases and sales shall be arranged through the Agent and each Lender hereby agrees to execute such further instruments and documents, if any, as the Agent may reasonably request in connection therewith.

Section 11.30. No Fiduciary Duties. Each Borrower agrees that in connection with all aspects of the transactions contemplated hereby and any communications in connection therewith, such Borrower and its Subsidiaries, on the one hand, and the Agent, the Lead Arrangers, Bookrunners, the Co-Documentation Agents, the Co-Syndication Agents, each Issuer,

each Lender and their respective Affiliates, on the other hand, will have a business relationship that does not create, by implication or otherwise, any fiduciary duty on the part of the Agent, the Lead Arrangers, Bookrunners, the Co-Documentation Agents, the Co-Syndication Agents, each Issuer, each Lender or their respective Affiliates and no such duty will be deemed to have arisen in connection with such transactions or communications.

Section 11.31. Acknowledgment and Consent to Bail-In of ~~EEA~~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 ~~Lender that is an EEA~~Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of ~~an EEA~~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 ~~an EEA~~the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any ~~Lender~~party hereto that is an ~~EEA~~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 ~~EEA~~Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other 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 ~~any EEA~~the applicable Resolution Authority.

Section 11.32. Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Interest Rate Protection and Other Hedging 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 Credit Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the 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 hereunder with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party under a Supported QFC or any QFC Credit Support.

As used in this Section, the following terms have the following meanings:

“*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.

“*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).

“*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.

“*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).

[SIGNATURE PAGES TO FOLLOW]

Upon your acceptance hereof in the manner hereinafter set forth, this Agreement shall be a contract between us for the purposes hereinabove set forth.

Dated as of the date first written above.

EMCOR GROUP, INC.

By: /s/ MARK A. POMPA

Name: Mark A. Pompa

Title: Executive Vice President, Chief
Financial Officer and Treasurer

EMCOR GROUP (UK) PLC

By: /s/ MARK A. POMPA

Name: Mark A. Pompa

Title: Director

[Signature Page to Sixth Amended and Restated Credit Agreement]

Accepted and Agreed to as of the day and year last above written.

BANK OF MONTREAL, as Agent, an Issuer and a Lender

By: _____
Name: _____
Title: _____

BMO HARRIS BANK N.A, as an Issuer of an Existing L/C

By: _____
Name: _____
Title: _____

[_____], as a Lender

By _____

Name _____

Title _____

[Signature Page to Sixth Amended and Restated Credit Agreement]

[“*DEPARTING LENDER*”]

[_____]

By _____

Name _____

Title _____

[Signature Page to Sixth Amended and Restated Credit Agreement]

EXHIBIT A-1

TERM NOTE

_____, 20__

For Value Received, the undersigned, EMCOR Group, Inc., a Delaware corporation (the “*Company*”), hereby promises to pay to _____ (the “*Lender*”) or its registered assigns at the principal office of the Agent in Chicago, Illinois (or such other location as the Agent may designate to the Company), in immediately available funds, the unpaid principal amount of the Term Loan made or maintained by the Lender to the Company pursuant to the Credit Agreement, in installments in the amounts called for by Section 1.6(a) of the Credit Agreement, together with interest on the principal amount of such Term Loan from time to time outstanding hereunder at the rates, and payable in the manner and on the dates, specified in the Credit Agreement.

This Note is one of the Term Notes referred to in the Sixth Amended and Restated Credit Agreement dated as of March 2, 2020 among the Company, the other Borrowers party thereto, the Lenders and Issuers party thereto, and Bank of Montreal, as Agent (as extended, renewed, amended or restated from time to time, the “*Credit Agreement*”), and this Note and the holder hereof are entitled to all the benefits and security provided for thereby or referred to therein, to which Credit Agreement reference is hereby made for a statement thereof. All defined terms used in this Note, except terms otherwise defined herein, shall have the same meaning as in the Credit Agreement. This Note shall be governed by and construed in accordance with the internal laws of the State of New York (including Section 5-1401 and Section 5-1402 of the General Obligations law of the State of New York).

Voluntary prepayments may be made hereon, certain prepayments are required to be made hereon, and this Note may be declared due prior to the expressed maturity hereof, all in the events, on the terms and in the manner as provided for in the Credit Agreement.

[This Note is issued in substitution and replacement for, and evidences all of the indebtedness previously evidenced by, that certain Term Note dated as of _____ made by the Borrower in favor of _____.]

The Company hereby waives demand, presentment, protest or notice of any kind hereunder.

EMCOR GROUP, INC.

