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

FORM 10-K

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

For the fiscal year ended March 31, 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 001-37873

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e.l.f. Beauty, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**46-4464131**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

570 10th Street

Oakland, CA 94607

(Address of principal executive offices) (Zip code)

(510) 778-7787

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	**ELF**	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

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

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

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

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

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

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

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

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

As of September 30, 2022, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the voting and non-voting stock held by non-affiliates of the registrant was approximately $1.3 billion.

The number of shares of registrant's common stock outstanding as of May 18, 2023 was 53,867,072 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Definitive Proxy Statement relating to the registrant's 2023 annual meeting of stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K. Such Definitive Proxy Statement will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year ended March 31, 2023.

e.l.f. Beauty, Inc.
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CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K ("Annual Report") contains forward-looking statements within the meaning of the federal securities laws concerning our business, operations and financial performance and condition, as well as our plans, objectives and expectations for our business operations and financial performance and condition. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "contemplate," "continue," "could," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "predict," "potential," "positioned," "seek," "should," "target," "will," "would" and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology. These forward-looking statements are based on management's current expectations, estimates, forecasts and projections about our business and the industry in which we operate and management's beliefs and assumptions and are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. Although we believe that the expectations reflected in the forward-looking statements contained herein are reasonable, our actual results and the timing of selected events may differ materially. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under Part I, Item 1A. "Risk factors" and elsewhere in this Annual Report. Potential investors are urged to consider these factors carefully in evaluating the forward-looking statements. These forward-looking statements speak only as of the date of this Annual Report. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

SUMMARY OF MATERIAL RISKS ASSOCIATED WITH OUR BUSINESS

The principal risks and uncertainties affecting our business include the following:

- The beauty industry is highly competitive, and if we are unable to compete effectively our results will suffer.
- Our new product introductions may not be as successful as we anticipate.
- Any damage to our reputation or brands may materially and adversely affect our business, financial condition and results of operations.
- Our success depends, in part, on the quality, performance and safety of our products.
- We may not be able to successfully implement our growth strategy.
- Our growth and profitability are dependent on a number of factors, and our historical growth may not be indicative of our future growth.
- We may be unable to grow our business effectively or efficiently, which would harm our business, financial condition and results of operations.
- A disruption in our operations, including a disruption in the supply chain for our products, could materially and adversely affect our business.
- We rely on a number of third-party suppliers, manufacturers, distributors and other vendors, and they may not continue to produce products or provide services that are consistent with our standards or applicable regulatory requirements, which could harm our brands, cause consumer dissatisfaction, and require us to find alternative suppliers of our products or services.
- We depend on a limited number of retailers for a large portion of our net sales, and the loss of one or more of these retailers, or business challenges at one or more of these retailers, could adversely affect our results of operations.
- We have significant operations in China, which exposes us to risks inherent in doing business in that country.
- Adverse economic conditions in the United States ("US") or any of the other countries in which we conduct significant business could negatively affect our business, financial condition and results of operations.

- If we are unable to protect our intellectual property, the value of our brands and other intangible assets may be diminished, and our business may be adversely affected.

- Our success depends on our ability to operate our business without infringing, misappropriating or otherwise violating the trademarks, patents, copyrights and other proprietary rights of third parties.

The summary risk factors described above should be read together with the text of the full risk factors below in the section titled “Risk factors” and the other information set forth in this Annual Report, including our consolidated financial statements and the related notes, as well as in other documents that we file with the US Securities and Exchange Commission (the "SEC"). The risks summarized above or described in the section titled "Risk factors" are not the only risks that we face. Additional risks and uncertainties not precisely known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition, results of operations, and future growth prospects.

PART I

Item 1. Business.

Overview

e.l.f. Beauty, Inc. (“e.l.f. Beauty” and together with our subsidiaries, the “Company,” or “we”) is a multi-brand beauty company that offers inclusive, accessible, clean, vegan and cruelty-free cosmetics and skincare products.

- *OUR VISION*. To be a different kind of beauty company by building brands that disrupt industry norms, shape culture and connect communities through positivity, inclusivity and accessibility.

- *OUR MISSION.* We make the best of beauty accessible to every eye, lip, face and skin concern.

- *OUR PURPOSE.* We stand with every eye, lip, face and paw.

We believe our ability to deliver cruelty-free, clean, vegan and premium-quality products at accessible prices with broad appeal differentiates us in the beauty industry. We believe the combination of our value proposition, innovation engine, ability to attract and engage consumers, and our world-class team’s ability to execute with speed, has positioned us well to navigate the competitive beauty market.

Our Brands

Our family of brands includes e.l.f. Cosmetics, e.l.f. SKIN, Well People and Keys Soulcare. Our brands are available online and across leading beauty, mass-market and specialty retailers. We have strong relationships with our retail customers such as Target, Walmart, Ulta Beauty and other leading retailers that have enabled us to expand distribution both domestically and internationally.

Each of our brands is positioned to touch diverse consumer cohorts at different price points. Each brand has accessible pricing relative to its competitive set and furthers our mission of making the best of beauty accessible to every eye, lip, face and skin concern.

e.l.f. Cosmetics	Since 2004, e.l.f. Cosmetics has made the best of beauty accessible to every eye, lip and face. We make clean, premium-quality, prestige-inspired cosmetics at an extraordinary value. We offer a range of products that are vegan and cruelty-free. As one of the first digital disruptors, e.l.f. continues to attract a highly engaged audience, leveraging social and digital platforms to connect with our community.
e.l.f. SKIN	Win in skin the clean + kind way with e.l.f. SKIN. We create targeted, ingredient-focused, dermatologist-developed formulas for every eye, lip, face and skin concern. Our ambition is to make clean skincare accessible to all with innovative, efficacious formulas at get-real prices. We offer a range of products that are vegan and cruelty-free.
Well People	Since 2008, Well People has raised the standard for plant-powered, high-performance beauty. A clean beauty pioneer with approximately 100 EWG VERIFIED™ products, Well People was founded so that all people can be well people with dermatologist-developed, super-clean and planet minded products.
Keys Soulcare	Inspired by Alicia Keys' personal skincare and self-discovery journey, Keys Soulcare combines skin-nourishing offerings with soul-nurturing rituals to care for the whole self. Developed by board-certified dermatologist Dr. Renée Snyder, our highly-efficacious, premium-quality skincare formulas are also clean and cruelty-free.

100% cruelty-free: We do not conduct or tolerate any tests on animals, nor do we use any ingredients that are tested on animals in any of our products. We are proud to be double certified as "cruelty-free" across our brands. Each of our brands is certified by People for the Ethical Treatment of Animals (PETA) as “Global Animal Test-Free,” a credential given to companies and brands who have verified that their own facilities and their suppliers do not conduct, commission, pay for, or allow any tests on animals for their ingredients or finished products. In addition, each of our brands is certified by the Leaping Bunny Program. Companies with this credential certify that no animal testing was conducted on materials or formulations at any stages of product development, in addition to recommitting to the program annually and being open to third-party audits.

Clean ingredients: Our products are formulated with ingredients that have the health and safety of our consumers in mind. All products are formulated to comply with Food and Drug Administration (the "FDA") and European Union Cosmetic Regulation restrictions covering over 1,600 ingredients including parabens, phthalates, sulfates, formaldehyde, nonylphenol ethoxylates, triclosan, triclocarban, toluene, coal tar, lead, mercury, acrylamide and hydroquinone as well as other substances. Additionally, Well People's product-line includes over 100 EWG VERIFIED™ products, a leading standard of “clean and healthy” in the beauty space.

Marketing & Digital

We deploy a consumer-centric marketing model. We build brand equity and drive traffic to our national retailer partners and to our own e-commerce websites and mobile applications primarily through digital and social media, as compared to legacy beauty brands that often seek to engage consumers primarily through traditional media such as magazines, newspapers and television. Total expenses for marketing and digital in the year ended March 31, 2023 were $126.0 million, approximately 22% of our net sales.

Our consumers have been our best advocates through strong word of mouth. Many of our consumers are active in social media, write reviews of our products online and generate content on Instagram, Facebook, Twitter, TikTok, YouTube and other social media platforms.

Innovation

We believe innovation is key to our success and are proud to be named to Fast Company's list of "The World's Most Innovative Companies of 2023."

We believe we are a leader in the beauty industry in speed and first-to-mass product introductions. We have built an innovation capability that can progress a new, high-quality product from concept to online launch in as few as 13 weeks and approximately 20 weeks on average. We leverage multiple sources of inspiration to develop our new product ideas, including global trend assessments, supplier and industry research, strategic customer input and consumer feedback and insights.

Our innovation strategy is underpinned by three key pillars:

- *Holy Grails*. “Holy grails” are beauty products that deliver premium quality at unbelievable prices with broad appeal. As consumers are increasingly savvy and knowledgeable about trends in the prestige market, they look for ways to get the best of beauty at an accessible price. Examples of our “holy grails” include the e.l.f. Cosmetics Power Grip Primer at $10 versus a prestige item at $38, the e.l.f. Cosmetics Halo Glow Liquid Filter at $14 versus a prestige item at $49, and the e.l.f. SKIN Holy Hydration! Makeup Melting Cleansing Balm at $11 versus a prestige item at $38.

- *Core Improvement*. We consistently evaluate our core offerings to develop new products or improve quality based on category trends, consumer feedback, and other market intelligence. We launch trend-inspired, core expansion products that augment our assortment and deliver extraordinary value across price points. We also evaluate quality improvement opportunities within our product assortment, such as reformulating existing products with better ingredients.

- *Collaborations & Collections*. We utilize collaborations and collections to build brand awareness and showcase our brands’ abilities to connect with, surprise and delight consumers while creating buzz-generating moments. For example, in March 2023, we launched a collaboration with American Eagle called "e.l.f. x American Eagle" which featured a collection of denim-inspired makeup and skincare products.

Markets and Competition

We operate across beauty categories including eye, lip and face makeup, beauty tools and accessories, and skincare products. Color cosmetics and skincare products are broadly sold through food, drug and mass channels, as well as through department stores and direct and specialty channels.

The beauty industry is relatively concentrated, with a significant portion of retail sales in the United States generated by brands owned by a few large multinational companies, such as L’Oréal, Estee Lauder, Coty, Revlon, Shiseido, Johnson & Johnson and Procter & Gamble. These large multinational companies typically own multiple brands. In addition to the traditional brands against which we compete, small independent companies continue to enter the market with new brands and customized product offerings.

Distribution

We employ an omni-channel distribution strategy and sell our products with national retailers in the United States, as well as internationally. We also sell our products online through our own direct e-commerce channels, as well as through other e-commerce websites. Our main channels of distribution are described below.

- *National retailers*. We sell our products in the United States primarily in the mass, drug store, food and specialty retail channels.

- *e-commerce.* e-commerce is an important component of our engagement and innovation model. Our roots as an e-commerce company and our digital engagement model drive conversion on our e-commerce websites and our mobile applications, where we sell our full product offerings. Our products are also available at other e-commerce sites, making our products widely accessible to our consumers.

- *International.* Our products are also sold in a number of international markets, including the United Kingdom (the "UK") and Canada.

Customers

Along with our direct e-commerce channels, we have strong relationships with our retail customers such as Target, Walmart, Ulta Beauty and other leading retailers that have enabled us to expand distribution both domestically and internationally.

Target, Walmart and Ulta Beauty accounted for 25%, 20% and 15%, respectively, of our net sales in the year ended March 31, 2023. No other individual customer accounted for 10% or more of our net sales in the year ended March 31, 2023. We expect that Target, Walmart and Ulta Beauty along with small number of other customers will, in the aggregate, continue to account for a large portion of our net sales in the future.

As is customary in the industry, none of our customers is under any obligation to continue purchasing products from us in the future.

For more information regarding customer concentration, see Part II, Item 7 “Management’s discussion and analysis of financial condition and results of operations” of this report under the heading “Overview.”

Supply Chain

We have developed a scalable, asset-light supply chain centered on speed to market and high-quality at low cost. Substantially all of our products are sourced and manufactured in China through close collaboration with a network of third-party manufacturers. We have ample manufacturing capacity as well as redundant capabilities in the event that one or more suppliers cannot meet our needs. Our broad supply base gives us the ability to fulfill our product requirements and remain cost competitive.

We work closely with our suppliers on new product innovation and quality. Our China-based sourcing, quality and innovation teams work with their US-based counterparts to deliver ongoing product quality, innovation and cost savings. We are not overly dependent on any single raw material. The raw materials used in our products are broadly available and have regular quality testing for ingredient integrity.

We operate two main distribution centers: one in Ontario, California, which mainly serves our national retail customers, and one in Columbus, Ohio, which mainly services our e-commerce consumers. We have invested capital in picking, packaging, scanning, and conveying technology to more fully automate our processes. Our Ontario and Columbus distribution centers are both operated by a leading third-party logistics provider. For our international operations, we utilize third-party logistics providers in Canada and the UK to distribute to certain international customers and distributors.

Employees and Human Capital Management

We are led by our purpose—we stand with every eye, lip, face and paw—and our employees are at the core of our business strategy. As of March 31, 2023, we had 339 full-time employees (257 in the United States, the UK and Canada, and 82 in China).

Culture and Commitments

By standing with every eye, lip, face and paw, we are committed to creating a culture internally—and in the world around us—where all individuals are encouraged to express their truest selves, are empowered to succeed, and where we strive to do the right thing for people, the planet and our furry friends. We are committed to:

• *Encourage Self Expression*. We celebrate diversity and make the best of beauty accessible.

• *Empower Others*. We provide equal opportunities for growth and success.

• *Embody Our Ethics*. We strive to do the right thing for all people, the planet and our furry friends.

Encourage Self Expression: Promoting a Culture of Diversity, Equity and Inclusion

We are deeply committed to diversity, equity and inclusion (DEI) as exemplified by the diversity of both our Board of Directors and our employee base. We are proud to be one of only four public companies in the United States with a Board of Directors that is at least two-thirds women and at least one-third diverse (out of over 4,200 public companies). We’re also proud that our employee base, which is over 75% women, over 40% diverse and over 70% millennial and Gen Z, is representative of the young, diverse communities we serve.

We are committed to ensuring that appropriate levels of diversity – including but not limited to gender, race, sexual orientation, national origin, ability and age – are represented across our entire team. We promote diversity, equity and inclusion at all levels of our workforce, and our senior leadership team owns and is responsible for our diversity, equity and inclusion initiatives and programs.

The following table provides certain statistics of our team as of March 2023:

	Board of Directors	Senior Leadership[1]	All Employees[2]
Gender			
Female	67%	56%	79%
Male	33%	44%	21%
Age			
Gen Z and Millennial	—%	—%	71%
All Other	100%	100%	29%
Race / Ethnicity			
Black or African American	11%	14%	4%
Hispanic or LatinX	—%	—%	15%
Asian	22%	29%	18%
Native American	—%	—%	—%
Two or More Races	—%	—%	5%
White	67%	57%	58%

(1) Senior Leadership includes our Executive Officers and the Vice President, General Manager of our China operations.

(2) Includes our employees in the United States, United Kingdom and Canada, where over 75% of our workforce is located.

We believe that to drive change there must be continuous education, learning and sharing. We regularly host education events for our employees to lean into cultural moments, such as Black History Month; International Women's Month; Asian American and Pacific Islander (AAPI) Heritage Month; Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) Pride Month; and LatinX Heritage Month.

Empower Others: Supporting the Full Potential of Our Employees

Our talented employees are at the core of our business strategy. We place a high priority on attracting, recruiting, developing and retaining diverse global talent. Our benefits and programs are designed to support the total well-being and promote the full potential of our employees.

Our continued investments in our people and culture have positioned us as an employer of choice both in the beauty industry and our local communities. In our fiscal year ended March 31, 2023 ("FY 2023"), we were recognized on Newsweek's list of "America's 100 Most Loved Workplaces for 2022."

With regards to compensation, we take a "one-team" approach. All full-time employees receive a base salary, are bonus eligible under the same bonus plan tied to our financial performance, and receive an equity award in e.l.f. Beauty stock. We believe this approach – which applies across all employee levels and geographies – is unique in the beauty industry and contributes to our success in hiring and retaining top talent and driving business results.

In the United States, where over 70% of our workforce is located, the benefits for our full-time employees include, among other things:

- Financial benefits, including competitive compensation as well as retirement savings plans and commuter benefits;
- Healthcare benefits including flexible spending accounts, disability and life insurance - all of which begin on day 1 of employment;
- Family support and flexibility benefits including up to 20 weeks of parental leave for the birth or adoption of a child or the placement of a foster child, as well as fertility and adoption support;
- Wellness and time off programs including an employee assistance program, access to wellness coaches and flexible time off;
- Community impact programs including employee donation matching programs and paid time off for volunteering;

- Education and career development programs including tuition reimbursement, high performance teamwork coaching, as well as ongoing learning and training opportunities; and

- Other benefits, such as “Pawternity Leave” for the adoption of a shelter animal.

Outside of the United States, we provide similarly competitive benefit packages to those offered to our United States employees and tailored to market-specific practices.

Embody Our Ethics: Doing the Right Thing for All People, the Planet and Our Furry Friends

All People

We proudly support human rights and individual expression and freedom. As such, we treat all employees with respect, regardless of age, gender, ethnicity, religion, abilities or sexual orientation. We also expect our suppliers and partners to observe these principles when providing products and services to us.