By _____

Name _____

Title _____

EXHIBIT A-2

REVOLVING CREDIT NOTE

_____, 20__

For value received, the undersigned, _____, a _____ corporation (“Borrower”), hereby promises to pay to _____ (the “Lender”), at the principal office of Bank of Montreal in Chicago, Illinois, in the currency of each Revolving Loan evidenced hereby in accordance with Section 1 of the Credit Agreement, the aggregate unpaid principal amount of each Revolving Loans made by the Lender to the Borrower pursuant to the Credit Agreement on the due date therefore as specified in the Credit Agreement, together with interest on the principal amount of each Revolving Loan from time to time outstanding hereunder at the rates, and payable in the manner and on the dates specified in the Credit Agreement.

The Lender shall record on its books or records or on a schedule attached to this Note, which is a part hereof, each Revolving Loan made by it pursuant to the Credit Agreement, any repayment of principal and interest and the principal balances from time to time outstanding hereon, and the currency in which made, provided that prior to the transfer of this Note all such amounts shall be recorded on a schedule attached to this Note. The record thereof, whether shown on such books or records or on a schedule to this Note, shall be *prima facie* evidence of the same, provided, however, that the failure of the Lender to record any of the foregoing or any error in any such record shall not limit or otherwise affect the obligation of the Borrowers to repay all Revolving Loans made to them pursuant to the Credit Agreement together with accrued interest thereon.

This Note is one of the Revolving Credit Notes referred to in the Sixth Amended and Restated Credit Agreement dated as of March 2, 2020, among the Borrowers, Bank of Montreal, as Agent, and the Lenders from time to time party thereto (the “Credit Agreement”), and this Note and the holder hereof are entitled to all the benefits provided for thereby or referred to therein, to which Credit Agreement reference is hereby made for a statement thereof. All defined terms used in this Note, except terms otherwise defined herein, shall have the same meaning as in the Credit Agreement.

This Note is issued by the Borrower under the terms and provisions of the Credit Agreement and is secured by the Collateral Documents, and this Note and the holder hereof are entitled to all of the benefits and security provided for thereby or referred to therein, to which reference is hereby made for a statement thereof. This Note may be declared to be, or be and become, due prior to its expressed maturity, voluntary prepayments may be made hereon, and certain prepayments are required to be made hereon, all in the events, on the terms and with the effects provided in the Credit Agreement.

This Note shall be construed in accordance with, and governed by, the internal laws of the State of New York (including Section 5-1401 and Section 5-1402 of the General Obligations law of the State of New York).

[This Note is issued in substitution and replacement for, and evidences all of the indebtedness previously evidenced by, that certain Revolving Credit Note dated as of _____ made by the Borrower in favor of _____.]

The Borrower hereby promises to pay all costs and expenses (including attorneys’ fees) suffered or incurred by the holder hereof in collecting this Note or enforcing any rights in any collateral herefor. The Borrower hereby waives presentment for payment and demand.

By _____
Its _____

EXHIBIT A-3

SWING NOTE

_____, 20__

For value received, the undersigned, EMCOR Group, Inc., a Delaware corporation (“*Borrower*”), hereby promises to pay to Bank of Montreal (the “*Lender*”), at the principal office of Bank of Montreal in Chicago, Illinois, in the currency of each Swing Loan evidenced hereby in accordance with Section 1 of the Credit Agreement, the aggregate unpaid principal amount of each Swing Loans made by the Lender to the Borrower pursuant to the Credit Agreement on the due date therefore as specified in the Credit Agreement, together with interest on the principal amount of each Swing Loan from time to time outstanding hereunder at the rates, and payable in the manner and on the dates specified in the Credit Agreement.

The Lender shall record on its books or records or on a schedule attached to this Note, which is a part hereof, each Swing Loan made by it pursuant to the Credit Agreement, any repayment of principal and interest and the principal balances from time to time outstanding hereon, and the currency in which made, provided that prior to the transfer of this Note all such amounts shall be recorded on a schedule attached to this Note. The record thereof, whether shown on such books or records or on a schedule to this Note, shall be *prima facie* evidence of the same, provided, however, that the failure of the Lender to record any of the foregoing or any error in any such record shall not limit or otherwise affect the obligation of the Borrowers to repay all Swing Loans made to them pursuant to the Credit Agreement together with accrued interest thereon.

This Note is one of the Swing Notes referred to in the Sixth Amended and Restated Credit Agreement dated as of March 2, 2020, among the Borrowers, Bank of Montreal, as Agent, and the Lenders from time to time party thereto (the “*Credit Agreement*”), and this Note and the holder hereof are entitled to all the benefits provided for thereby or referred to therein, to which Credit Agreement reference is hereby made for a statement thereof. All defined terms used in this Note, except terms otherwise defined herein, shall have the same meaning as in the Credit Agreement.

This Note is issued by the Borrower under the terms and provisions of the Credit Agreement and is secured by the Collateral Documents, and this Note and the holder hereof are entitled to all of the benefits and security provided for thereby or referred to therein, to which reference is hereby made for a statement thereof. This Note may be declared to be, or be and become, due prior to its expressed maturity, voluntary prepayments may be made hereon, and certain prepayments are required to be made hereon, all in the events, on the terms and with the effects provided in the Credit Agreement.

This Note shall be construed in accordance with, and governed by, the internal laws of the State of New York (including Section 5-1401 and Section 5-1402 of the General Obligations law of the State of New York).

[This Note is issued in substitution and replacement for, and evidences all of the indebtedness previously evidenced by, that certain Swing Note dated as of _____ made by the Borrower in favor of _____.]

The Borrower hereby promises to pay all costs and expenses (including attorneys' fees) suffered or incurred by the holder hereof in collecting this Note or enforcing any rights in any collateral herefor. The Borrower hereby waives presentment for payment and demand.

EMCOR GROUP, INC.

By _____

Its _____

EXHIBIT B

EMCOR GROUP, INC.

COMPLIANCE CERTIFICATE

FOR THE FISCAL QUARTER ENDING _____

To: Bank of Montreal
as Agent under, and the Lenders
party to the Amended and Restated
Credit Agreement described below

This Compliance Certificate is furnished to the Lenders pursuant to the requirements of Section 7.5 of the Sixth Amended and Restated Credit Agreement dated as of March 2, 2020, by and among EMCOR Group, Inc., a Delaware corporation (the “Company”), EMCOR Group (UK) plc, a United Kingdom public limited company and Bank of Montreal, as agent thereunder (the “Agent”) and the Lenders named therein (the “Credit Agreement”). Unless otherwise defined herein, the terms used in this Compliance Certificate have the meanings ascribed thereto in the Credit Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected _____ of the Company;
2. I have reviewed the terms of the Credit Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Borrowers and Restricted Subsidiaries during the accounting period covered by the financial statements being furnished concurrently with this Certificate;
3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or the occurrence of any event which constitutes a Default or an Event of Default at any time during or at the end of the accounting period covered by the accompanying financial statements or as of the date of this Certificate, except as set forth immediately below;
4. The financial statements required by Section 7.5 of the Credit Agreement and being furnished to you concurrently with this Certificate fairly present in all material respects the financial condition and results of operations of the Company and its Subsidiaries as of the dates and for the periods covered thereby; and
5. Schedule I attached hereto sets forth financial data and computations evidencing the Borrowers’ compliance with certain covenants of the Credit Agreement, all of which data and

computations are true, complete and correct and have been made in accordance with the relevant Sections of the Credit Agreement.¹

6. Also attached hereto is a summary of claims with a recorded value of over \$10,000,000 in litigation, mediation or arbitration.¹

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Borrowers have taken, are taking, or propose to take with respect to each such condition or event:

The foregoing certifications, together with the computations set forth in Schedule I attached hereto and the financial statements furnished concurrently with this Certificate in support hereof, are made and delivered as of this _____ day of _____, 20____.

EMCOR GROUP, INC.

By: _____

Title: _____
(Type or Print Name)

¹ Include only quarterly.

SCHEDULE I

EMCOR GROUP, INC.

**COMPLIANCE CALCULATIONS
SIXTH AMENDED AND RESTATED CREDIT AGREEMENT
DATED AS OF MARCH 2, 2020**

CALCULATIONS AS OF _____, 20__

A. LEVERAGE RATIO (SECTION 7.7)

1. Total Funded Debt \$_____
2. Excess Cash \$_____
3. Line A1 minus A2 \$_____
4. Net Income for past 12 calendar months \$_____
5. Interest Expense for past 12 calendar months \$_____
6. Income taxes for past 12 calendar months \$_____
7. Depreciation of fixed assets for past 12 calendar months \$_____
8. Amortization of intangible assets during past 12 calendar months \$_____
9. Non-cash charges of the Company and
its Restricted Subsidiaries for past 12 calendar months \$_____
10. One-time extraordinary cash charges acceptable to the
Agent not to exceed \$50.0 million in any fiscal year and \$200.0
million in the aggregate during the term of this Agreement \$_____
11. Sum of Lines A4, A5, A6, A7, A8, A9 and A10 \$_____
12. Adjustments resulting from Acquisitions during past
12 calendar months (including adjustments for non-recurring
expenses and income reasonably determined by the Company
in good faith and established to the reasonable satisfaction
of the Agent) \$_____
13. Sum of Lines A11 and A12 ("*Adjusted EBITDA*") \$_____