We are proud to be the first company in the beauty industry to have a third-party manufacturing facility Fair Trade Certified™. A Fair Trade Certified™ seal on a product signifies that it was made according to rigorous fair trade standards that promote sustainable livelihoods and safe working conditions for factory employees, protection of the environment and transparent supply chains. Our first third-party manufacturing facility in China was Fair Trade Certified™ in August 2022, and we have achieved certification for three other facilities since then. We are also currently seeking certification for additional facilities. To achieve certification, facilities are required to pass thorough audits and demonstrate adherence to over 100 compliance criteria that cover social responsibility, environmental responsibility, empowerment and economic development. Facilities must pass a re-certification annually, which includes plans for continuous improvement. Each time a consumer buys one of our Fair Trade Certified™ products, e.l.f. Beauty makes a contribution to the facility workers who made the product for use in improving their communities.

The Planet

We are committed to minimizing our environmental impact while providing our consumers with premium-quality beauty products. Product packaging represents a meaningful portion of our environmental footprint, driving our continued focus to further reduce this impact. Our packaging sustainability strategy is grounded in three principles:

- *Packaging footprint reduction.* We are proud to have eliminated over one million pounds of packaging waste since the inception of "Project Unicorn". Project Unicorn was launched in 2019 to elevate e.l.f. Cosmetics’ product assortment, presentation, and navigation on-shelf, and resulted in a significant streamlining in our product packaging footprint. The elimination of packaging waste was achieved by removing secondary cartons, vacuum formed trays and paper insert cards, slimming down secondary packaging, and designing a patented approach to display product on shelf.

- *Sustainably sourced packaging.* Our initial focus is the use of Forest Stewardship Council ("FSC")-certified paper for our products that use paper cartons. FSC certification is a globally recognized standard that ensures that products come from responsibly managed forests that provide environmental, social and economic benefits. We have set a goal for our paper cartons to be 100% FSC-certified across all of our brands by the end of the year ending March 31, 2025, as compared to 23% of our paper cartons being FSC-certified in the year ended March 31, 2022.

- *Recyclable and reusable packaging.* We have projects underway to increase the percentage of our packaging that is recyclable, refillable, reusable or made from recycled materials.

We are committed to monitoring our overall environmental impact, including measuring greenhouse gas emissions. In the year ended March 31, 2023, for the first time we publicly disclosed our greenhouse gas (GHG) emissions of our offices, distribution centers and value chain. With this baseline data established for Scope 1, 2, and 3 emissions, we plan to develop our carbon reduction strategy and establish corresponding targets.

Our Furry Friends

We are proud to be a 100% cruelty-free company. We do not conduct or tolerate any tests on animals, nor do we use any ingredients that are tested on animals in any of our products. We are double certified as "cruelty-free" across our brands.

Each of our brands is certified by People for the Ethical Treatment of Animals ("PETA") as “Global Animal Test-Free,” a credential given to companies and brands who have verified that their own facilities and their suppliers do not conduct, commission, pay for, or allow any tests on animals for their ingredients or finished products. In addition, each of our brands is certified by the Leaping Bunny Program. Companies with this credential certify that no animal testing was conducted on materials or formulations at any stages of product development, in addition to recommitting to the program annually and being open to third-party audits.

Seasonality

Our results of operations are subject to seasonal fluctuations, with net sales in the third and fourth fiscal quarters typically being higher than in the first and second fiscal quarters. The higher net sales in our third and fourth fiscal quarters are largely attributable to the increased levels of purchasing by retailers for the holiday season and customer shelf reset activity, respectively. Lower holiday season purchases or shifts in customer shelf reset activity could have a disproportionate effect on our results of operations for the entire fiscal year. To support anticipated higher sales during the third and fourth fiscal quarters, we make investments in working capital to ensure inventory levels can support demand. Fluctuations throughout the year are also driven by the timing of product restocking or rearrangement by our major retail customers as well as expansion into new retail customers. Because a limited number of our retail customers account for a large percentage of our net sales, a change in the order pattern of one or more of our large retail customers could cause a significant fluctuation of our quarterly results or impact our liquidity.

Trademarks and Other Intellectual Property

We believe that our intellectual property has substantial value and has contributed significantly to the success of our business. Our primary trademarks include “e.l.f.,” “e.l.f. eyes lips face,” “e.l.f. SKIN”, “Well People,” and “Keys Soulcare” all of which are registered or have registrations pending with the US Patent and Trademark Office for our goods and services of primary interest. These trademarks are also registered or have registrations pending in various foreign countries in which we operate. We also have other trademark registrations and pending trademark applications for product names and tag lines. Our trademarks are valuable assets that reinforce the distinctiveness of our brands and our consumers’ perception of our products. In addition to trademark protection, we own US Design Patents covering packaging, make-up tools and brush handle shapes and we own numerous domain names, including the domain names of our e-commerce websites. We also rely on and use commercially reasonable measures to protect our unpatented proprietary technology, which includes our expertise and product formulations, continuing innovation and other know-how to develop and maintain our competitive position.

Government Regulation

We and our products are subject to various federal, state and international laws and regulations, including regulation in the United States by the FDA, the Consumer Product Safety Commission (the "CPSC"), the Federal Trade Commission (the “FTC”), and regulations outside of the United States by Health Canada and the European Commission, among others. These laws and regulations principally relate to the ingredients, proper labeling, advertising, packaging, marketing, manufacture, safety, shipment and disposal of our products. Further, as the vast majority of our products are imported from overseas manufacturers, we are subject to Customs Border Patrol clearance regulations prior to goods being released into the United States market.

In the United States, the Federal Food, Drug and Cosmetic Act (the “FDCA”), defines cosmetics as articles or components of articles intended for application to the human body to cleanse, beautify, promote attractiveness, or alter the appearance, with the exception of soap. The labeling of cosmetic products is subject to the requirements of the FDCA, the Fair Packaging and Labeling Act, the Poison Prevention Packaging Act and other FDA regulations. Cosmetics are not subject to pre-market approval by the FDA; however, certain ingredients, such as color additives, must be pre-approved for the specific intended use of the product and are subject to certain restrictions on their use. If a company has not adequately substantiated the safety of its products or ingredients by, for example, performing appropriate toxicological tests or relying on already available toxicological test data, then a specific warning label is required. The FDA may, by regulation, require other warning statements on certain cosmetic products for specified hazards associated with such products. FDA regulations also prohibit or otherwise restrict the use of certain types of ingredients in cosmetic products.

In addition, the FDA requires that cosmetic labeling and claims be truthful and not misleading. Moreover, cosmetics may not be marketed or labeled for their use in treating, preventing, mitigating, or curing disease or other conditions or in affecting the structure or function of the body, as such claims would render the products to be a drug and subject to regulation as a

drug. The FDA has issued warning letters to cosmetic companies alleging improper drug claims regarding their cosmetic products. In addition to FDA requirements, the FTC as well as state consumer protection laws and regulations can subject a cosmetics company to a range of requirements and theories of liability, including similar standards regarding false and misleading product claims, under which FTC or state enforcement or class-action lawsuits may be brought.

In the United States, the FDA has not promulgated regulations establishing mandatory Good Manufacturing Practices ("GMPs") for cosmetics. However, the FDA's draft guidance on cosmetic GMPs, most recently updated in June 2013, provides recommendations related to process documentation, recordkeeping, building and facility design, equipment maintenance and personnel, and compliance with these recommendations can reduce the risk that FDA finds such products have been rendered adulterated or misbranded in violation of applicable law. The FDA also recommends that manufacturers maintain product complaint and recall files and voluntarily report adverse events to the FDA.

The FDA monitors compliance of cosmetic products through market surveillance and inspection of cosmetic manufacturers and distributors to ensure that the products are not manufactured under unsanitary conditions, or labeled in a false or misleading manner. Inspections also may arise from consumer or competitor complaints filed with the FDA. In the event the FDA identifies unsanitary conditions, false or misleading labeling, or any other violation of FDA regulation, FDA may request or a manufacturer may independently decide to conduct a recall or market withdrawal of products. In addition, under the Modernization of Cosmetic Regulation Act of 2022 ("MoCRA"), manufacturers of cosmetic products will become subject to more onerous FDA obligations once implemented via regulation, including adverse event reporting and record retention requirements, safety substantiation requirements, facility registration requirements, product listing requirements, mandatory GMP requirements and labeling requirements for certain products. Under MoCRA, the FDA was also granted new enforcement authorities over cosmetics, such as the ability to initiate mandatory recalls and to obtain access certain product records.

In addition to our cosmetic products, we also market certain non-prescription drug products, including certain products that are intended to treat acne or be used as sunscreens, which are regulated as over-the-counter ("OTC") drug products by the FDA. Certain OTC drug products are subject to regulation pursuant to the FDA's "monographs," which provide rules applicable to each therapeutic category of non-prescription drug, and establishes conditions, such as active ingredients, uses (indications), doses, labeling, and testing procedures, under which an OTC drug within that particular category may be generally recognized as a safe and effective ("GRASE"), and therefore can be marketed without obtaining pre-market approval of an new drug application ("NDA") or abbreviated new drug application ("ANDA"). To be legally marketed, among other things, OTC drug products marketed under an OTC monograph must be manufactured in compliance with the FDA's GMP requirements for drug products, and the failure to maintain compliance with these requirements could lead to FDA enforcement action. Moreover, a failure to comply with the OTC monograph requirements could lead the FDA to determine that the drug is not GRASE, and thus is a "new drug" requiring approval in accordance with the NDA or ANDA processes, or to make changes to its manufacturing processes or product formulations or labels.

Moreover, the FTC regulates and can bring enforcement action against cosmetic companies for deceptive advertising and lack of adequate scientific substantiation for claims. The FTC requires that companies have a reasonable basis to support marketing claims. What constitutes a reasonable basis can vary depending on the strength or type of claim made, or the market in which the claim is made, but objective evidence substantiating the claim is generally required.

In the E.U., the sale of cosmetic products is regulated under the E.U. Cosmetics Regulation (EC) No 1223/2009 setting out the general regulatory framework for finished cosmetic products placed on the E.U. market. The overarching requirement is that a cosmetic product made available on the E.U. market must be safe for human health when used under normal or reasonably foreseeable conditions of use, taking account, in particular, of the following: (a) presentation including conformity with Directive 87/357/EEC regarding health and safety of consumers; (b) labelling; (c) instructions for use and disposal; and (d) any other indication or information provided by the responsible person.

Generally, there is no requirement for pre-market approval of cosmetic products in the E.U. However, centralized notification of all cosmetic products placed on the E.U. market is required. Manufacturers are required to notify their products via the E.U. cosmetic products notification portal. Manufacturers are responsible for safety of their marketed finished cosmetic products, and must ensure that they undergo an appropriate scientific safety assessment before cosmetic products are sold. A special database with information on cosmetic substances and ingredients, known as CosIng, enables easy access to data on cosmetic ingredients, including legal requirements and restrictions. We rely on expert consultants for our E.U. product registrations and review of our labelling for compliance with E.U. regulation.

The E.U. Cosmetics Regulation requires the manufacture of cosmetic products to comply with GMPs, which is presumed where the manufacture is in accordance with the relevant harmonized standards. In addition, in the labelling, making available on the market and advertising of cosmetic products, text, names, trademarks, pictures and figurative or other signs must not be used to imply that these products have characteristics or functions they do not have; any product claims in labelling must be capable of being substantiated.

We are also subject to a number of federal, state and international laws and regulations that affect companies conducting business on the Internet, including regulations related to consumer protection, the promotion and sale of merchandise, privacy, use and protection of consumer and employee personal information and data (including the collection of data from minors), behavioral tracking, and advertising and marketing activities (including sweepstakes, contests and giveaways).

Expenditures for Environmental Compliance

We are subject to numerous foreign, federal, provincial, state, municipal and local environmental, health and safety laws and regulations relating to, among other matters, safe working conditions, product stewardship and environmental protection, including those relating to emissions to the air, discharges to land and surface waters, generation, handling, storage, transportation, treatment and disposal of hazardous substances and waste materials, and the registration and evaluation of chemicals. We maintain policies and procedures to monitor and control environmental, health and safety risks, and to monitor compliance with applicable environmental, health and safety requirements. Compliance with such laws and regulations pertaining to the discharge of materials into the environment, or otherwise relating to the protection of the environment, has not had a material effect upon our capital expenditures, earnings or competitive position.

Segments

We operate our business as a single operating and reportable segment. For more information regarding segment reporting, see Note 2 Summary of significant accounting policies to our consolidated financial statements in Part IV, Item 15. “Exhibits, financial statement schedules” under the heading “Segment reporting.”

Geographic Information

For information regarding the geographic source of our net sales and the location of our long-lived assets, see Note 2 Summary of significant accounting policies to our consolidated financial statements in Part IV, Item 15. “Exhibits, financial statement schedules” under the heading “Segment reporting.” For information regarding the risks related to our non-US operations, see Part I, Item 1A “Risk factors.”

Corporate Information

e.l.f. Beauty was formed as a Delaware corporation on December 20, 2013 under the name J.A. Cosmetics Holdings, Inc. and we changed our name to e.l.f. Beauty, Inc. in April 2016. We completed the initial public offering of our common stock in September 2016. Our common stock is currently listed on the New York Stock Exchange (“NYSE”) under the symbol “ELF." Our principal executive offices are located at 570 10th Street, Oakland, California 94607. Our telephone number is (510) 778-7787 and our investor relations website can be found at www.elfbeauty.com. e.l.f Beauty operates through its principal subsidiaries, e.l.f. Cosmetics, Inc., which conducts business under the names "e.l.f. Cosmetics” or "e.l.f.,” “e.l.f. SKIN,” and "Keys Soulcare," and Well People, Inc., which conducts business under the name “Well People.”

Available Information

We make available on or through our website, www.elfbeauty.com, certain reports and amendments to those reports that we file with, or furnish to, the SEC in accordance with the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These include our Annual Reports on Form 10-K, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act. We make this information available on or through our website free of charge as soon as reasonably practicable after we electronically file the information with, or furnish it to, the SEC. The information on, or that can be accessed through, our website is not incorporated by reference into this Annual Report or any other filings we make with the SEC.

Item 1A. Risk factors.

Certain risks may have a material and/or adverse effect on our business, financial condition and results of operations. These risks include those described below and may include additional risks and uncertainties not presently known to us or that we currently deem immaterial. These risks should be read in conjunction with the other information in this Annual Report,

including our consolidated financial statements and related notes thereto and “Management’s discussion and analysis of financial condition and results of operations” in Part II, Item 7 of this Annual Report.

Risk factors related to the beauty industry

The beauty industry is highly competitive, and if we are unable to compete effectively our results will suffer.

We face vigorous competition from companies throughout the world, including large multinational consumer products companies that have many beauty brands under ownership and independent beauty and skincare brands, including those that may target the latest trends or specific distribution channels. Competition in the beauty industry is based on the introduction of new products, pricing of products, quality of products and packaging, brand awareness, perceived value and quality, innovation, in-store presence and visibility, promotional activities, advertising, editorials, e-commerce and mobile-commerce initiatives and other activities. We must compete with a high volume of new product introductions and existing products by diverse companies across several different distribution channels.

Many multinational consumer companies have greater financial, technical or marketing resources, longer operating histories, greater brand recognition or larger customer bases than we do and may be able to respond more effectively to changing business and economic conditions than we can. Many of these competitors’ products are sold in a wider selection or greater number of retail stores and possess a larger presence in these stores, typically having significantly more inline shelf space than we do. Given the finite space allocated to beauty products by retail stores, our ability to grow the number of retail stores in which our products are sold and expand our space allocation once in these retail stores may require the removal or reduction of the shelf space of these competitors. We may be unsuccessful in our growth strategy in the event retailers do not reallocate shelf space from our competitors to us. Increasing shelf space allocated to our products may be especially challenging in instances when a retailer has its own brand. In addition, our competitors may attempt to gain market share by offering products at prices at or below the prices at which our products are typically offered, including through the use of large percentage discounts and “buy one and get one free” offers. Competitive pricing may require us to reduce our prices, which would decrease our profitability or result in lost sales. Our competitors, many of whom have greater resources than we do, may be better able to withstand these price reductions and lost sales.

It is difficult for us to predict the timing and scale of our competitors’ activities in these areas or whether new competitors will emerge in the beauty industry. In recent years, numerous online, “indie,” celebrity and influencer-backed beauty companies have emerged and garnered significant followings. In addition, further technological breakthroughs, including new and enhanced technologies which increase competition in the online retail market, new product offerings by competitors and the strength and success of our competitors’ marketing programs may impede our growth and the implementation of our business strategy.

Our ability to compete also depends on the continued strength of our brands and products, the success of our marketing, innovation and execution strategies, the continued diversity of our product offerings, the successful management of new product introductions and innovations, strong operational execution, including in order fulfillment, and our success in entering new markets and expanding our business in existing geographies. If we are unable to continue to compete effectively, it could have a material adverse effect on our business, financial condition and results of operations.

Our new product introductions may not be as successful as we anticipate.

The beauty industry is driven in part by fashion and beauty trends, which may shift quickly. Our continued success depends on our ability to anticipate, gauge and react in a timely and cost-effective manner to changes in consumer preferences for beauty products, consumer attitudes toward our industry and brands and where and how consumers shop for those products. We must continually work to develop, produce and market new products, maintain and enhance the recognition of our brands, maintain a favorable mix of products and develop our approach as to how and where we market and sell our products.