14. Ratio of Line A3 to Line A13 _____
15. Ratio of Line A14 shall not be more than _____ to 1.0
16. Company is in Compliance Yes/No

B. INTEREST COVERAGE RATIO (SECTION 7.8)

1. Adjusted EBITDA (Line A13 above) \$_____
2. Net Interest Expense (in cash) for past 12 calendar months \$_____
3. All interest income received during past 12 calendar months \$_____
4. Line B2 minus Line B3 \$_____
5. Ratio of Line B1 to Line B4 \$_____
6. B5 shall not be less than 3.00 to 1
7. Company is in Compliance Yes/No

EXHIBIT C

ASSIGNMENT AND ACCEPTANCE

This Assignment and Acceptance (the “*Assignment and Acceptance*”) is dated as of the Effective Date set forth below and is entered into by and between **[the][each]**¹ Assignor identified in item 1 below (**[the][each, an]** “*Assignor*”) and **[the][each]**² Assignee identified in item 2 below (**[the][each, an]** “*Assignee*”). **[It is understood and agreed that the rights and obligations of [the Assignors][the Assignees]³ hereunder are several and not joint.]**⁴ Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the “*Credit Agreement*”), receipt of a copy of which is hereby acknowledged by **[the][each]** Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Acceptance as if set forth herein in full.

For an agreed consideration, **[the][each]** Assignor hereby irrevocably sells and assigns to **[the Assignee][the respective Assignees]**, and **[the][each]** Assignee hereby irrevocably purchases and assumes from **[the Assignor][the respective Assignors]**, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Agent as contemplated below (i) all of **[the Assignor’s][the respective Assignors’]** rights and obligations in **[its capacity as a Lender][their respective capacities as Lenders]** under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of **[the Assignor][the respective Assignors]** under the respective facilities identified below (including without limitation any letters of credit, guarantees, and swing loans included in such facilities), and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of **[the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)]** against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by **[the][any]** Assignor to **[the][any]** Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as **[the][an]** “*Assigned Interest*”). Each such sale and assignment is without recourse to **[the][any]** Assignor and, except as expressly provided in this Assignment and Acceptance, without representation or warranty by **[the][any]** Assignor.

-
- 1 For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.
 - 2 For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.
 - 3 Select as appropriate.
 - 4 Include bracketed language if there are either multiple Assignors or multiple Assignees.

1. Assignor[s]: _____

[Assignor [is] [is not] a Defaulting Lender]

2. Assignee[s]: _____

[for each Assignee, indicate [Affiliate][Approved Fund] of [identify Lender]

3. Borrower(s): EMCOR Group, Inc.

4. Agent: Bank of Montreal, as the Agent under the Credit Agreement

5. Credit Agreement: Sixth Amended and Restated Credit Agreement dated as of March 2, 2020 among EMCOR Group, Inc., certain of its Subsidiaries, as Borrowers, the Lenders parties thereto, Bank of Montreal, as Agent, and the other agents parties thereto

6. Assigned Interest[s]:

ASSIGNOR[S] ⁵	ASSIGNEE[S] ⁶	FACILITY ASSIGNED ⁷	AGGREGATE AMOUNT OF COMMITMENT/LOANS FOR ALL LENDERS ⁸	AMOUNT OF COMMITMENT/LOANS ASSIGNED ⁸	PERCENTAGE ASSIGNED OF COMMITMENT/LOANS ⁹
			\$	\$	%
			\$	\$	%
			\$	\$	%

5 List each Assignor, as appropriate.

6 List each Assignee, as appropriate.

7 Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g., “Revolving Credit Commitment,” “Term Loan Commitment,” etc.)

8 Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

9 Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

[7. Trade Date: _____]¹⁰

¹⁰ To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: _____, 20__ **[To be inserted by Agent and which shall be the effective date of recordation of transfer in the register therefor.]**

The terms set forth in this Assignment and Acceptance are hereby agreed to:

ASSIGNOR[S]¹¹

[NAME OF ASSIGNOR]

By: _____

Name: _____

Title: _____

[NAME OF ASSIGNOR]

By: _____

Name: _____

Title: _____

ASSIGNEE[S]¹²

[NAME OF ASSIGNEE]

By: _____

Name: _____

Title: _____

[NAME OF ASSIGNEE]

By: _____

Name: _____

Title: _____

11 Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

12 Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

[Consented to and]¹³ Accepted:

BANK OF MONTREAL, as
Agent

By: _____
Name: _____
Title: _____

[Consented to:]¹⁴

EMCOR GROUP, INC.