We have a process for the development, evaluation and validation of our new product concepts. Nonetheless, each new product launch involves risks, as well as the possibility of unexpected consequences. For example, the acceptance of new product launches and sales to our retail customers may not be as high as we anticipate, due to lack of acceptance of the products themselves or their price, or limited effectiveness of our marketing strategies. In addition, our ability to launch new products may be limited by delays or difficulties affecting the ability of our suppliers or manufacturers to timely manufacture, distribute and ship new products or displays for new products. Sales of new products may be affected by inventory management by our retail customers, and we may experience product shortages or limitations in retail display space by our retail customers. We may also experience a decrease in sales of certain existing products as a result of newly-launched

products, the impact of which could be exacerbated by shelf space limitations or any shelf space loss. Any of these occurrences could delay or impede our ability to achieve our sales objectives, which could have a material adverse effect on our business, financial condition and results of operations.

As part of our ongoing business strategy, we expect we will need to continue to introduce new products in the color cosmetics and skincare categories, while also expanding our product launches into adjacent categories in which we may have little to no operating experience. The success of product launches in adjacent product categories could be hampered by our relative inexperience operating in such categories, the strength of our competitors or any of the other risks referred to above. Furthermore, any expansion into new product categories may prove to be an operational and financial constraint which inhibits our ability to successfully accomplish such expansion. Our inability to introduce successful products in our traditional categories or in adjacent categories could limit our future growth and have a material adverse effect on our business, financial condition and results of operations.

Any damage to our reputation or brands may materially and adversely affect our business, financial condition and results of operations.

We believe that developing and maintaining our brands is critical and that our financial success is directly dependent on consumer perception of our brands. Furthermore, the importance of brand recognition may become even greater as competitors offer more products similar to ours.

We have relatively low brand awareness among consumers when compared to legacy beauty brands, and maintaining and enhancing the recognition and reputation of our brands is critical to our business and future growth. Many factors, some of which are beyond our control, are important to maintaining our reputation and brands. These factors include our ability to comply with ethical, social, product, labor and environmental standards. Any actual or perceived failure in compliance with such standards could damage our reputation and brands.

The growth of our brands depends largely on our ability to provide a high-quality consumer experience, which in turn depends on our ability to bring innovative products to the market at competitive prices that respond to consumer demands and preferences. Additional factors affecting our consumer experience include our ability to provide appealing store sets in retail stores, the maintenance and stocking of those sets by our retail customers, the overall shopping experience provided by our retail customers, a reliable and user-friendly website interface and mobile applications for our consumers to browse and purchase products on our e-commerce websites and mobile applications. If we are unable to preserve our reputation, enhance our brand recognition or increase positive awareness of our products and in-store and Internet platforms, it may be difficult for us to maintain and grow our consumer base, and our business, financial condition and results of operations may be materially and adversely affected.

The success of our brands may also suffer if our marketing plans or product initiatives do not have the desired impact on our brands' image or our ability to attract consumers. Further, our brand value could diminish significantly due to a number of factors, including consumer perception that we have acted in an irresponsible manner, adverse publicity about our products, our failure to maintain the quality of our products, product contamination, the failure of our products to deliver consistently positive consumer experiences, or the products becoming unavailable to consumers.

Our success depends, in part, on the quality, performance and safety of our products.

Any loss of confidence on the part of consumers in the ingredients used in our products, whether related to product contamination or product safety or quality failures, actual or perceived, or inclusion of prohibited ingredients, could tarnish the image of our brands and could cause consumers to choose other products. Allegations of contamination or other adverse effects on product safety or suitability for use by a particular consumer, even if untrue, may require us to expend significant time and resources responding to such allegations and could, from time to time, result in a recall of a product from any or all of the markets in which the affected product was distributed. Any such issues or recalls could negatively affect our profitability and image of our brands.

If our products are found to be, or perceived to be, defective or unsafe, or if they otherwise fail to meet our consumers’ expectations, our relationships with consumers could suffer, the appeal of our brands could be diminished, we may need to recall some of our products and/or become subject to regulatory action, and we could lose sales or market share or become subject to boycotts or liability claims. In addition, safety or other defects in our competitors’ products could reduce consumer demand for our own products if consumers view them to be similar. Any of these outcomes could result in a material adverse effect on our business, financial condition and results of operations.

Risk factors related to our growth and profitability

We may not be able to successfully implement our growth strategy.

Our future growth, profitability and cash flows depend upon our ability to successfully implement our business strategy, which, in turn, is dependent upon a number of key initiatives, including our ability to:

- build demand in our brands;
- invest in digital capabilities;
- lead innovation by providing prestige quality products at an extraordinary value;
- drive productivity and space expansion with our retailers;
- deliver profitable growth; and
- pursue strategic extensions that can leverage our strengths and bring new capabilities.

There can be no assurance that we can successfully achieve any or all of the above initiatives in the manner or time period that we expect. Further, achieving these objectives will require investments which may result in short-term cost increases with net sales materializing on a longer-term horizon and, therefore, may be dilutive to our earnings. We cannot provide any assurance that we will realize, in full or in part, the anticipated benefits we expect our strategy will achieve. The failure to realize those benefits could have a material adverse effect on our business, financial condition and results of operations.

Our growth and profitability are dependent on a number of factors, and our historical growth may not be indicative of our future growth.

Our historical growth should not be considered as indicative of our future performance. We may not be successful in executing our growth strategy, and even if we achieve our strategic imperatives, we may not be able to sustain profitability. In future periods, our revenue could decline, or grow more slowly than we expect. We also may incur significant losses in the future for a number of reasons, including the following risks and the other risks described in this report, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors:

- we may lose one or more significant retail customers, or sales of our products through these retail customers may decrease;
- the ability of our third-party suppliers and manufacturers to produce our products and of our distributors to distribute our products could be disrupted;
- because substantially all of our products are sourced and manufactured in China, our operations are susceptible to risks inherent in doing business there;
- our products may be the subject of regulatory actions, including, but not limited to, actions by the FDA, the FTC and the CPSC in the United States;
- we may be unable to introduce new products that appeal to consumers or otherwise successfully compete with our competitors in the beauty industry;
- we may be unsuccessful in enhancing the recognition and reputation of our brands, and our brands may be damaged as a result of, among other reasons, our failure, or alleged failure, to comply with applicable ethical, social, product, labor or environmental standards;
- we may experience service interruptions, data corruption, cyber-based attacks or network security breaches which result in the disruption of our operating systems or the loss of confidential information of our consumers;

- we may be unable to retain key members of our senior management team or attract and retain other qualified personnel; and
- we may be affected by any adverse economic conditions in the United States or internationally.

We may be unable to grow our business effectively or efficiently, which would harm our business, financial condition and results of operations.

Growing our business will place a strain on our management team, financial and information systems, supply chain and distribution capacity and other resources. To manage growth effectively, we must continue to enhance our operational, financial and management systems, including our warehouse management and inventory control; maintain and improve our internal controls and disclosure controls and procedures; maintain and improve our information technology systems and procedures; and expand, train and manage our employee base.

We may not be able to effectively manage this expansion in any one or more of these areas, and any failure to do so could significantly harm our business, financial condition and results of operations. Growing our business may make it difficult for us to adequately predict the expenditures we will need to make in the future. If we do not make the necessary overhead expenditures to accommodate our future growth, we may not be successful in executing our growth strategy, and our results of operations would suffer.

Acquisitions or investments could disrupt our business and harm our financial condition.

We frequently review acquisition and strategic investment opportunities that would expand our current product offerings, our distribution channels, increase the size and geographic scope of our operations or otherwise offer growth and operating efficiency opportunities. There can be no assurance that we will be able to identify suitable candidates or consummate these transactions on favorable terms. The process of integrating an acquired business, product or technology can create unforeseen operating difficulties, expenditures and other challenges such as:

- potentially increased regulatory and compliance requirements;
- implementation or remediation of controls, procedures and policies at the acquired business;
- diversion of management time and focus from operation of our then-existing business to acquisition integration challenges;
- coordination of product, sales, marketing and program and systems management functions;
- transition of the users and customers of the acquired business, product, or technology onto our system;
- retention of employees from the acquired business;
- integration of employees from the acquired business into our organization;
- integration of the acquired business' accounting, information management, human resources and other administrative systems and operations into our systems and operations;
- liability for activities of the acquired business, product or technology prior to the acquisition, including violations of law, commercial disputes and tax and other known and unknown liabilities; and
- litigation or other claims in connection with the acquired business, product or technology, including claims brought by terminated employees, customers, former stockholders or other third parties.

If we are unable to address these difficulties and challenges or other problems encountered in connection with any acquisition or investment, we might not realize the anticipated benefits of that acquisition or investment, and we might incur unanticipated liabilities or otherwise suffer harm to our business generally.

To the extent that we pay the consideration for any acquisitions or investments in cash, it would reduce the amount of cash available to us for other purposes. Acquisitions or investments could also result in dilutive issuances of our equity securities or

the incurrence of debt, contingent liabilities, amortization expenses, increased interest expenses or impairment charges against goodwill on our consolidated balance sheet, any of which could have a material adverse effect on our business, financial condition and results of operations.

Risk factors related to our business operations and macroeconomic conditions

A disruption in our operations, including a disruption in the supply chains for our products, could materially and adversely affect our business.

As a company engaged in distribution on a global scale, our operations, including those of our third-party manufacturers, suppliers, brokers and delivery service providers, are subject to the risks inherent in such activities, including industrial accidents, environmental events, strikes and other labor disputes, disruptions or delays in shipments, disruptions in information systems, product quality control, safety, licensing requirements and other regulatory issues, as well as natural disasters, pandemics (such as the coronavirus pandemic), border disputes, international conflict, acts of terrorism and other external factors over which we and our third-party manufacturers, suppliers, brokers and delivery service providers have no control. The loss of, or damage to, the manufacturing facilities or distribution centers of our third-party manufacturers, suppliers, brokers and delivery service providers could materially and adversely affect our business, financial condition and results of operations.

We depend heavily on ocean container delivery to receive shipments of our products from our third-party manufacturers located in China and contracted third-party delivery service providers to deliver our products to our distribution facilities and logistics providers, and from there to our retail customers. Further, we rely on postal and parcel carriers for the delivery of products sold directly to consumers through our e-commerce websites and mobile applications. Interruptions, to or failures in, these delivery services could prevent the timely or successful delivery of our products. These interruptions or failures may be due to unforeseen events that are beyond our control or the control of our third-party delivery service providers, such as port congestion, container shortages, inclement weather, natural disasters, international conflict, labor unrest or other transportation disruptions. In addition, port congestion, container shortages, inclement weather, natural disasters, international conflict, labor unrest or other transportation disruptions may increase the costs to supply or transport our products or the components of our products. If our products are not delivered on time or are delivered in a damaged state, retail customers and consumers may refuse to accept our products and have less confidence in our services. In addition, a vessel and container shortage globally could delay future inventory receipts and, in turn, could delay deliveries to our retailer customers and availability of products in our direct-to-consumer e-commerce channel. Such potential delays, additional transportation expenses and shipping disruptions could negatively impact our results of operations through higher inventory costs and reduced sales. Furthermore, the delivery personnel of contracted third-party delivery service providers act on our behalf and interact with our consumers personally. Any failure to provide high-quality delivery services to our consumers may negatively affect the shopping experience of our consumers, damage our reputation and cause us to lose consumers.

Our ability to meet the needs of our consumers and retail customers depends on the proper operation of our distribution facilities, where most of our inventory that is not in transit is housed. Although we currently insure our inventory, our insurance coverage may not be sufficient to cover the full extent of any loss or damage to our inventory or distribution facilities, and any loss, damage or disruption of the facilities, or loss or damage of the inventory stored there, could materially and adversely affect our business, financial condition and results of operations.

Our success depends, in part, on our retention of key members of our senior management team and ability to attract and retain qualified personnel.

Our success depends, in part, on our ability to attract and retain key employees, including our executive officers, senior management team and operations, finance, sales and marketing personnel. The labor markets in the United States and China, where most of our employees are located, are hyper competitive, and attracting and retaining top talent requires significant organizational costs and attention. We are a small company that relies on a few key employees, any one of whom would be difficult to replace, and because we are a small company, we believe that the loss of key employees may be more disruptive to us than it would be to a larger company. Our success also depends, in part, on our continuing ability to identify, hire, train and retain other highly qualified personnel. In addition, we may be unable to effectively plan for the succession of senior management, including our Chief Executive Officer. The loss of key personnel or the failure to attract and retain qualified personnel may have a material adverse effect on our business, financial condition and results of operations.

We rely on a number of third-party suppliers, manufacturers, distributors and other vendors, and they may not continue to produce products or provide services that are consistent with our standards or applicable regulatory requirements, which could harm our brands, cause consumer dissatisfaction, and require us to find alternative suppliers of our products or services.

We use multiple third-party suppliers and manufacturers, primarily based in China, to source and manufacture substantially all of our products. We engage our third-party suppliers and manufacturers on a purchase order basis and are not party to long-term contracts with any of them. The ability of these third parties to supply and manufacture our products may be affected by competing orders placed by other persons and the demands of those persons. Further, we are subject to risks associated with disruptions or delays in shipments whether due to port congestion, container shortages, labor disputes, product regulations and/or inspections or other factors, natural disasters or health pandemics, or other transportation disruptions. If we experience significant increases in demand or need to replace a significant number of existing suppliers or manufacturers, there can be no assurance that additional supply and manufacturing capacity will be available when required on terms that are acceptable to us, or at all, or that any supplier or manufacturer will allocate sufficient capacity to us in order to meet our requirements.

In addition, quality control problems, such as the use of ingredients and delivery of products that do not meet our quality control standards and specifications or comply with applicable laws or regulations could harm our business. These quality control problems could result in regulatory action, such as restrictions on importation, products of inferior quality or product stock outages or shortages, harming our sales and creating inventory write-downs for unusable products.

We have also outsourced significant portions of our distribution process, as well as certain technology-related functions, to third-party service providers. Specifically, we rely on third-party distributors to sell our products in a number of foreign countries, our warehouses and distribution facilities are managed and staffed by third-party service providers, we are dependent on a single third-party vendor for credit card processing, and we utilize a third-party hosting and networking provider to host our e-commerce websites and mobile applications. The failure of one or more of these entities to provide the expected services on a timely basis, or at all, or at the prices we expect, or the costs and disruption incurred in changing these outsourced functions to being performed under our management and direct control or that of a third-party, may have a material adverse effect on our business, financial condition and results of operations. We are not party to long-term contracts with some of our distributors, and upon expiration of these existing agreements, we may not be able to renegotiate the terms on a commercially reasonable basis, or at all.

Further, our third-party manufacturers, suppliers and distributors may:

- have economic or business interests or goals that are inconsistent with ours;
- take actions contrary to our instructions, requests, policies or objectives;
- be unable or unwilling to fulfill their obligations under relevant purchase orders, including obligations to meet our production deadlines, quality standards, pricing guidelines and product specifications, or to comply with applicable regulations, including those regarding the safety and quality of products and ingredients and good manufacturing practices;
- have financial difficulties;
- encounter raw material or labor shortages;
- encounter increases in raw material or labor costs which may affect our procurement costs;
- disclose our confidential information or intellectual property to competitors or third parties;
- engage in activities or employment practices that may harm our reputation; and
- work with, be acquired by, or come under control of, our competitors.

The occurrence of any of these events, alone or together, could have a material adverse effect on our business, financial condition and results of operations. In addition, such problems may require us to find new third-party suppliers,

manufacturers or distributors, and there can be no assurance that we would be successful in finding third-party suppliers, manufacturers or distributors meeting our standards of innovation and quality.

The management and oversight of the engagement and activities of our third-party suppliers, manufacturers and distributors requires substantial time, effort and expense of our employees, and we may be unable to successfully manage and oversee the activities of our third-party manufacturers, suppliers and distributors. If we experience any supply chain disruptions caused by our manufacturing process or by our inability to locate suitable third-party manufacturers or suppliers, or if our manufacturers or raw material suppliers experience problems with product quality or disruptions or delays in the manufacturing process or delivery of the finished products or the raw materials or components used to make such products, our business, financial condition and results of operations could be materially and adversely affected.

If we fail to manage our inventory effectively, our results of operations, financial condition and liquidity may be materially and adversely affected.

Our business requires us to manage a large volume of inventory effectively. We depend on our forecasts to estimate demand for and popularity of various products to make purchasing decisions and to manage our inventory of stock-keeping units. Demand for products, however, can change significantly between the time inventory or components are ordered and the date of sale. Demand may be affected by seasonality, new product launches, rapid changes in product cycles and pricing, product defects, promotions, changes in consumer spending patterns, changes in consumer tastes with respect to our products and other factors, and our consumers may not purchase products in the quantities that we expect. It may be difficult to accurately forecast demand and determine appropriate levels of product or components. We generally do not have the right to return unsold products to our suppliers. If we fail to manage our inventory effectively or negotiate favorable credit terms with third-party suppliers, we may be subject to a heightened risk of inventory obsolescence, a decline in inventory values, and significant inventory write-downs or write-offs. In addition, if we are required to lower sale prices in order to reduce inventory level or to pay higher prices to our suppliers, our profit margins might be negatively affected. Any of the above may materially and adversely affect our business, financial condition and results of operations. See also "*—Our quarterly results of operations fluctuate due to seasonality, order patterns from key retail customers and other factors, and we may not have sufficient liquidity to meet our seasonal working capital requirements*."

Public health crises, such as the COVID-19 global pandemic, could adversely affect our business, financial condition and results of operations.

The COVID-19 pandemic and government and private sector responsive measures taken to contain or mitigate the effects of the pandemic, as well as related changes in consumer shopping behaviors, have adversely affected, and may continue to adversely affect, our business, financial condition and results of operations. The emergence of another pandemic, epidemic or infectious disease outbreak could have a similar effect. The potential impacts of such public health crises include, but are not limited to:

- the possibility of closures, reduced operating hours and/or decreased retail traffic for our retail customers, resulting in a decrease in sales of our products;
- disruption to our distribution centers and our third-party suppliers and manufacturers, including the effects of facility closures as a result of disease outbreaks or other illnesses, or measures taken by federal, state or local governments to reduce its spread, reductions in operations hours, labor shortages, and real-time changes in operating procedures, including for additional cleaning and disinfection procedures; and
- significant disruption of global financial markets, which could have a negative impact on our ability to access capital in the future.

The COVID-19 pandemic contributed significantly to global supply chain constraints, with restrictions and limitations on related activities causing disruption and delay. These disruptions and delays strained domestic and international supply chains, resulting in port congestion, transportation delays as well as labor and container shortages, and affected the flow or availability of certain products.

The further spread of COVID-19 or the emergence of another pandemic, epidemic or infectious disease outbreak, and any required or voluntary actions to help limit the spread of illness, could impact our ability to carry out our business and may materially adversely impact global economic conditions, our business, financial condition and results of operations. In 2022, for example, Chinese government officials implemented a strict quarantine requirement in Shanghai, China that impacted our

employees there, requiring them, as well as some of our suppliers, to work exclusively at home. While our suppliers and distribution centers currently remain open, there is risk that any of these facilities may become less productive or encounter disruptions due to employees at the facilities becoming infected with the COVID-19 virus or another disease, and/or these facilities may no longer be allowed to operate based on directives from public health officials or government authorities in the United States, China or other jurisdictions. Such events could materially increase our costs, negatively impact our sales and damage our results of operations and liquidity, possibly to a significant degree.

As the COVID-19 pandemic evolves and we consider the potential for future public health crises, we continue to evaluate and refine our work from home policy. A portion of our personnel based in the United States is currently working under our hybrid model of three days in the office and two days remote, with the remainder of our personnel based in the United States who do not live close to an e.l.f. office working remotely full time. Any changes to our remote work policy could cause us to have difficulty retaining current employees and recruiting new employees, both of which could adversely affect our business, financial condition and results of operations.

The full extent of the impact of the COVID-19 pandemic, or another pandemic, epidemic or infectious disease outbreak, on our business, financial condition and results of operations will depend on future developments that are highly uncertain and unpredictable, including the timing, acceptance and efficacy of vaccinations and possible achievement of herd immunity in various locations, the occurrence of virus mutations and variants, infection rates increasing or returning in various geographic areas, actions by government authorities to contain outbreaks or treat their impact, and any related impact on capital and financial markets and consumer behavior, including the impacts of any recession or inflationary pressures, all of which may vary across regions.

Adverse economic conditions in the United States or any of the other countries in which we conduct significant business could negatively affect our business, financial condition and results of operations.

Many of our products may be considered discretionary items for consumers. Consumer spending on beauty products is influenced by general economic conditions and the availability of discretionary income. Adverse economic conditions in the United States, Canada, the UK, China or any of the other countries in which we conduct significant business, such as the current inflationary economic environment, rising interest rates, financial distress caused by recent or potential bank failures and the associated banking crisis, an economic recession, depression or downturn, a tightening of the credit markets, high energy prices or higher unemployment levels, may lead to decreased consumer spending, reduced credit availability and a decline in consumer confidence and demand, each of which poses a risk to our business. As global economic conditions continue to be volatile and economic uncertainty remains, trends in consumer discretionary spending also remain unpredictable and subject to reductions due to credit constraints and uncertainties about the future. A decrease in consumer spending or in retailer and consumer confidence and demand for our products could have a significant negative impact on our net sales and profitability, including our operating margins and return on invested capital. These economic conditions could cause some of our retail customers or suppliers to experience cash flow or credit problems and impair their financial condition, which could disrupt our business and adversely affect product orders, payment patterns and default rates and increase our bad debt expense.

Volatility in the financial markets could have a material adverse effect on our business, financial condition and results of operations.

While we currently generate cash flows from our ongoing operations and have had access to credit markets through our various financing activities, credit markets may experience significant disruptions. Deterioration in global financial markets, including as a result of the COVID-19 pandemic, the war in Ukraine and related geopolitical conditions, rising interest rates and concerns over potential recessions could make future financing difficult or more expensive. If any financial institution party to our credit facilities or other financing arrangements were to declare bankruptcy or become insolvent, they may be unable to perform under their agreements with us. This could leave us with reduced borrowing capacity, which could have a material adverse effect on our business, financial condition and results of operations.

We regularly maintain cash balances at third-party financial institutions in excess of the Federal Deposit Insurance Corporation (the “FDIC”) insurance limit. In 2023, the FDIC took control and was appointed receiver of Silicon Valley Bank ("SVB"), Signature Bank, and First Republic Bank, after each bank was unable to continue its operations. Although the Company did not have any cash or cash equivalent balances on deposit with SVB, Signature Bank or First Republic Bank, we are unable to predict the extent or nature of the impacts of the failures of these banks and related circumstances at this time. Similarly, we cannot predict the impact that the high market volatility and instability of the banking sector more broadly could have on economic activity and our business in particular. The failure of other banks and financial institutions and measures

taken, or not taken, by governments, businesses, and other organizations in response to these events could adversely impact our business, financial condition, and results of operations.

If the financial institutions with which we do business enter receivership or become insolvent in the future, there is no guarantee that the Department of the Treasury, the Federal Reserve, and the FDIC will intercede to provide us and other depositors with access to balances in excess of the $250,000 FDIC insurance limit or that we would be able to: (i) access our existing cash, cash equivalents, and investments; (ii) maintain any required letters of credit or other credit support arrangements; or (iii) adequately fund our business for a prolonged period of time or at all. Any of such eents could have a material adverse effect on our current or projected business operations and results of operations and financial condition. In addition, if any parties with which we conduct business are unable to access funds pursuant to such instruments or lending arrangements with such a financial institution, such parties' ability to continue to fund their business and perform their obligations to us could be adversely affected, which, in turn, could have a material adverse effect on our business, financial condition, and results of operations.

Risk factors related to our financial condition

Our indebtedness may have a material adverse effect on our business, financial condition and results of operations.

As of March 31, 2023, we had a total of $66.9 million of indebtedness, consisting of amounts outstanding under our credit facilities and finance lease obligations, and a total availability of $100.0 million under our Amended Revolving Credit Facility (as defined in Part II, Item 7 "Management's discussion and analysis of financial condition and results of operations" under the heading "Description of indebtedness"). Our indebtedness could have significant consequences, including:

- requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of funding growth, working capital, capital expenditures, investments or other cash requirements;
- reducing our flexibility to adjust to changing business conditions or obtain additional financing;
- exposing us to the risk of increased interest rates as our borrowings are at variable rates;
- making it more difficult for us to make payments on our indebtedness;
- subjecting us to restrictive covenants that may limit our flexibility in operating our business, including our ability to take certain actions with respect to indebtedness, liens, sales of assets, consolidations and mergers, affiliate transactions, dividends and other distributions and changes of control;
- subjecting us to maintenance covenants which require us to maintain specific financial ratios; and
- limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements and general corporate or other purposes.

If our cash from operations is not sufficient to meet our current or future operating needs, expenditures and debt service obligations, our business, financial condition and results of operations may be materially and adversely affected.

We may require additional cash resources due to changed business conditions or other future developments, including any marketing initiatives, investments or acquisitions we may decide to pursue. To the extent we are unable to generate sufficient cash flow, we may be forced to cancel, reduce or delay these activities. Alternatively, if our sources of funding are insufficient to satisfy our cash requirements, we may seek to obtain an additional credit facility or sell equity or debt securities. The sale of equity securities would result in dilution of our existing stockholders. The incurrence of additional indebtedness would result in increased debt service obligations and operating and financing covenants that could restrict our operations.

Our ability to generate cash to meet our operating needs, expenditures and debt service obligations will depend on our future performance and financial condition, which will be affected by financial, business, economic, legislative, regulatory and other factors, including potential changes in costs, pricing, the success of product innovation and marketing, competitive pressure and consumer preferences. If our cash flows and capital resources are insufficient to fund our debt service obligations and other cash needs, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness. Our credit facilities may restrict our ability to take these actions, and we may not be able to affect any such

alternative measures on commercially reasonable terms, or at all. If we cannot make scheduled payments on our debt, the lenders under the Amended Credit Agreement (as defined in Part II, Item 7 “Management’s discussion and analysis of financial condition and results of operations” under the heading “Description of indebtedness”) can terminate their commitments to loan money under the Amended Revolving Credit Facility, and our lenders under the Amended Credit Agreement can declare all outstanding principal and interest to be due and payable and foreclose against the assets securing their borrowings, and we could be forced into bankruptcy or liquidation.

Furthermore, it is uncertain whether financing will be available in amounts or on terms acceptable to us, if at all, which could materially and adversely affect our business, financial condition and results of operations.

Changes in tax law, in our tax rates or in exposure to additional income tax liabilities or assessments could materially and adversely affect our business, financial condition and results of operations.

We are subject to the income tax laws of the United States and several international jurisdictions. Changes in law and policy relating to taxes, including changes in administrative interpretations and legal precedence, could materially and adversely affect our business, financial condition and results of operations. In addition, as we continue to expand our business internationally, the application and implementation of existing, new or future international laws could materially and adversely affect our business, financial condition and results of operations. Current economic and political conditions make tax rules in any jurisdiction, including those in which we operate, subject to significant change.

Fluctuations in currency exchange rates may negatively affect our financial condition and results of operations.

Exchange rate fluctuations may affect the costs that we incur in our operations. The main currencies to which we are exposed are the Euro, British pound, Chinese Renminbi ("RMB"), and Canadian dollar. The exchange rates between these currencies and the US dollar in recent years have fluctuated significantly and may continue to do so in the future. A depreciation of these currencies against the US dollar will decrease the US dollar equivalent of the amounts derived from foreign operations reported in our consolidated financial statements, and an appreciation of these currencies will result in a corresponding increase in such amounts. The cost of certain items, such as raw materials, manufacturing, employee compensation and benefits and transportation and freight, required by our operations may be affected by changes in the value of the relevant currencies. To the extent that we are required to pay for goods or services in foreign currencies, the appreciation of such currencies against the US dollar will tend to negatively affect our business. There can be no assurance that foreign currency fluctuations will not have a material adverse effect on our business, financial condition and results of operations.

Risk factors related to our retail customers, consumers and the seasonality of our business

We depend on a limited number of retailers for a large portion of our net sales, and the loss of one or more of these retailers, or business challenges at one or more of these retailers, could adversely affect our results of operations.

A limited number of our retail customers account for a large percentage of our net sales. We expect a small number of retailers will, in the aggregate, continue to account for the majority of our net sales for foreseeable future periods. Any changes in the policies or our ability to meet the demands of our retail customers relating to service levels, inventory de-stocking, pricing and promotional strategies or limitations on access to display space could have a material adverse effect on our business, financial condition and results of operations.

As is typical in our industry, our business with retailers is based primarily upon discrete sales orders, and we do not have contracts requiring retailers to make firm purchases from us. Accordingly, retailers could reduce their purchasing levels or cease buying products from us at any time and for any reason. If we lose a significant retail customer or if sales of our products to a significant retailer materially decrease, it could have a material adverse effect on our business, financial condition and results of operations.

Because a high percentage of our sales are made through our retail customers, our results are subject to risks relating to the general business performance of our key retail customers. Factors that adversely affect our retail customers’ businesses may also have a material adverse effect on our business, financial condition and results of operations. These factors may include:

- any reduction in consumer traffic and demand at our retail customers as a result of economic downturns, pandemics or other health crises, changes in consumer preferences or reputational damage as a result of, among other developments, data privacy breaches, regulatory investigations or employee misconduct;

- any credit risks associated with the financial condition of our retail customers;

- the effect of consolidation or weakness in the retail industry or at certain retail customers, including store closures and the resulting uncertainty; and

- inventory reduction initiatives and other factors affecting retail customer buying patterns, including any reduction in retail space committed to beauty products and retailer practices used to control inventory shrinkage.

Our quarterly results of operations fluctuate due to seasonality, order patterns from key retail customers and other factors, and we may not have sufficient liquidity to meet our seasonal working capital requirements.

Our results of operations are subject to seasonal fluctuations, with net sales in the third and fourth fiscal quarters typically being higher than in the first and second fiscal quarters. The higher net sales in our third and fourth fiscal quarters are largely attributable to the increased levels of purchasing by retailers for the holiday season and customer shelf reset activity, respectively. Adverse events that occur during either the third or fourth fiscal quarter could have a disproportionate effect on our results of operations for the entire fiscal year. To support anticipated higher sales during the third and fourth fiscal quarters, we make investments in working capital to ensure inventory levels can support demand. Fluctuations throughout the year are also driven by the timing of product restocking or rearrangement by our major customers as well as our expansion into new customers. Because a limited number of our retail customers account for a large percentage of our net sales, a change in the order pattern of one or more of our large retail customers could cause a significant fluctuation of our quarterly results or reduce our liquidity.

Furthermore, product orders from our large retail customers may vary over time due to changes in their inventory or out-of-stock policies. If we were to experience a significant shortfall in sales or profitability, we may not have sufficient liquidity to fund our business. As a result of quarterly fluctuations caused by these and other factors, comparisons of our operating results across different fiscal quarters may not be accurate indicators of our future performance. Any quarterly fluctuations that we report in the future may differ from the expectations of market analysts and investors, which could cause the price of our common stock to fluctuate significantly.

Risk factors related to information technology and cybersecurity

We are increasingly dependent on information technology, and if we are unable to protect against service interruptions, data corruption, cyber-based attacks or network security breaches, our operations could be disrupted.

We rely on information technology networks and systems to market and sell our products, to process electronic and financial information, to assist with sales tracking and reporting, to manage a variety of business processes and activities and to comply with regulatory, legal and tax requirements. We are increasingly dependent on a variety of information systems to effectively process retail customer orders and fulfill consumer orders from our e-commerce business. We depend on our information technology infrastructure for digital marketing activities and for electronic communications among our personnel, retail customers, consumers, manufacturers and suppliers around the world. These information technology systems, some of which are managed by third parties, may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components, power outages, hardware failures, computer viruses, telecommunication failures, user errors, catastrophic events and data security and privacy threats, cyber and otherwise. If our information technology systems suffer damage, disruption or shutdown, we may incur substantial cost in repairing or replacing these systems, and if we do not effectively resolve the issues in a timely manner, our business, financial condition and results of operations may be materially and adversely affected, and we could experience delays in reporting our financial results.

Data security and privacy threats are becoming increasingly difficult to detect and come from a variety of sources, including traditional computer “hackers,” threat actors, “hacktivists,” personnel (such as through theft or misuse), organized criminal threat actors, sophisticated nation states, and nation-state supported actors. Some threat actors now engage and are expected to continue to engage in cyberattacks, including without limitation nation-state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we and the third parties upon which we rely may be vulnerable to a heightened risk of these attacks, including retaliatory cyberattacks that could materially disrupt our systems and operations. Any material disruption of our systems, or the systems of our third-party service providers, could disrupt our ability to track, record and analyze the products that we sell and could negatively impact our operations, shipment of goods, ability to process financial information and transactions and our ability to receive and process retail customer and e-commerce orders or engage in normal business activities.

Our e-commerce operations are important to our business. Our e-commerce websites and mobile applications serve as an extension of our marketing strategies by introducing potential new consumers to our brand, product offerings and enhanced content. Due to the importance of our e-commerce operations, we are vulnerable to website downtime and other technical failures. Our failure to successfully respond to these risks in a timely manner could reduce e-commerce sales and damage our brands' reputation.

The risks described here are heightened due to the increase in remote working. A portion of our personnel based in the United States is currently working under our hybrid model of three days in the office and two days remote, while others work remote entirely. It is possible with this model that the execution of our business plans and operations could be negatively impacted. If a natural disaster, power outage, connectivity issue, or other event occurs that impacts our employees' ability to work remotely, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time. The increase in remote working may also result in heightened consumer privacy, IT security and fraud concerns, potentially disrupting our operations.

We must continue to maintain and make requisite or critical upgrades to our information technology systems, and our failure to do so could have a material adverse effect on our business, financial condition and results of operations.

We have identified the need to continually expand and improve our information technology systems and personnel to support expected future growth. As such, we will continue to invest in and implement modifications and upgrades to our information technology systems and procedures, including replacing legacy systems with successor systems, making changes to legacy systems or acquiring new systems with new functionality, hiring employees with information technology expertise and building new policies, procedures, training programs and monitoring tools. We are currently undertaking various technology upgrades and enhancements to support our business growth, including a major SAP implementation to upgrade our platforms and systems worldwide. These types of activities subject us to inherent costs and risks associated with replacing and changing these systems, including impairment of our ability to leverage our e-commerce channels, fulfill customer orders, potential disruption of our internal control structure, substantial capital expenditures, additional administration and operating expenses, acquisition and retention of sufficiently skilled personnel to implement and operate the new systems, demands on management time and other risks and costs of delays or difficulties in transitioning to or integrating new systems into our current systems. The implementation of new information technology systems, such as our SAP implementation, or any modification of our key information systems may not result in productivity improvements at a level that outweighs the costs of implementation, or at all. In addition, difficulties with implementing new technology systems, delays in our timeline for planned improvements, significant system failures, or our inability to successfully modify our information systems to respond to changes in our business needs may cause disruptions in our business operations and have a material adverse effect on our business, financial condition and results of operations.