By: _____
Name: _____
Title: _____

¹³ To be added only if the consent of the Agent is required by the terms of the Credit Agreement.

¹⁴ To be added only if the consent of the Company and/or other parties (e.g. Swing Line Lender, Issuer) is required by the terms of the Credit Agreement.

ANNEX 1

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ACCEPTANCE

SECTION 1. REPRESENTATIONS AND WARRANTIES.

Section 1.1. Assignor[s]. **[The][Each]** Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the] [the relevant] Assigned Interest, (ii) **[the][such]** Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and (iv) it is **[not]** a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrowers, any of their Restricted Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document, or (iv) the performance or observance by the Borrowers, any of their Restricted Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

Section 1.2. Assignee[s]. **[The][Each]** Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 11.17(b)(iii), (v) and (vi) of the Credit Agreement (subject to such consents, if any, as may be required under Section 11.17(b)(iii) of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of **[the][the relevant]** Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 7.5 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase **[the][such]** Assigned Interest, (vi) it has, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase **[the][such]** Assigned Interest, and (vii) attached to the Assignment and Acceptance is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by **[the][such]** Assignee; and (b) agrees that (i) it will, independently and without reliance on the Agent, **[the][any]** Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan

Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

SECTION 2. PAYMENTS.

From and after the Effective Date, the Agent shall make all payments in respect of **[the][each]** Assigned Interest (including payments of principal, interest, fees and other amounts) to **[the][the relevant]** Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor[s] and the Assignee[s] shall make all appropriate adjustments in payments by the Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves. Notwithstanding the foregoing, the Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to **[the][the relevant]** Assignee.

SECTION 3. GENERAL PROVISIONS.

This Assignment and Acceptance shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Acceptance may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Acceptance by facsimile shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance. This Assignment and Acceptance shall be governed by, and construed in accordance with, the law of the State of New York (including Section 5-1401 and Section 5-1402 of the General Obligations law of the State of New York).

EXHIBIT D

COMMITMENT AMOUNT INCREASE REQUEST

_____, 20__

Bank of Montreal
as Agent (the “Agent”)
for the Lenders referred to below
111 West Monroe Street
Chicago, Illinois 60603

Attention: John Armstrong, Managing Director

Re: Sixth Amended and Restated Credit Agreement
dated as of March 2, 2020
among EMCOR Group, Inc., the Lenders party thereto and
Bank of Montreal, as Agent

(as amended, modified or supplemented from
time to time, the “Credit Agreement”),

Ladies and Gentlemen:

In accordance with the Credit Agreement, the Company hereby requests that the Agent consent to an increase in the Aggregate Revolving Commitments (the “*Commitment Amount Increase*”), in accordance with Section 1.10 of the Credit Agreement, to be effected by **[an increase in the Aggregate Revolving Commitment of [name of existing Lender] the addition of [name of Additional Lender] (the “Additional Lender”) as a Lender under the terms of the Credit Agreement]**. Capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Credit Agreement.

After giving effect to such Commitment Amount Increase, and upon the effectiveness of the Commitment Amount Increase, the U.S. Dollar Commitment and/or Multicurrency Commitment of **[the Lender increasing its relevant Commitment] [the Additional Lender]** will be as set forth on Attachment I hereto.

[Include paragraphs 1-3 for an Additional Lender]

1. The Additional Lender hereby confirms that it has received a copy of the Credit Agreement and the exhibits and schedules related thereto, together with copies of the documents which were required to be delivered under the Credit Agreement as a condition to the making of the Loans and other extensions of credit thereunder. The Additional Lender acknowledges and agrees that it has made and will continue to make, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it has deemed appropriate, its own credit analysis and decisions relating to the Credit Agreement. The

Additional Lender further acknowledges and agrees that the Agent has not made any representations or warranties about the credit worthiness of the Company or any other party to the Credit Agreement or with respect to the legality, validity, sufficiency or enforceability of the Credit Agreement or the value of any security herefore.

2. Except as otherwise provided in the Credit Agreement, effective as of the date of acceptance hereof by the Agent, the Additional Lender agrees to be bound by the terms and conditions set forth in the Credit Agreement as if it were an original signatory thereto.