If we fail to adopt new technologies or adapt our e-commerce websites and systems to changing consumer requirements or emerging industry standards, our business may be materially and adversely affected.

To remain competitive, we must continue to enhance and improve the responsiveness, functionality and features of our information technology, including our e-commerce websites and mobile applications. Our competitors are continually innovating and introducing new products to increase their consumer base and enhance user experience. As a result, in order to attract and retain consumers and compete against our competitors, we must continue to invest resources to enhance our information technology and improve our existing products and services for our consumers. The Internet and the online retail industry are characterized by rapid technological evolution, changes in consumer requirements and preferences, frequent introductions of new products and services embodying new technologies and the emergence of new industry standards and practices, any of which could render our existing technologies and systems obsolete. Our success will depend, in part, on our ability to identify, develop, acquire or license leading technologies useful in our business, and respond to technological advances and emerging industry standards and practices in a cost-effective and timely way. The development of our e-commerce websites, mobile applications and other proprietary technology entails significant technical and business risks. There can be no assurance that we will be able to properly implement or use new technologies effectively or adapt our e-commerce websites, mobile applications and systems to meet consumer requirements or emerging industry standards. If we are unable to adapt in a cost-effective and timely manner in response to changing market conditions or consumer requirements, whether for technical, legal, financial or other reasons, our business, financial condition and results of operations may be materially and adversely affected.

Failure to protect sensitive information of our consumers and information technology systems against security breaches could damage our reputation and brand and substantially harm our business, financial condition and results of operations.

We collect, maintain, transmit and store data about our consumers, suppliers and others, including personal data, financial information, including consumer payment information, as well as other confidential and proprietary information important to our business. We also employ third-party service providers that collect, store, process and transmit personal data, and confidential, proprietary and financial information on our behalf.

We have in place technical and organizational measures to maintain the security and safety of critical proprietary, personal, employee, customer and financial data which we continue to maintain and upgrade to industry standards. However, advances in technology, the pernicious ingenuity of criminals, new exposures via cryptography, acts or omissions by our employees, contractors or service providers or other events or developments could result in a compromise or breach in the security of confidential or personal data. We and our service providers may not be able to prevent third parties, including criminals, competitors or others, from breaking into or altering our systems, disrupting business operations or communications infrastructure through denial-of-service attacks, attempting to gain access to our systems, information or monetary funds through phishing or social engineering campaigns, installing viruses or malicious software on our e-commerce websites or mobile applications or devices used by our employees or contractors, or carrying out other activity intended to disrupt our systems or gain access to confidential or sensitive information in our or our service providers' systems. We are not aware of any material breach or compromise of the personal data of consumers, but we have been subject to attacks (e.g. phishing, denial of service) in the past and cannot guarantee that our security measures will be sufficient to prevent a material breach or compromise in the future.

Furthermore, such third parties may engage in various other illegal activities using such information, including credit card fraud or identity theft, which may cause additional harm to us, our consumers and our brands. We also may be vulnerable to error or malfeasance by our own employees or other insiders. Third parties may attempt to fraudulently induce our or our service providers' employees to misdirect funds or to disclose information in order to gain access to personal data we maintain about our consumers or website users. In addition, we have limited control or influence over the security policies or measures adopted by third-party providers of online payment services through which some of our consumers may elect to make payment for purchases at our e-commerce websites and mobile applications. Contracted third-party delivery service providers may also violate their confidentiality or data processing obligations and disclose or use information about our consumers inadvertently or illegally.

If a material security breach were to occur, our reputation and brands could be damaged, and we could be required to expend significant capital and other resources to alleviate problems caused by such breaches including exposure of litigation or regulatory action and a risk of loss and possible liability. Actual or anticipated attacks may cause us to incur increasing costs, including costs to deploy additional personnel and protection technologies, train employees and engage third-party experts and consultants. In addition, any party who is able to illicitly obtain a subscriber's password could access the subscriber's financial, transaction or personal information. Any compromise or breach of our security measures, or those of our third-party service providers, may violate applicable privacy, data security, financial, cyber and other laws and cause significant legal and financial exposure, adverse publicity, and a loss of confidence in our security measures, all of which could have a material adverse effect on our business, financial condition and results of operations. We may be subject to post-breach review of the adequacy of our privacy and security controls by regulators and other third parties, which could result in post-breach regulatory investigation, fines and consumer litigation as well as regulatory oversight, at significant expense and risking reputational harm.

Furthermore, we are subject to diverse laws and regulations in the United States, the European Union (the "EU"), and other international jurisdictions that require notification to affected individuals in the event of a breach involving personal information. These required notifications can be time-consuming and costly. Furthermore, failure to comply with these laws and regulations could subject us to regulatory scrutiny and additional liability. Although we maintain relevant insurance, we cannot be certain that our insurance coverage will be adequate for all breach related liabilities, that insurance will continue to be available to us on economically reasonable terms, or at all, or that the insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect our reputation, business, financial condition and results of operations. We may need to devote significant resources to protect against security breaches or to address problems caused by breaches, diverting resources from the growth and expansion of our business.

Payment methods used on our e-commerce websites subject us to third-party payment processing-related risks.

We accept payments from our consumers using a variety of methods, including online payments with credit cards and debit cards issued by major banks, payments made with gift cards processed by third-party providers and payment through third-

party online payment platforms such as PayPal, Afterpay, and Apple Pay. We also rely on third parties to provide payment processing services. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time and raise our operating costs and lower our profit margins. We may also be subject to fraud and other illegal activities in connection with the various payment methods we offer, including online payment options and gift cards. Transactions on our e-commerce websites and mobile applications are card-not-present transactions, so they present a greater risk of fraud. Criminals are using increasingly sophisticated methods to engage in illegal activities such as unauthorized use of credit or debit cards and bank account information. Requirements relating to consumer authentication and fraud detection with respect to online sales are complex. We may ultimately be held liable for the unauthorized use of a cardholder's card number in an illegal activity and be required by card issuers to pay charge-back fees. Charge-backs result not only in our loss of fees earned with respect to the payment, but also leave us liable for the underlying money transfer amount. If our charge-back rate becomes excessive, card associations also may require us to pay fines or refuse to process our transactions. In addition, we may be subject to additional fraud risk if third-party service providers or our employees fraudulently use consumer information for their own gain or facilitate the fraudulent use of such information. Overall, we may have little recourse if we process a criminally fraudulent transaction.

We are subject to payment card association operating rules, certification requirements and various rules, regulations and requirements governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. As our business changes, we may also be subject to different rules under existing standards, which may require new assessments that involve costs above what we currently pay for compliance. If we fail to comply with the rules or requirements of any provider of a payment method we accept, or if the volume of fraud in our transactions limits or terminates our rights to use payment methods we currently accept, or if a data breach occurs relating to our payment systems, among other things, we may be subject to fines and higher transaction fees and lose our ability to accept credit and debit card payments from our consumers, process electronic funds transfers or facilitate other types of online payments, and our reputation and our business, financial condition and results of operations could be materially and adversely affected.

Risk factors related to conducting business internationally

We have significant operations in China, which exposes us to risks inherent in doing business in that country.

We currently source and manufacture a substantial number of our products from third-party suppliers and manufacturers in China. As of March 31, 2023, we had 82 employees in China. With the rapid development of the Chinese economy, the cost of labor has increased and may continue to increase in the future. Our results of operations will be materially and adversely affected if our labor costs, or the labor costs of our suppliers and manufacturers, increase significantly. In addition, we and our manufacturers and suppliers may not be able to find a sufficient number of qualified workers due to the intensely competitive and fluid market for skilled labor in China. Furthermore, pursuant to Chinese labor laws, employers in China are subject to various requirements when signing labor contracts, paying remuneration, determining the term of employees' probation and unilaterally terminating labor contracts. These labor laws and related regulations impose liabilities on employers and may significantly increase the costs of workforce reductions. If we decide to change or reduce our workforce, these labor laws could limit or restrict our ability to make such changes in a timely, favorable and effective manner. Any of these events may materially and adversely affect our business, financial condition and results of operations.

Operating in China exposes us to political, legal and economic risks. In particular, the political, legal and economic climate in China, both nationally and regionally, is fluid and unpredictable. Our ability to operate in China may be adversely affected by changes in the United States and Chinese laws and regulations such as those related to, among other things, taxation, import and export tariffs, environmental regulations, land use rights, intellectual property, currency controls, network security, employee benefits, privacy, hygiene supervision and other matters. For example, in December 2021, the US Congress enacted the Uyghur Forced Labor Prevention Act in an effort to prevent what it views as forced labor and human rights abuses in the Xinjiang Uyghur Autonomous Region ("XUAR"). If it is determined that our third-party suppliers and manufacturers mine, produce or manufacture our products wholly or in part from the XUAR, then we could be prohibited from importing such products into the United States. In addition, we may not obtain or retain the requisite legal permits to continue to operate in China, and costs or operational limitations may be imposed in connection with obtaining and complying with such permits. In addition, Chinese trade regulations are in a state of flux, and we may become subject to other forms of taxation, tariffs and duties in China. Furthermore, the third parties we rely on in China may disclose our confidential information or intellectual property to competitors or third parties, which could result in the illegal distribution and sale of counterfeit versions of our products. If any of these events occur, our business, financial condition and results of operations could be materially and adversely affected.

We are subject to international business uncertainties.

We sell some of our products to customers located outside the United States. In addition, substantially all of our third-party suppliers and manufacturers are located in China and certain other foreign countries. We intend to continue to sell to customers outside the United States and maintain our relationships in China and other foreign countries where we have suppliers and manufacturers. Further, we recently opened an office in the UK and hired a team of employees to support our international expansion, and we may establish additional relationships in other countries to grow our operations. The substantial up-front investment required, the lack of consumer awareness of our products in jurisdictions outside of the United States, differences in consumer preferences and trends between the United States and other jurisdictions, the risk of inadequate intellectual property protections and differences in packaging, labeling and related laws, rules and regulations are all substantial matters that need to be evaluated prior to doing business in new territories. We cannot be assured that our international efforts will be successful. International sales and increased international operations may be subject to risks such as:

- difficulties in staffing and managing foreign operations;
- burdens of complying with a wide variety of laws and regulations, including more stringent regulations relating to data privacy and security, particularly in the UK and the EU;
- adverse tax effects and foreign exchange controls making it difficult to repatriate earnings and cash;
- political and economic instability;
- terrorist activities and natural disasters;
- trade restrictions;
- disruptions or delays in shipments whether due to port congestion, container shortages, labor disputes, product regulations and/or inspections or other factors, natural disasters or health pandemics, or other transportation disruptions;
- differing employment practices and laws and labor disruptions;
- the imposition of government controls;
- an inability to use or to obtain adequate intellectual property protection for our key brands and products;
- tariffs and customs duties and the classifications of our goods by applicable governmental bodies;
- a legal system subject to undue influence or corruption;
- a business culture in which illegal sales practices may be prevalent;
- logistics and sourcing; and
- military conflicts.

The occurrence of any of these risks could negatively affect our international business and consequently our overall business, financial condition and results of operations.

In addition, the ultimate effects of the UK's withdrawal from the EU ("Brexit") are still difficult to predict as there remains considerable uncertainty around the impact of post-Brexit regulations as the various agencies interpret the regulations and develop enforcement practices. Changes related to Brexit could subject us to heightened risks in that region, including disruptions to trade and free movement of goods, services and people to and from the UK, disruptions to our employees in the UK and the workforce of our business partners, increased foreign exchange volatility with respect to the British pound and additional legal, political and economic uncertainty. If these actions impacting our international distribution and sales channels result in increased costs for us or our international partners, such changes could result in higher costs to us, adversely affecting our operations, particularly as we expand our international presence in the UK.

The ongoing conflict between Russia and Ukraine has caused, and may continue to cause, negative effects on geopolitical conditions and the global economy, including financial markets, inflation and the global supply chain, which could have an adverse impact on our business, financial condition and results of operations.

In February 2022, Russian military forces launched a full-scale military invasion of Ukraine that has resulted in an ongoing military conflict between the two countries. The length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, and the conflict has caused, and may continue to cause, global political, economic, and social instability, disruptions to the global economy, financial systems, international trade, the global supply chain and the transportation and energy sectors, among others.

Russia's recognition of two separatist republics in the Donetsk and Luhansk regions of Ukraine and subsequent military action against Ukraine have led to an unprecedented expansion of sanction programs imposed by the United States, the EU, the UK, Canada, Switzerland, Japan and other countries against Russia, Belarus, the Crimea Region of Ukraine, the so-called Donetsk People's Republic and the so-called Luhansk People's Republic. In retaliation against new international sanctions and as part of measures to stabilize and support the volatile Russian financial and currency markets, Russian authorities imposed significant currency control measures aimed at restricting the outflow of foreign currency and capital from Russia, imposed various restrictions on transacting with non-Russian parties, banned exports of various products and other economic and financial restrictions. The situation is rapidly evolving as a result of the conflict in Ukraine, and the United States, the EU, the UK and other countries may implement additional sanctions, export controls or other measures against Russia, Belarus and other countries, regions, officials, individuals or industries in the respective territories. Such sanctions and other measures, as well as the existing and potential further responses from Russia or other countries to such sanctions, tensions and military actions, could adversely affect the global economy and financial markets and could adversely affect our business, financial condition and results of operations.

We continue to monitor the situation in Ukraine and are assessing its impact on our business, including our business partners and customers. We do not sell our products in Russia and, to date, we have not experienced any material interruptions in our infrastructure, supplies, technology systems or networks needed to support our operations. We have no way to predict the progress or outcome of the conflict in Ukraine or its impacts in Ukraine, Russia or Belarus as the conflict, and any resulting government reactions, are rapidly developing and beyond our control. The extent and duration of the military action, sanctions and resulting market disruptions could be significant and could potentially have substantial impact on the global economy and our business for an unknown period of time. Any of the above-mentioned factors could affect our business, financial condition and results of operations.

Risk factors related to evolving laws and regulations and compliance with laws and regulations

New laws, regulations, enforcement trends or changes in existing regulations governing the introduction, marketing and sale of our products to consumers could harm our business.

There has been an increase in regulatory activity and activism in the United States and abroad, and the regulatory landscape is becoming more complex with increasingly strict requirements. If this trend continues, we may find it necessary to alter some of the ways we have traditionally manufactured and marketed our products in order to stay in compliance with a changing regulatory landscape, and this could add to the costs of our operations and have an adverse impact on our business. To the extent federal, state, local or foreign regulatory changes regarding consumer protection, or the ingredients, claims or safety of our products occur in the future, they could require us to reformulate or discontinue certain of our products, revise the product packaging or labeling, or adjust operations and systems, any of which could result in, among other things, increased costs, delays in product launches, product returns or recalls and lower net sales, and therefore could have a material adverse effect on our business, financial condition and results of operations. Noncompliance with applicable regulations could result in enforcement action by the FDA or other regulatory authorities within or outside the United States, including but not limited to product seizures, injunctions, product recalls and criminal or civil monetary penalties, all of which could have a material adverse effect on our business, financial condition and results of operations.

In the United States, with the exception of color additives, the FDA does not currently require pre-market approval for products intended to be sold as cosmetics. However, the FDA may in the future require pre-market authorization for certain cosmetic products, establishments or manufacturing facilities. Moreover, such products could also be regulated as both drugs and cosmetics simultaneously, as the categories are not mutually exclusive. The statutory and regulatory requirements applicable to drugs are extensive and require significant resources and time to ensure compliance. For example, if any of our products intended to be sold as cosmetics were to be regulated as drugs, we might be required to conduct, among other things, clinical trials to demonstrate the safety and efficacy of these products. We may not have sufficient resources to

conduct any required clinical trials or to ensure compliance with the manufacturing requirements applicable to drugs. If the FDA determines that any of our products intended to be sold as cosmetics should be classified and regulated as drug products and we are unable to comply with applicable drug requirements, we may be unable to continue to market those products. Any inquiry into the regulatory status of our cosmetics and any related interruption in the marketing and sale of these products could damage our reputation and image in the marketplace.

In recent years, the FDA has issued warning letters to several cosmetic companies alleging improper claims regarding their cosmetic products. If the FDA determines that we have disseminated inappropriate drug claims for our products intended to be sold as cosmetics, we could receive a warning or untitled letter, be required to modify our product claims or take other actions to satisfy the FDA. In addition, plaintiffs' lawyers have filed class action lawsuits against cosmetic companies after receipt of these types of FDA warning letters. There can be no assurance that we will not be subject to state and federal government actions or class action lawsuits, which could harm our business, financial condition and results of operations.

Additional state and federal requirements may be imposed on consumer products as well as cosmetics, cosmetic ingredients, or the labeling and packaging of products intended for use as cosmetics. For example, on December 29, 2022, Congress enacted the MoCRA. MoCRA created new compliance requirements for manufacturers of cosmetic products in the United States and also significantly expanded the FDA's authority to oversee and regulate cosmetics. Under MoCRA, companies must comply with new requirements for cosmetics, such as new labeling requirements for certain products, safety substantiation, facility registration, product listing, adverse event reporting, good manufacturing practice requirements and mandatory recalls. In addition, MoCRA provided FDA with new enforcement authorities over cosmetics, such as the ability to initiate mandatory recalls and to obtain access certain product records. Many of the requirements are scheduled to become applicable on December 29, 2023, although some of the requirements, such as those relating to labeling, may become applicable in 2024 and 2025. In either case, the FDA has yet to implement regulations for MoCRA, and as such we are unable to ascertain at this time the full impact that complying with MoCRA will have on our business. Compliance with the new requirements may further increase the cost of manufacturing certain of our products and could have a material adverse effect on our business, financial condition and results of operations.