3. The Additional Lender hereby advises you of the following administrative details with respect to its Loans and Aggregate Revolving Commitment:

(A) Notices:

Institution Name: _____

Address: _____

Telephone: _____

Facsimile: _____

(B) Payment Instructions:

4. This Agreement shall be deemed to be a contractual obligation under, and shall be governed by and construed in accordance with, the laws of the state of New York (including Section 5-1401 and Section 5-1402 of the General Obligations law of the State of New York).

The Commitment Amount Increase shall be effective when the executed consent of the Agent is received or otherwise in accordance with Section 1.10 of the Credit Agreement, but not in any case prior to _____, _____. It shall be a condition to the effectiveness of the Commitment Amount Increase that (i) all fees and expenses referred to in Section 1.10 of the Credit Agreement shall have been paid and (ii) no ~~Eurodollar~~ SOFR Loans shall be outstanding on the date of such effectiveness unless the Borrowers pay all amounts due under Section 2.5 of the Credit Agreement.

The Company hereby certifies that no Default or Event of Default has occurred and is continuing.

Please indicate the Agent's consent to such Commitment Amount Increase by signing the enclosed copy of this letter in the space provided below.

Very truly yours,

EMCOR GROUP, INC.

By: _____

Name: _____

Title: _____

[ADDITIONAL LENDER/LENDER INCREASING COMMITMENTS]

By: _____

Name: _____

Title: _____

The undersigned hereby consents
on this __ day of _____,
____ to the above-requested Commitment
Amount Increase.

BANK OF MONTREAL,
as Agent

By: _____

Name: _____

Title: _____

ATTACHMENT I

LENDER

U.S. DOLLAR COMMITMENT

MULTICURRENCY
COMMITMENT

EXHIBIT E
NOTICE OF BORROWING

Date: _____, ____

To: Bank of Montreal, as Agent for the Lenders party to the Sixth Amended and Restated Credit Agreement dated as of March 2, 2020 (as extended, renewed, amended or restated from time to time, the “*Credit Agreement*”), among EMCOR Group, Inc. (the “*Company*”), the other Borrowers party thereto, the Lenders party thereto, and Bank of Montreal, individually and as Agent.

Ladies and Gentlemen:

The Company, individually and in its capacity as agent for the Borrowers, hereby gives you notice irrevocably, pursuant to Section 1.4 of the Credit Agreement, of the Borrowing specified below:

1. The name of Borrower on whose behalf such Borrowing is being requested _____
2. The Business Day of the proposed Borrowing is _____, ____.
3. The aggregate amount of the proposed Borrowing is \$_____.
4. The Borrowing is being advanced under the [Multicurrency Credit] [U.S. Dollar Credit] [Term Loan] Facility.
5. The currency of such Borrowing under the Multicurrency Revolving Facility _____.
6. The Borrowing is to be comprised of \$_____ of [Base Rate] [~~Eurodollar~~SOFR] Loans.

[7. The duration of the Interest Period for the ~~Eurodollar~~SOFR Loans included in the Borrowing shall be _____ months.]

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the proposed Borrowing, before and after giving effect thereto and to the application of the proceeds therefrom:

(a) the representations and warranties of the Borrowers contained in Section 5 of the Credit Agreement are true and correct as though made on and as of the date hereof in all material respects (or if such representation and warranty is already qualified by materially or Material Adverse Effect, in all respects) (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct in all material respects (or if such representation and warranty is already qualified by materially or Material Adverse Effect, in all respects) as of such date); and

(b) no Default or Event of Default has occurred and is continuing or would result from such proposed Borrowing.

Capitalized terms used herein and not defined shall have the meaning set forth in the Credit Agreement.

EMCOR GROUP, INC.