We also sell a number of products as over-the-counter ("OTC") drug products, which are subject to the FDA OTC drug regulatory requirements because they are intended to be used as sunscreen or to treat acne. The FDA regulates the formulation, manufacturing, packaging and labeling of OTC drug products. Our sunscreen and acne drug products are regulated pursuant to FDA OTC drug monographs that specify acceptable active drug ingredients and acceptable product claims that are generally recognized as safe and effective for particular uses. If any of these products that are marketed as OTC drugs are not in compliance with the applicable FDA monograph, we may be required to reformulate the product, stop making claims relating to such product or stop selling the product until we are able to obtain costly and time-consuming FDA approvals. We are also required to submit adverse event reports to the FDA for our OTC drug products, and failure to comply with this requirement may subject us to FDA regulatory action.

We also sell a number of consumer products, which are subject to regulation by the CPSC in the United States under the provisions of the Consumer Product Safety Act, as amended by the Consumer Product Safety Improvement Act of 2008. These statutes and the related regulations ban from the market consumer products that fail to comply with applicable product safety laws, regulations and standards. The CPSC has the authority to require the recall, repair, replacement or refund of any such banned products or products that otherwise create a substantial risk of injury and may seek penalties for regulatory noncompliance under certain circumstances. The CPSC also requires manufacturers of consumer products to report certain types of information to the CPSC regarding products that fail to comply with applicable regulations. Certain state laws also address the safety of consumer products, and mandate reporting requirements, and noncompliance may result in penalties or other regulatory action.

Our products are also subject to state laws and regulations, such as the California Safe Drinking Water and Toxic Enforcement Act, also known as "Prop 65," and failure to comply with such laws may also result in lawsuits and regulatory enforcement that could have a material adverse effect on our business, financial condition and results of operations.

Our facilities and those of our third-party manufacturers are subject to regulation under the FDCA and FDA implementing regulations.

Our facilities and those of our third-party manufacturers are subject to regulation under the FDCA and FDA implementing regulations. The FDA may inspect all of our facilities and those of our third-party manufacturers periodically to determine if we and our third-party manufacturers are complying with provisions of the FDCA and FDA regulations. In addition, third-party manufacturer's facilities for manufacturing OTC drug products must comply with the FDA's current good manufacturing

practices ("cGMP") requirements for drug products that require us and our manufacturers to maintain, among other things, good manufacturing processes, including stringent vendor qualifications, ingredient identification, manufacturing controls and record keeping.

Our operations could be harmed if regulatory authorities make determinations that we, or our vendors, are not in compliance with these regulations. If the FDA finds a violation of cGMPs, it may enjoin our manufacturer's operations, seize product, restrict importation of goods, and impose administrative, civil or criminal penalties. If we or our third-party manufacturers fail to comply with applicable regulatory requirements, we could be required to take costly corrective actions, including suspending manufacturing operations, changing product formulations, suspending sales, or initiating product recalls. In addition, compliance with these regulations has increased and may further increase the cost of manufacturing certain of our products as we work with our vendors to ensure they are qualified and in compliance. For example, under MoCRA, manufacturers of cosmetic products in the United States will become subject to mandatory GMP requirements. Although the FDA has yet to establish or implement regulations for such GMP requirements, third-party manufacturers of our cosmetic products may be slow or unable to adapt to these forthcoming regulations, which may require us to find alternative suppliers for our products. Any of these outcomes could have a material adverse effect on our business, financial condition and results of operations.

Government regulations and private party actions relating to the marketing and advertising of our products and services may restrict, inhibit or delay our ability to sell our products and harm our business, financial condition and results of operations.

Government authorities regulate advertising and product claims regarding the performance and benefits of our products. These regulatory authorities typically require a reasonable basis to support any marketing claims. What constitutes a reasonable basis for substantiation can vary widely from market to market, and there is no assurance that the efforts that we undertake to support our claims will be deemed adequate for any particular product or claim. A significant area of risk for such activities relates to improper or unsubstantiated claims about our products and their use or safety. If we are unable to show adequate substantiation for our product claims, or our promotional materials make claims that exceed the scope of allowed claims for the classification of the specific product, whether cosmetics, OTC drug products or other consumer products that we offer, the FDA, the FTC or other regulatory authorities could take enforcement action or impose penalties, such as monetary consumer redress, requiring us to revise our marketing materials, amend our claims or stop selling certain products, all of which could harm our business, financial condition and results of operations. Any regulatory action or penalty could lead to private party actions, or private parties could seek to challenge our claims even in the absence of formal regulatory actions which could harm our business, financial condition and results of operations.

Our business is subject to complex and evolving US and foreign laws and regulations regarding privacy and data protection. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to our business practices, monetary penalties, increased costs of operations or otherwise harm our business, financial condition and results of operations.

We are subject to a variety of laws and regulations in the United States and abroad regarding privacy and data protection, some of which can be enforced by private parties or government entities and some of which provide for significant penalties for non-compliance. Such laws and regulations restrict how personal information is collected, processed, stored, used and disclosed, as well as set standards for its security, implement notice requirements regarding privacy practices, and provide individuals with certain rights regarding the use, disclosure, and sale of their protected personal information.

For example, the California Consumer Privacy Act (the "CCPA") requires certain disclosures to California residents regarding a business's data processing activities, affords California consumers rights with respect to their personal information (including the rights related to access to and deletion of personal information, and the right to opt out of certain disclosures of their personal information), and establishes significant penalties for noncompliance. The California Privacy Rights Act (the "CPRA"), which took effect on January 1, 2023, significantly expands the CCPA, including by introducing additional obligations such as data minimization and retention requirements, granting additional rights to California residents such as correction of personal information and additional opt-out rights, and creating a new regulatory authority, the California Privacy Protection Agency, to implement and enforce the law. Comprehensive privacy legislation has also been enacted in four other states, imposing similar compliance obligations. These laws are the Virginia Consumer Data Protection Act of 2021 (the "VCDPA"), which went into effect on January 1, 2023, the Colorado Privacy Act (the "CPA") and Connecticut Data Privacy Act (the "CTDPA"), which will each go into effect on July 1, 2023, and the Utah Consumer Privacy Act (the "UCPA"), which will go into effect on December 1, 2023. Several other states are considering enacting data protection legislation that may impose significant obligations and restrictions. The effects of the CPRA, the VCDPA, the CPA, the CTDPA and the UCPA are potentially significant

and may require us to modify our data collection or processing practices and policies and to incur substantial costs and expenses in an effort to comply, and increase our potential exposure to regulatory enforcement and/or litigation.

In addition, the United Kingdom General Data Protection Regulation (the "UK GDPR") and the European Union's General Data Protection Regulation (the "GDPR") impose comprehensive data privacy compliance obligations in relation to the collection, processing, sharing, disclosure, transfer and other use of data relating to an identifiable living individual, including a principle of accountability and the obligation to demonstrate compliance through policies, procedures, training and audits. Failure to comply with the UK GDPR or the GDPR could result in penalties for noncompliance of up to the greater of GBP 17.5 million/EUR 20 million (as applicable) or 4% of our global annual turnover, and companies can be fined under each of these regimes independently with respect to the same violation. In addition to fines, a violation of the UK GDPR or the GDPR may result in regulatory investigations, reputational damage, orders to cease/change data processing activities, enforcement notices, assessment notices (for a compulsory audit) and/or civil claims (including class actions).

We are also subject, under the UK GDPR and the GDPR, to cross-border transfers of personal data out of the European Economic Area (the "EEA") and the UK. Recent legal developments in Europe have created complexity and uncertainty regarding transfers of personal data outside the EEA and the UK, including to the United States. As supervisory authorities issue further guidance on personal data export mechanisms, including circumstances where the standard contractual clauses cannot be used, and/or start taking enforcement action, we could suffer additional costs, complaints and/or regulatory investigations or fines, and/or if we are otherwise unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we provide our services, the geographical location or segregation of our relevant systems and operations, and could adversely affect our financial results. Furthermore, the relationship between the UK and the EEA in relation to certain aspects of data protection law remains unclear, and it is unclear how UK data protection laws and regulations will develop in the medium to longer term, and how data transfers to and from the UK will be regulated in the long term. These changes may lead to additional costs and increase our overall risk exposure.

Data privacy continues to remain a matter of interest to lawmakers and regulators. In the United States, a number of privacy-related proposals (including proposed comprehensive privacy legislation) are pending before federal and state legislative and regulatory bodies and additional laws and regulations have been passed but are not yet effective, all of which could significantly affect our business. The same may be true outside the United States, where various jurisdictions have enacted or are considering comprehensive data protection legislation. Additionally, at the federal level in the United States, various bills have been introduced to enact comprehensive federal privacy legislation, though to date none of these efforts have been successful. If comprehensive privacy legislation is enacted at the federal level in the United States, this could lead to additional costs and increase our overall risk exposure.

We are also subject to evolving privacy laws on cookies, tracking technologies and e-marketing. Regulation of cookies and similar technologies may lead to broader restrictions on our marketing and personalization activities and may negatively impact our efforts to understand consumers' Internet usage, online shopping and other relevant online behaviors, as well as the effectiveness of our marketing and our business generally. Such regulations, including uncertainties about how well the advertising technology ecosystem can adapt to legal changes around the use of tracking technologies, may have a negative effect on businesses, including ours, that collect and use online usage information for consumer acquisition and marketing. We may also be subject to fines and penalties for non-compliance with any such laws and regulations. The decline of cookies or other online tracking technologies as a means to identify and target potential purchasers may increase the cost of operating our business and lead to a decline in revenues. In addition, legal uncertainties about the legality of cookies and other tracking technologies may increase regulatory scrutiny and increase potential civil liability under data protection or consumer protection laws.

Compliance with existing, forthcoming, and proposed privacy and data protection laws and regulations can be costly and can delay or impede our ability to market and sell our products, impede our ability to conduct business through websites and mobile applications we and our partners may operate, require us to modify or amend our information practices and policies, change and limit the way we use consumer information in operating our business, cause us to have difficulty maintaining a single operating model, result in negative publicity, increase our operating costs, require significant management time and attention, or subject us to inquiries or investigations, claims or other remedies, including significant fines and penalties, or demands that we modify or cease existing business practices. In addition, if our privacy or data security measures fail to comply with applicable current or future laws and regulations, we may be subject to litigation, regulatory investigations, enforcement notices requiring us to change the way we use personal data or our marketing practices, fines or other liabilities, as well as negative publicity and a potential loss of business. We may also face civil claims including representative actions and other class action type litigation (where individuals have suffered harm), potentially amounting to significant compensation or

damages liabilities, as well as associated costs, and diversion of internal resources. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

Failure to comply with the US Foreign Corrupt Practices Act, other applicable anti-corruption and anti-bribery laws, and applicable trade control laws could subject us to penalties and other adverse consequences.

We currently source and manufacture a substantial number of our products from third-party suppliers and manufacturers located outside of the United States, and we have an office in China from which we manage our international supply chain. We sell our products in several countries outside of the United States, including through distributors. Our operations are subject to the US Foreign Corrupt Practices Act (the "FCPA"), as well as the anti-corruption and anti-bribery laws in the countries where we do business. The FCPA prohibits covered parties from offering, promising, authorizing or giving anything of value, directly or indirectly, to a "foreign government official" with the intent of improperly influencing the official's act or decision, inducing the official to act or refrain from acting in violation of lawful duty, or obtaining or retaining an improper business advantage. The FCPA also requires publicly traded companies to maintain records that accurately and fairly represent their transactions, and to have an adequate system of internal accounting controls. In addition, other applicable anti-corruption laws prohibit bribery of domestic government officials, and some laws that may apply to our operations prohibit commercial bribery, including giving or receiving improper payments to or from non-government parties, as well as so-called "facilitation" payments. In addition, we are subject to United States and other applicable trade control regulations that restrict with whom we may transact business, including the trade sanctions enforced by the US Treasury, Office of Foreign Assets Control.

While we have implemented policies, internal controls and other measures reasonably designed to promote compliance with applicable anti-corruption and anti-bribery laws and regulations, and certain safeguards designed to ensure compliance with US trade control laws, our employees or agents may engage in improper conduct for which we might be held responsible. Any violations of these anti-corruption or trade controls laws, or even allegations of such violations, can lead to an investigation and/or enforcement action, which could disrupt our operations, involve significant management distraction, and lead to significant costs and expenses, including legal fees. If we, or our employees or agents acting on our behalf, are found to have engaged in practices that violate these laws and regulations, we could suffer severe fines and penalties, profit disgorgement, injunctions on future conduct, securities litigation, bans on transacting government business, delisting from securities exchanges and other consequences that may have a material adverse effect on our business, financial condition and results of operations. In addition, our brands and reputation, our sales activities or our stock price could be adversely affected if we become the subject of any negative publicity related to actual or potential violations of anti-corruption, anti-bribery or trade control laws and regulations.

Government regulation of the Internet and e-commerce is evolving, and unfavorable changes or failure by us to comply with these regulations could substantially harm our business, financial condition and results of operations.

We are subject to general business regulations and laws as well as regulations and laws specifically governing the Internet and e-commerce. Existing and future regulations and laws could impede the growth of the Internet, e-commerce or mobile commerce. These regulations and laws may involve taxes, tariffs, privacy and data security, anti-spam, content protection, electronic contracts and communications, consumer protection, social media marketing, third-party cookies, web beacons and similar technology for online behavioral advertising and gift cards. It is not clear how existing laws governing issues such as property ownership, sales taxes and other taxes and consumer privacy apply to the Internet as the vast majority of these laws were adopted prior to the advent of the Internet and do not contemplate or address the unique issues raised by the Internet or e-commerce. It is possible that general business regulations and laws, or those specifically governing the Internet or e-commerce, may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. We cannot be sure that our practices have complied, comply or will comply fully with all such laws and regulations. Any failure, or perceived failure, by us to comply with any of these laws or regulations could result in damage to our reputation, a loss in business and proceedings or actions against us by governmental entities or others. Any such proceeding or action could hurt our reputation, force us to spend significant amounts in defense of these proceedings, distract our management, increase our costs of doing business and decrease the use of our sites by consumers and suppliers and may result in the imposition of monetary liability. We may also be contractually liable to indemnify and hold harmless third parties from the costs or consequences of non-compliance with any such laws or regulations. In addition, it is possible that governments of one or more countries may seek to censor content available on our sites or may even attempt to completely block access to our sites. Adverse legal or regulatory developments could substantially harm our business. In particular, in the event that we are restricted, in whole or in part, from operating in one or more countries, our ability to retain or increase our consumer base may be adversely affected, and we may not be able to maintain or grow our net sales and expand our business as anticipated.

Risk factors related to legal and regulatory proceedings

We are involved, and may become involved in the future, in disputes and other legal or regulatory proceedings that, if adversely decided or settled, could materially and adversely affect our business, financial condition and results of operations.

We are, and may in the future become, party to litigation, regulatory proceedings or other disputes. In general, claims made by or against us in disputes and other legal or regulatory proceedings can be expensive and time consuming to bring or defend against, requiring us to expend significant resources and divert the efforts and attention of our management and other personnel from our business operations. These potential claims include, but are not limited to, personal injury claims, class action lawsuits, intellectual property claims, privacy claims, employment litigation and regulatory investigations and causes of action relating to the advertising and promotional claims about our products. Any adverse determination against us in these proceedings, or even the allegations contained in the claims, regardless of whether they are ultimately found to be without merit, may also result in settlements, injunctions or damages that could have a material adverse effect on our business, financial condition and results of operations.

We may be required to recall products and may face product liability claims, either of which could result in unexpected costs and damage our reputation.

We sell products for human use. Our products intended for use as cosmetics or skincare are not generally subject to pre-market approval or registration processes, so we cannot rely upon a government safety panel to qualify or approve our products for use. A product may be safe for the general population when used as directed but could cause an adverse reaction for a person who has a health condition or allergies, or who is taking a prescription medication. While we include what we believe are adequate instructions and warnings and we have historically had low numbers of reported adverse reactions, previously unknown adverse reactions could occur. If we discover that any of our products are causing adverse reactions, we could suffer adverse publicity or regulatory/government sanctions.

Potential product liability risks may arise from the testing, manufacture and sale of our products, including that the products fail to meet quality or manufacturing specifications, contain contaminants, include inadequate instructions as to their proper use, include inadequate warnings concerning side effects and interactions with other substances or for persons with health conditions or allergies, or cause adverse reactions or side effects. Product liability claims could increase our costs, and adversely affect our business, financial condition and results of operations. As we continue to offer an increasing number of new products, our product liability risk may increase. It may be necessary for us to recall products that do not meet approved specifications or because of the side effects resulting from the use of our products, which would result in adverse publicity, potentially significant costs in connection with the recall and could have a material adverse effect on our business, financial condition and results of operations.

In addition, plaintiffs in the past have received substantial damage awards from other cosmetic and drug companies based upon claims for injuries allegedly caused by the use of their products. Although we currently maintain general liability insurance, any claims brought against us may be subject to policy exclusions or exceed our existing or future insurance policy coverage or limits. Any judgment against us that is not covered or in excess of our policy coverage or limits would have to be paid from our cash reserves, which would reduce our capital resources. In addition, we may be required to pay higher premiums and accept higher deductibles in order to secure adequate insurance coverage in the future. Further, we may not have sufficient capital resources to pay a judgment, in which case our creditors could levy against our assets. Any product liability claim or series of claims brought against us could harm our business significantly, particularly if a claim were to result in adverse publicity or damage awards outside or in excess of our insurance policy limits.