By _____

Name _____

Title _____

SCHEDULE 1.1**COMMITMENTS****REVOLVING FACILITY**

LENDER	U.S. DOLLAR COMMITMENT	U.S. DOLLAR PERCENTAGE	MULTICURRENCY COMMITMENT	MULTICURRENCY PERCENTAGE	AGGREGATE REVOLVING COMMITMENT	PERCENTAGE
Bank of Montreal	\$150,312,500.00	11.5625%	\$150,312,500.00	11.5625%	\$150,312,500.00	11.5625%
Bank of America, N.A.	\$138,125,000.00	10.625%	\$138,125,000.00	10.625%	\$138,125,000.00	10.625%
JPMorgan Chase Bank, N.A.	\$138,125,000.00	10.625%	\$138,125,000.00	10.625%	\$138,125,000.00	10.625%
U.S. Bank National Association	\$138,125,000.00	10.625%	\$138,125,000.00	10.625%	\$138,125,000.00	10.625%
Citizens Bank, N.A.	\$138,125,000.00	10.625%	\$138,125,000.00	10.625%	\$138,125,000.00	10.625%
Wells Fargo Bank, N.A.	\$101,562,500.00	7.8125%	\$101,562,500.00	7.8125%	\$101,562,500.00	7.8125%
Truist Bank	\$101,562,500.00	7.8125%	\$101,562,500.00	7.8125%	\$101,562,500.00	7.8125%
PNC Bank, National Association	\$101,562,500.00	7.8125%	\$101,562,500.00	7.8125%	\$101,562,500.00	7.8125%
TD Bank, N.A.	\$69,062,500.00	5.3125%	\$69,062,500.00	5.3125%	\$69,062,500.00	5.3125%
HSBC Bank USA, National Association	\$40,625,000.00	3.125%	\$40,625,000.00	3.125%	\$40,625,000.00	3.125%
Webster Bank, N.A.	\$40,625,000.00	3.125%	\$40,625,000.00	3.125%	\$40,625,000.00	3.125%
BBVA USA	\$36,562,500.00	2.8125%	\$36,562,500.00	2.8125%	\$36,562,500.00	2.8125%
Fifth Third Bank, National Association	\$36,562,500.00	2.8125%	\$36,562,500.00	2.8125%	\$36,562,500.00	2.8125%
KeyBank, N.A.	\$36,562,500.00	2.8125%	\$36,562,500.00	2.8125%	\$36,562,500.00	2.8125%
People's United Bank, National Association	\$32,500,000.00	2.5%	\$32,500,000.00	2.5%	\$32,500,000.00	2.5%
Total	<u>\$1,300,000,000.00</u>	<u>100.00%</u>	<u>\$1,300,000,000.00</u>	<u>100.00%</u>	<u>\$1,300,000,000.00</u>	<u>100.00%</u>

TERM LOAN FACILITY

LENDER	TERM LOAN COMMITMENT	PERCENTAGE
Bank of Montreal	\$34,687,500.00	11.5625%
Bank of America, N.A.	\$31,875,000.00	10.625%
JPMorgan Chase Bank, N.A.	\$31,875,000.00	10.625%
U.S. Bank National Association	\$31,875,000.00	10.625%
Citizens Bank, N.A.	\$31,875,000.00	10.625%
Wells Fargo Bank, N.A.	\$23,437,500.00	7.8125%
Truist Bank	\$23,437,500.00	7.8125%
PNC Bank, National Association	\$23,437,500.00	7.8125%
TD Bank, N.A.	\$15,937,500.00	5.3125%
HSBC Bank USA, National Association	\$9,375,000.00	3.125%
Webster Bank, N.A.	\$9,375,000.00	3.125%
BBVA USA	\$8,437,500.00	2.8125%
Fifth Third Bank, National Association	\$8,437,500.00	2.8125%
KeyBank, N.A.	\$8,437,500.00	2.8125%
People's United Bank, National Association	\$7,500,000.00	2.5%
Total	<u>\$300,000,000.00</u>	<u>100.00%</u>

SCHEDULE 1.3**EXISTING LETTERS OF CREDIT**

NUMBER	ISSUER	BENEFICIARY	AMOUNT	EXPIRY DATE
HACH19624OS	BMO Harris Bank N.A.	Indemnity Insurance Companies of North America ACE American Ins.	\$62,761	10/01/20
HACH482065OS	BMO Harris Bank N.A.	American Casualty Company of Reading, Pennsylvania and/or Transportation Insurance Company and/or Continental Casualty Company	\$72,316,000	10/20/20
68030875 (S608276)	Bank of America Merrill Lynch	American Casualty Company of Reading, Pennsylvania and/or Transportation Insurance Company and/or Continental Casualty Company	\$5,642,000	10/01/20
BMCH357885OS	BMO Harris Bank N.A.	The Travelers Indemnity Company	\$25,000	01/20/21
BMCH357838OS	BMO Harris Bank N.A.	Zurich American Insurance Company	\$66,000	01/20/21
HACH408922OS	BMO Harris Bank N.A.	ACE American Insurance Company	\$72,802	07/31/20
HACH408906OS	BMO Harris Bank N.A.	National Union Fire Insurance Co. of Pittsburgh, PA and American Home Insurance Company	\$180,548	07/31/20
HACH467543OS	BMO Harris Bank N.A.	Gadol 45 Owner, LLC	\$98,072	05/05/20
HACH564298OS	BMO Harris Bank N.A.	Commissioner of the Dept. of Financial Regulation, State of Vermont	\$500,000	06/01/20

SCHEDULE 4.2
GUARANTORS
[ATTACHED.]