Risk factors related to intellectual property

If we are unable to protect our intellectual property, the value of our brands and other intangible assets may be diminished, and our business may be adversely affected.

We rely on trademark, copyright, trade secret, patent and other laws protecting proprietary rights, nondisclosure and confidentiality agreements and other practices, to protect our brands and proprietary information, technologies and processes. Our primary trademarks include “e.l.f.,” "e.l.f. SKIN," “e.l.f. eyes lips face,” “Well People,” and “Keys Soulcare” all of which are registered or have registrations pending in the United States and in many other countries or registries. Our trademarks are valuable assets that support our brands and consumers’ perception of our products. Although we have

existing and pending trademark registrations for our brands in the United States and in many of the foreign countries in which we operate, we may not be successful in asserting trademark or trade name protection in all jurisdictions. We also have not applied for trademark protection in all relevant foreign jurisdictions and cannot assure you that our pending trademark applications will be approved. Third parties may also attempt to register our trademarks abroad in jurisdictions where we have not yet applied for trademark protection, oppose our trademark applications domestically or abroad, or otherwise challenge our use of the trademarks. In the event that our trademarks are successfully challenged, we could be forced to rebrand our products in some parts of the world, which could result in the loss of brand recognition and could require us to devote resources to advertising and marketing new brands.

We have limited patent protection, which limits our ability to protect our products from competition. We primarily rely on know-how to protect our products. It is possible that others will independently develop the same or similar know-how, which may allow them to sell products similar to ours. If others obtain access to our know-how, our confidentiality agreements may not effectively prevent disclosure of our proprietary information, technologies and processes and may not provide an adequate remedy in the event of unauthorized use of such information, which could harm our competitive position.

The efforts we have taken to protect our proprietary rights may not be sufficient or effective. In addition, effective trademark, copyright, patent and trade secret protection may be unavailable or limited for certain of our intellectual property in some foreign countries. Other parties may infringe our intellectual property rights and may dilute our brands in the marketplace. We may need to engage in litigation or other activities to enforce our intellectual property rights, to protect our trade secrets or to determine the validity and scope of proprietary rights of others. Any such activities could require us to expend significant resources and divert the efforts and attention of our management and other personnel from our business operations. If we fail to protect our intellectual property or other proprietary rights, our business, financial condition and results of operations may be materially and adversely affected.

Our success depends on our ability to operate our business without infringing, misappropriating or otherwise violating the trademarks, patents, copyrights and other proprietary rights of third parties.

Our commercial success depends in part on our ability to operate without infringing, misappropriating or otherwise violating the trademarks, patents, copyrights, trade secrets and other proprietary rights of others. We cannot be certain that the conduct of our business does not and will not infringe, misappropriate or otherwise violate such rights. From time to time we receive allegations of intellectual property infringement and third parties have filed claims against us with allegations of intellectual property infringement. In addition, third parties may involve us in intellectual property disputes as part of a business model or strategy to gain competitive advantage.

To the extent we gain greater visibility and market exposure as a public company or otherwise, we may also face a greater risk of being the subject of such claims and litigation. For these and other reasons, third parties may allege that our products or activities infringe, misappropriate, dilute or otherwise violate their trademark, patent, copyright or other proprietary rights. Defending against allegations and litigation could be expensive, occupy significant amounts of time, divert management's attention from other business concerns and have an adverse impact on our ability to bring products to market. In addition, if we are found to infringe, misappropriate, dilute or otherwise violate third-party trademark, patent, copyright or other proprietary rights, our ability to use brands to the fullest extent we plan may be limited, we may need to obtain a license, which may not be available on commercially reasonable terms, or at all, or we may need to redesign or rebrand our marketing strategies or products, which may not be possible.

We may also be required to pay substantial damages or be subject to an order prohibiting us and our retail customers from importing or selling certain products or engaging in certain activities. Our inability to operate our business without infringing, misappropriating or otherwise violating the trademarks, patents, copyrights and proprietary rights of others could have a material adverse effect on our business, financial condition and results of operations.

Our agreement with Alicia Keys for our Keys Soulcare brand may be terminated if specified conditions are not met.

We have an agreement with Alicia Keys regarding our Keys Soulcare brand, which, among other things, includes a license for her likeness and imposes various obligations on us. If we breach our obligations, our rights under the agreement could be terminated by Alicia Keys and we could, among other things, have to pay damages, lose our ability to associate the Keys Soulcare brand with her, lose our ability to sell products branded as Keys Soulcare, lose any upfront investments made in connection with the Keys Soulcare brand, and sustain reputational damage. Each of these risks could have an adverse effect on our business, results of operations and financial condition.

Risk factors related to marketing activities

Use of social media may materially and adversely affect our reputation or subject us to fines or other penalties, and any failure in our marketing efforts through our social media presence could materially and adversely affect our business, financial condition and results of operations.

We rely to a large extent on our online presence to reach consumers, and we offer consumers the opportunity to rate and comment on our products on our e-commerce websites and mobile applications. Negative commentary or false statements regarding us or our products may be posted on our e-commerce websites, mobile applications, or social media platforms and may be adverse to our reputation or business. Our target consumers often value readily available information and often act on such information without further investigation and without regard to its accuracy. The harm may be immediate without affording us an opportunity for redress or correction. In addition, we may face claims relating to information that is published or made available through the interactive features of our e-commerce websites and mobile applications. For example, we may receive third-party complaints that the comments or other content posted by users on our platforms infringe third-party intellectual property rights or otherwise infringe the legal rights of others. While the Communications Decency Act and Digital Millennium Copyright Act generally protect online service providers from claims of copyright infringement or other legal liability for the self-directed activities of its users, if it were determined that we did not meet the relevant safe harbor requirements under either law, we could be exposed to claims related to advertising practices, defamation, intellectual property rights, rights of publicity and privacy, and personal injury torts. We could incur significant costs investigating and defending such claims and, if we are found liable, significant damages. If any of these events occur, our business, financial condition and results of operations could be materially and adversely affected.

We also use third-party social media platforms as marketing tools. For example, we maintain Snapchat, Facebook, TikTok, Twitter, Pinterest, Instagram and YouTube accounts. As e-commerce and social media platforms continue to rapidly evolve, we must continue to maintain a presence on these platforms and establish presences on new or emerging popular social media platforms. If we are unable to cost-effectively use social media platforms as marketing tools, our ability to acquire new consumers and our financial condition may suffer. Generally, the opportunities in and sophistication of newer advertising channels are relatively undeveloped and unproven, and there can be no assurance that we will be able to continue to appropriately manage and fine-tune our marketing efforts in response to these and other trends in the advertising industry. Furthermore, these newer advertising channels often change rapidly and can be subject to disruptions for reasons beyond our control. For example, in recent months, lawmakers in the US, Europe and Canada have escalated efforts to restrict access to TikTok. Montana's governor signed a bill in May to ban TikTok from operating inside the state – the first prohibition of its kind in the US – and other states, governmental bodies and institutions have voiced concerns that TikTok poses a national security threat and may adopt similar prohibitions. As laws and regulations rapidly evolve to govern the use of these platforms and devices, the failure by us, our employees or third parties acting at our direction to abide by applicable laws and regulations in the use of these platforms and devices could subject us to regulatory investigations, class action lawsuits, liability, fines or other penalties and have a material adverse effect on our business, financial condition and result of operations. Any failure to successfully manage our marketing efforts on, or disruptions to, social media channels that we have come to depend on for marketing could materially adversely affect our business, financial condition and results of operations.

In addition, an increase in the use of social media for product promotion and marketing may cause an increase in the burden on us to monitor compliance of such materials and increase the risk that such materials could contain problematic product or marketing claims in violation of applicable regulations.

Our business relies heavily on email and other messaging services, and any restrictions on the sending of emails or messages or an inability to timely deliver such communications could materially adversely affect our net revenue and business.

Our business is highly dependent upon email and other messaging services for promoting our brands, products and e-commerce platforms. We provide emails and "push" communications to inform consumers of new products, shipping specials and other promotions. We believe these messages are an important part of our consumer experience. If we are unable to successfully deliver emails or other messages to our subscribers, or if subscribers decline to open or read our messages, our business, financial condition and results of operations may be materially adversely affected. Changes in how web and mail services block, organize and prioritize email may reduce the number of subscribers who receive or open our emails. For example, Google's Gmail service has a feature that organizes incoming emails into categories (for example, primary, social and promotions). Such categorization or similar inbox organizational features may result in our emails being delivered in a less prominent location in a subscriber's inbox or viewed as "spam" by our subscribers and may reduce the likelihood of that subscriber reading our emails. Actions by third parties to block, impose restrictions on or charge for the delivery of emails or

other messages could also adversely impact our business. From time to time, Internet service providers or other third parties may block bulk email transmissions or otherwise experience technical difficulties that result in our inability to successfully deliver emails or other messages to consumers.

Changes in the laws or regulations that limit our ability to send such communications or impose additional requirements upon us in connection with sending such communications would also materially adversely impact our business. For example, electronic marketing and privacy requirements in the EU and the UK are highly restrictive and differ greatly from those in the United States, which could cause fewer of individuals in the EU or the UK to subscribe to our marketing messages and drive up our costs and risk of regulatory oversight and fines if we are found to be non-compliant.

Our use of email and other messaging services to send communications to consumers may also result in legal claims against us, which may cause us increased expenses, and if successful might result in fines and orders with costly reporting and compliance obligations or might limit or prohibit our ability to send emails or other messages. We also rely on social networking messaging services to send communications and to encourage consumers to send communications. Changes to the terms of these social networking services to limit promotional communications, any restrictions that would limit our ability or our consumers' ability to send communications through their services, disruptions or downtime experienced by these social networking services or decline in the use of or engagement with social networking services by consumers could materially and adversely affect our business, financial condition and results of operations.

Risk factors relating to our stockholders and ownership of our common stock

Our business could be negatively impacted by corporate citizenship and sustainability matters.

There is an increased focus from certain investors, customers, consumers, employees, and other stakeholders concerning corporate citizenship and sustainability matters. From time to time, we may announce certain initiatives, including goals, regarding our focus areas, which include environmental matters, packaging, responsible sourcing and social investments. We could fail, or be perceived to fail, in our achievement of such initiatives or goals, or we could fail in accurately reporting our progress on such initiatives and goals. In addition, we could be criticized for the scope of such initiatives or goals or perceived as not acting responsibly in connection with these matters. Any such matters, or related corporate citizenship and sustainability matters, could have a material adverse effect on our business, financial condition and results of operations.

In addition, a variety of organizations measure the performance of companies on environmental, social, and governance ("ESG") topics, and the results of these assessments are widely publicized. Investment in funds that specialize in companies that perform well in such assessments are increasingly popular, and major institutional investors have publicly emphasized the importance of such ESG measures to their investment decisions. Topics taken into account in such assessments include, among others, the company's efforts and impacts on climate change and human rights, ethics and compliance with law, and the role of the company's board of directors in supervising various sustainability issues.

Furthermore, climate change and other ESG-related legislation and regulation is being implemented across the world, including in the United States, and any such legislation or regulation may impose additional compliance burdens on us and on third parties in our value chain, which could potentially result in increased administrative costs, decreased demand in the marketplace for our products, and/or increased costs for our supplies and products.

We take into consideration the expected impact of ESG matters on the sustainability of our business over time and the potential impact of our business on society and the environment. However, in light of investors' increased focus on ESG matters, and in light of increased and evolving legislation and regulation regarding ESG matters, there can be no certainty that we will manage such issues successfully, or that we will successfully meet our customers' or society's expectations as to our proper role. If we fail to meet the ESG values, standards and metrics that we set for ourselves, or our articulated public benefit purposes, or fail to align to regulatory or market expectations or standards regarding such matters, we may experience negative publicity and a loss of customers as a result, which will adversely affect our business, financial condition, and results of operations.

Actions of activist stockholders could be costly and time-consuming, divert management's attention and resources, and have an adverse effect on our business.

While we value open dialogue and input from our stockholders, activist stockholders could take actions that could be costly and time-consuming to us, disrupt our operations, and divert the attention of our board of directors, management, and employees, such as public proposals and requests for potential nominations of candidates for election to our board of

directors, requests to pursue a strategic combination or other transaction, or other special requests. As a result, we have retained, and may in the future retain additional services of various professionals to advise us in these matters, including legal, financial and communications advisers, the costs of which may negatively impact our future financial results. In addition, perceived uncertainties as to our future direction, strategy, or leadership created as a consequence of activist stockholder initiatives may result in the loss of potential business opportunities, harm our ability to attract new or retain existing investors, customers, directors, employees or other partners, and cause our stock price to experience periods of volatility or stagnation.

Because we have no current plans to pay cash dividends on our common stock, stockholders may not receive any return on investment unless they sell our common stock for a price greater than that which they paid for it.

We have no current plans to pay cash dividends on our common stock. The declaration, amount and payment of any future dividends will be at the sole discretion of our board of directors. Our board of directors may take into account general and economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions and implications on the payment of dividends by us to our stockholders or by our subsidiaries to us, including restrictions under the Amended Credit Agreement and other indebtedness we may incur, and such other factors as our board of directors may deem relevant.

Stockholders may be diluted by the future issuance of additional common stock in connection with our incentive plans, acquisitions or otherwise.

We had approximately 196.1 million shares of common stock authorized but unissued and 53.9 million shares of common stock outstanding as of May 18, 2023. Our amended and restated certificate of incorporation authorizes us to issue these shares of common stock and stock options exercisable for common stock (and other equity awards) for the consideration and on the terms and conditions established by our board of directors in its sole discretion, whether in connection with acquisitions or otherwise. Any common stock that we issue, including under our existing equity incentive plans or any additional equity incentive plans that we may adopt in the future, would dilute the percentage ownership held by existing investors.

Anti-takeover provisions in our organizational documents and Delaware law might discourage or delay acquisition attempts for us that stockholders might consider favorable.

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that may make the acquisition of our company more difficult without the approval of our board of directors. Among other things:

- although we do not have a stockholder rights plan, these provisions allow us to authorize the issuance of undesignated preferred stock in connection with a stockholder rights plan or otherwise, the terms of which may be established and the shares of which may be issued without stockholder approval, and which may include super voting, special approval, dividend or other rights or preferences superior to the rights of the holders of common stock;

- these provisions provide for a classified board of directors with staggered three-year terms;

- these provisions require advance notice for nominations of directors by stockholders and for stockholders to include matters to be considered at our annual meetings;

- these provisions prohibit stockholder action by written consent;

- these provisions provide for the removal of directors only for cause and only upon affirmative vote of holders of at least 75% of the shares of common stock entitled to vote generally in the election of directors; and

- these provisions require the amendment of certain provisions only by the affirmative vote of at least 75% of the shares of common stock entitled to vote generally in the election of directors.

Further, as a Delaware corporation, we are also subject to provisions of Delaware law, which may impair a takeover attempt that our stockholders may find beneficial. These anti-takeover provisions and other provisions under Delaware law could discourage, delay or prevent a transaction involving a change in control of our company, including actions that our stockholders may deem advantageous, or negatively affect the trading price of our common stock. These provisions could also

discourage proxy contests and make it more difficult for other stockholders to elect directors of their choosing and to cause us to take other corporate actions they may desire.

Our board of directors is authorized to issue and designate shares of our preferred stock in additional series without stockholder approval.

Our amended and restated certificate of incorporation authorizes our board of directors, without the approval of our stockholders, to issue up to 30 million shares of our preferred stock, subject to limitations prescribed by applicable law, rules and regulations and the provisions of our amended and restated certificate of incorporation, as shares of preferred stock in series, to establish from time to time the number of shares to be included in each such series and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof. The powers, preferences and rights of these additional series of preferred stock may be senior to or on parity with our common stock, which may reduce its value.

Our amended and restated certificate of incorporation and amended and restated bylaws provide that the Court of Chancery of the State of Delaware will be the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation and amended and restated bylaws provide that the Court of Chancery of the State of Delaware is the exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a breach of fiduciary duty, any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws, or any action asserting a claim against us that is governed by the internal affairs doctrine. This provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and other employees. Alternatively, if a court were to find this provision in our amended and restated certificate of incorporation and amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business, financial condition and results of operations.

General risk factors

An active trading market for our common stock may not be sustained, and the market price of shares of our common stock may be volatile, which could cause the value of your investment to decline.

Although our common stock is listed on the NYSE, there can be no assurances that an active trading market for our common stock will be sustained. In the absence of an active trading market for our common stock, stockholders may not be able to sell their common stock at the time or price they would like to sell.

Even if an active trading market is sustained, the market price of our common stock may be highly volatile and could be subject to wide fluctuations. Securities markets often experience significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions, could reduce the market price of shares of our common stock in spite of our operating performance. In addition, our results of operations could be below the expectations of public market analysts and investors due to a number of potential factors, including variations in our quarterly results of operations, additions or departures of key management personnel, changes in consumer preferences or beauty trends, announcements of new products or significant price reductions by our competitors, failure to meet analysts' earnings estimates, publication of research reports about our industry, litigation and government investigations, changes or proposed changes in laws or regulations or differing interpretations or enforcement thereof affecting our business, adverse market reaction to any indebtedness we may incur or securities we may issue in the future, changes in market valuations of similar companies or speculation in the press or investment community, announcements by our competitors of significant contracts, acquisitions, dispositions, strategic partnerships, joint ventures or capital commitments, adverse publicity about our industry, the level of success of releases of new products and in response the market price of shares of our common stock could decrease significantly.