SCHEDULE 5.2

SUBSIDIARIES

[Attached.]

SCHEDULE 7.10

INDEBTEDNESS

1. \$9.7 million payable under finance leases and purchase money mortgages.
2. The Company and its Subsidiaries have guaranteed the obligations of one another in respect of bonds issued by surety companies. Certain of these obligations are secured by a lien upon the assets of each guarantor.
3. The Company has guaranteed obligations of its Subsidiaries under certain real estate leases and customer contracts.
4. The information contained in Schedules 7.11 and 7.12 is hereby incorporated by reference thereto.

SCHEDULE 7.11

LIENS

1. The Company and its Subsidiaries

- a. The Company's Subsidiaries have obtained bonds from surety companies. The agreements pursuant to which the bonds were issued and will be issued in the future provide that the Company and most of its Subsidiaries agree to hold such surety companies harmless in respect of such bonds and grant liens upon certain of their assets in favor of the bonding companies to secure such "hold harmless" obligations.
- b. Miscellaneous finance leases, purchase money mortgages and other liens relating to the Company's Subsidiaries securing obligations approximating \$4.2 million.

2. UK Subsidiaries

- a. Bank Account Security Deed relating to Peacehaven Schools PFI Project in favor of ING Bank by EMCOR Facilities Services Limited.

SCHEDULE 7.12**INVESTMENTS, LOANS, ADVANCES AND GUARANTIES**

<u>INVESTMENTS</u>	<u>AMOUNT OF INVESTMENT</u>	<u>PAYEE OR HOLDER</u>
1. Colony Holdings Ltd. (Bermuda)	60,000 shares —12% interest	Monumental Investment Corporation
2. Baltimore Ravens	License (right) for 16 seats	The Poole and Kent Corporation
3. F & G Mechanical Inc.	90 shares – 45% interest	F & G Mechanical Corporation (New York)
4. C & H Services LLC	50% Interest	Ohmstede Ltd.
5. CTSI-CES Facility Services, LLC	40% Interest	EMCOR Government Services, Inc.
6. Betlem Plumbing Services, Inc.	49% Interest	The Bettem Service Corporation
7. Helix Management Services, Inc.	40% Interest	EMCOR Government Services, Inc.
8. Legends 3 LLC	50% Interest License (right) for 6 seats New York Yankees	EMCOR Group, Inc.
9. Action Integrated Services, LLC	51% interest	EMCOR Government Services, Inc.
10. AEPAX, LLC	41% Interest	EMCOR Government Services, Inc.
11. Wake Solutions, LLC	41% Interest	EMCOR Government Services, Inc.
12. Ku Nalu Kai, LLC	40% Interest	EMCOR Government Services, Inc.

CERTIFICATION

I, Anthony J. Guzzi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of EMCOR Group, Inc.;
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(s) 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 15(d)-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 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 27, 2023

/s/ ANTHONY J. GUZZI

Anthony J. Guzzi
Chairman, President and Chief Executive Officer

CERTIFICATION

I, Mark A. Pompa, certify that:

1. I have reviewed this quarterly report on Form 10-Q of EMCOR Group, Inc.;
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(s) 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 15(d)-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 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 27, 2023

/s/ MARK A. POMPA

Mark A. Pompa
Executive Vice President 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**

In connection with the Quarterly Report of EMCOR Group, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Anthony J. Guzzi, Chairman, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 27, 2023

/s/ ANTHONY J. GUZZI

Anthony J. Guzzi
Chairman, President and Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of EMCOR Group, Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Mark A. Pompa, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 27, 2023

/s/ MARK A. POMPA

Mark A. Pompa
Executive Vice President and Chief Financial Officer

MINE SAFETY DISCLOSURES

During the reporting period covered by this report:

Our subsidiary, MOR PPM, Inc. (“MOR PPM”), was issued one significant and substantial citation by the U.S. Mine Safety and Health Administration (“MSHA”) related to work MOR PPM performed at the Fort Smith Plant operated by Covia ISP, Inc. in Sebastian, Arkansas. MSHA also assessed civil penalties totaling \$725 for citations related to work performed by MOR PPM at the Fort Smith Plant. The Company has no other disclosures to report under section 1503 for the period covered by this report.