In addition, in May 2019, we announced that our board of directors authorized a share repurchase program allowing us to repurchase up to $25.0 million of our outstanding shares of common stock ("Share Repurchase Program"), of which approximately $17.1 million remains available for future share repurchases as of March 31, 2023. Purchases under the Share Repurchase Program may be made from time to time in the open market, in privately negotiated transactions or otherwise.

The timing and amount of any repurchases pursuant to the Share Repurchase Program will be determined based on market conditions, share price and other factors. The Share Repurchase Program may be suspended or discontinued at any time and there is no guarantee that any shares will be purchased under the Share Repurchase Program.

In the past, following periods of volatility in the overall market and the market price of a company's securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

Future sales, or the perception of future sales, by us or our stockholders in the public market could cause the market price for our common stock to decline.

The sale of substantial amounts of shares of our common stock in the public market, or the perception that such sales could occur could harm the prevailing market price of shares of our common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

In addition, all the shares of common stock subject to stock options and restricted stock units and shares of restricted stock awards outstanding and reserved under our 2014 Equity Incentive Plan, our 2016 Equity Incentive Award Plan and our 2016 Employee Stock Purchase Plan have been registered on Form S-8 under the Securities Act and such shares, once the underlying equity award vests, will be eligible for sale in the public markets, subject to Rule 144 limitations applicable to affiliates. We intend to file one or more registration statements on Form S-8 to cover additional shares of our common stock or securities convertible into or exchangeable for shares of our common stock pursuant to automatic increases in the number of shares reserved under our 2016 Equity Incentive Award Plan and our 2016 Employee Stock Purchase Plan. Accordingly, shares registered under these registration statements on Form S-8 will be available for sale in the open market.

As restrictions on resale end, the market price of shares of our common stock could drop significantly if the holders of these restricted shares sell them or are perceived by the market as intending to sell them. These factors could also make it more difficult for us to raise additional funds through future offerings of shares of our common stock or other securities.

If securities analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock depends in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts who cover us downgrade our stock or publish inaccurate or unfavorable research about our business, our stock price would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, demand for our stock could decrease, which might cause our stock price and trading volume to decline.

Item 1B. Unresolved staff comments.

None.

Item 2. Properties.

Our principal executive offices are located in Oakland, California. We also occupy offices and distribution centers in the United States and abroad, as indicated below.

Location/Facility	Leased/Owned	Use
Oakland, California	Leased	Corporate headquarters
New York, New York	Leased	Corporate offices
Los Angeles, California	Leased	Corporate offices
Fairfield, New Jersey	Leased	Corporate offices
Shanghai, China	Leased	Corporate offices
Ontario, California	Leased	Distribution
London, UK	Leased	Corporate offices

We also use a distribution center located in Columbus, Ohio that is operated by a third-party.

Our properties total an aggregate of approximately 42,612 square feet of commercial space and approximately 257,515 square feet of commercial space for our distribution center.

All of our properties are leased. The leases expire at various times through 2030, subject to renewal options. We consider our properties to be generally in good condition and believe that our existing facilities are adequate to support our existing operations.

Item 3. Legal proceedings.

We are from time to time subject to, and are presently involved in, litigation and other proceedings. We believe that there are no pending lawsuits or claims that, individually or in the aggregate, may have a material adverse effect on our business, financial condition or results of operations.

Item 4. Mine safety disclosures.

Not applicable.

PART II

Item 5. Market for registrant's common equity, related stockholder matters and issuer purchases of equity securities.

Market information for common stock.

Our common stock began trading on the NYSE under the symbol "ELF" on September 22, 2016. Prior to that date, there was no public trading market for our common stock. On May 18, 2023, the closing price for our common stock as reported by the NYSE was $90.61.

Holders of record

As of May 18, 2023, the approximate number of common stockholders of record was 17. This number does not include beneficial owners whose shares are held by nominees in street name.

Dividends

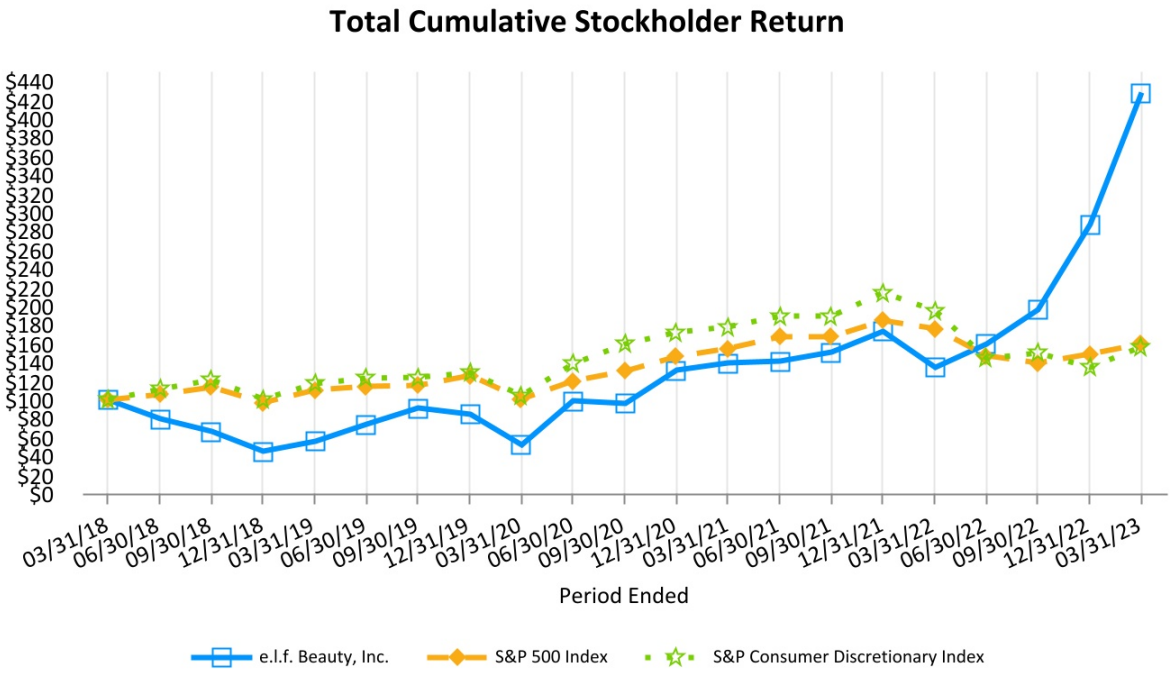
There were no dividends declared or paid during the year ended March 31, 2023. Since our initial public offering on September 22, 2016, we have never declared or paid cash dividends on our capital stock. We intend to retain all available funds and future earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. In addition, the Amended Credit Agreement limits our ability to pay dividends to our stockholders.

Any future determination related to dividend policy will be made at the discretion of our board of directors and will depend on a number of factors, including future earnings, capital requirements, financial conditions, future prospects, contractual restrictions and covenants and other factors that our board of directors may deem relevant.

Stock performance graph

The following performance graph and related information shall not be deemed "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or the Exchange Act, each as amended, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing, or otherwise subject to the liabilities under the Securities Act of 1933 or Exchange Act, each as amended, except to the extent that we specifically incorporate it by reference into such filing.

The following graph compares the total cumulative stockholder return on our common stock with the S&P 500 Stock Index and the S&P Consumer Discretionary Index for the 5-year period covering March 31, 2018, through March 31, 2023. The graph assumes an investment of $100 made at the closing of trading on March 31, 2018 in (i) our common stock, (ii) the stocks comprising the S&P 500 Index and (iii) the stocks comprising the S&P 500 Consumer Discretionary Index. All values assume reinvestment of the full amount of all dividends. The performance shown on the graph below is not intended to forecast or be indicative of possible future performance of our common stock.



$100 investment in stock or index	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19	9/30/19
e.l.f. Beauty, Inc. (ELF)	$ 100.00	$ 79.13	$ 66.10	$ 44.96	$ 55.04	$ 73.21	$ 90.91
S&P 500 Index (GSPC)	$ 100.00	$ 105.29	$ 112.86	$ 97.09	$ 109.78	$ 113.94	$ 115.29
S&P 500 Consumer Discretionary Index (S5COND)	$ 100.00	$ 111.32	$ 120.43	$ 100.66	$ 116.49	$ 122.64	$ 123.27

$100 investment in stock or index	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21
e.l.f. Beauty, Inc. (ELF)	$ 83.75	$ 51.09	$ 99.01	$ 95.38	$ 130.79	$ 139.30	$ 140.91
S&P 500 Index (GSPC)	$ 125.13	$ 100.10	$ 120.08	$ 130.25	$ 145.48	$ 153.88	$ 166.45
S&P 500 Consumer Discretionary Index (S5COND)	$ 128.78	$ 103.94	$ 138.08	$ 158.88	$ 171.66	$ 176.99	$ 189.29

$100 investment in stock or index	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23
e.l.f. Beauty, Inc. (ELF)	$ 150.83	$ 172.43	$ 134.11	$ 159.29	$ 195.33	$ 287.12	$ 427.57
S&P 500 Index (GSPC)	$ 166.84	$ 184.60	$ 175.47	$ 146.61	$ 138.88	$ 148.71	$ 159.16
S&P 500 Consumer Discretionary Index (S5COND)	$ 189.30	$ 213.60	$ 194.32	$ 143.49	$ 149.75	$ 134.50	$ 156.20

Recent sales of unregistered securities

None.

Purchases of equity securities by the issuer and affiliated purchasers

In May 2019, we announced that our board of directors authorized the Share Repurchase Program, which authorizes us to repurchase up to $25.0 million of our outstanding shares of common stock. The Share Repurchase Program remains in effect through the earlier of (i) the date that $25.0 million of our outstanding common stock has been purchased under the Share Repurchase Program or (ii) the date that our board of directors cancels the Share Repurchase Program.

On April 30, 2021, the Company amended and restated its prior credit agreement. Subject to certain exceptions, the covenants in the Amended Credit Agreement require the Company to be in compliance with certain leverage ratios to make repurchases under the Share Repurchase Program.

We did not repurchase any shares during the three months ended March 31, 2023, including pursuant to the Share Repurchase Program. A total of $17.1 million remains available for purchase under the Share Repurchase Program as of March 31, 2023.

Item 6. [Reserved]

Item 7. Management's discussion and analysis of financial condition and results of operations.

You should read the following discussion and analysis of our financial condition and results of operations and our consolidated financial statements and related notes thereto included elsewhere in this Annual Report.

Overview and Business Trends

We are a multi-brand beauty company that offers inclusive, accessible, clean, vegan and cruelty-free cosmetics and skincare products. Our mission is to make the best of beauty accessible to every eye, lip, face and skin concern.

We believe our ability to deliver cruelty-free, clean, vegan and premium-quality products at accessible prices with broad appeal differentiates us in the beauty industry. We believe the combination of our value proposition, innovation engine, ability to attract and engage consumers, and our world-class team's ability to execute with speed, has positioned us well to navigate the competitive beauty market.

Our family of brands includes e.l.f. Cosmetics, e.l.f. SKIN, Well People and Keys Soulcare. Our brands are available online and across leading beauty, mass-market, and specialty retailers. We have strong relationships with our retail customers such as Target, Walmart, Ulta Beauty and other leading retailers that have enabled us to expand distribution both domestically and internationally.

For additional information regarding our business, see Part I, Item 1, "Business."

Global Supply Chain Disruptions

Since the start of the COVID-19 pandemic, there has been disruption to the global supply chain, including manufacturing and transportation delays due to port closures and congestion, labor and container shortages, and shipment delays. As a result, we have experienced higher transportation costs. In response to these higher costs, we increased prices on a portion of our products in March 2022 to help mitigate the impact on our business. Further increases in transportation or other costs could have an unfavorable impact on our results. Additionally, delays or further disruption to the global supply chain could cause lost sales due to unavailability of inventory, unfavorably impacting our ability to service consumer demand.

Components of our results of operations and trends affecting our business

Net sales

We develop, market and sell beauty products under the e.l.f. Cosmetics, e.l.f. SKIN, Well People and Keys Soulcare brands. Our net sales are derived from sales of these beauty products, net of provisions for sales discounts and allowances, product returns, markdowns and price adjustments.

Year over year changes in net sales is driven by a number of factors, including beauty category performance, levels of consumer spending, and our ability to drive awareness of and demand for our products. Within our existing retailer accounts, we are able to drive growth by increasing sales per linear foot supported by marketing investments and continued innovation, as well as through expanding space and door penetration. We seek to continue to grow through improved sales per linear foot in our existing space, expanded space allocation with our current retail accounts, as well as adding new retail customers.

Our business faces challenges and uncertainties, including our ability to introduce new products that will appeal to a broad consumer base, our ability to service demand, the ability of our major retail customers to drive traffic and keep products in stock, our ability to continue to grow our customer base and competitive threats from other beauty companies.

Our largest three customers, Target, Walmart and Ulta Beauty, accounted for 25%, 20% and 15%, respectively, of our net sales in the year ended March 31, 2023. No other individual customer accounted for 10% or more of our net sales in the year ended March 31, 2023. National and international retailers comprised 88% of our net sales. The remaining 12% came from e-commerce channels in the year ended March 31, 2023.

The primary market for our products is in the United States, which accounted for 88% of our net sales in the year ended March 31, 2023. The remaining 12% was attributable to international markets, primarily Canada and the UK.

Gross profit

Gross profit is our net sales less cost of sales. Cost of sales includes the aggregate costs to procure our products, including the amounts invoiced by our third-party contract manufacturers for finished goods as well as costs related to transportation to our distribution center, customs and duties. Cost of sales also includes the effect of changes in the balance of reserves for excess and obsolete inventory. Gross margin measures our gross profit as a percentage of net sales.

We have an extensive network of third-party manufacturers from whom we purchase substantially all of our finished goods. We have worked to evolve our supply chain to increase capacity and technical capabilities while maintaining or reducing overall costs as a percentage of sales.

Historically, we have improved our gross margin largely through changes in our product mix, pricing, and cost reductions in our supply chain. Other drivers of changes in gross margin, which could have a positive or negative impact, include fluctuations in exchange rates, certain costs related to space expansion and retailer activity, changes in customer mix, and changes in the balance of reserves for excess and obsolete inventory, among other things.

Selling, general and administrative expenses

Our selling, general and administrative ("SG&A") expenses primarily consist of marketing and digital expenses, personnel-related costs, including salaries, bonuses, benefits and stock based compensation, warehousing and distribution costs, costs related to merchandising, depreciation of property and equipment, amortization of retail product displays and amortization related to intangible assets and cloud computing costs. See "Critical accounting policies and estimates stock based compensation" below for more detail regarding stock based compensation.

Interest expense, net

Interest expense primarily consists of cash interest and fees on our outstanding indebtedness. See "Financial condition, liquidity and capital resources" below and a description of our indebtedness in Note 8 to the Notes to consolidated financial statements in Part IV, Item 15. "Exhibits, financial statement schedules".

Other expense, net

We are exposed to periodic currency fluctuations given our purchasing and selling activities in various countries. Other expense, net is primarily related to foreign exchange rate movements.

Income tax (provision) benefit

The provision for income taxes represents federal, foreign, state and local income taxes. The effective rate differs from statutory rates due to the effect of state and local income taxes and certain permanent tax adjustments. Our effective tax rate will change from period to period based on recurring and nonrecurring factors including, but not limited to, the geographical mix of earnings, enacted tax legislation, state and local income taxes, tax audit settlements, the interaction of various tax strategies and the impact of permanent tax adjustments, such as those related to stock based compensation.

Net income

Our net income for future periods will be affected by the various factors described above.

Results of operations

The following table sets forth our consolidated statements of operations data in dollars and as a percentage of net sales for the periods presented.

	Year ended March 31,		
	2023	2022	2021
Net sales	$ 578,844	$ 392,155	$ 318,110
Cost of sales	188,448	140,423	111,912
Gross profit	390,396	251,732	206,198
Selling, general and administrative expenses	322,253	221,912	194,157
Restructuring expense	—	50	2,641
Operating income	68,143	29,770	9,400
Other expense, net	(1,875)	(1,438)	(1,620)
Interest expense, net	(2,018)	(2,441)	(4,090)
Loss on extinguishment of debt	(176)	(460)	—
Income before provision for income taxes	64,074	25,431	3,690
Income tax (provision) benefit	(2,544)	(3,661)	2,542
Net income	$ 61,530	$ 21,770	$ 6,232
Comprehensive income	$ 61,530	$ 21,770	$ 6,232

	Year ended March 31,		
(percentage of net sales)	2023	2022	2021
Net sales	100 %	100 %	100 %
Cost of sales	33 %	36 %	35 %
Gross profit	67 %	64 %	65 %
Selling, general and administrative expenses	56 %	57 %	61 %
Restructuring expense	— %	— %	1 %
Operating income	12 %	8 %	3 %
Other expense, net	— %	— %	(1)%
Interest expense, net	— %	(1)%	(1)%
Loss on extinguishment of debt	— %	— %	— %
Income before provision for income taxes	11 %	6 %	1 %
Income tax (provision) benefit	— %	(1)%	1 %
Net income	11 %	6 %	2 %
Comprehensive income	11 %	6 %	2 %

Comparison of the year ended March 31, 2023 to the year ended March 31, 2022

Net sales

Net sales increased $186.6 million, or 48%, to $578.8 million in the year ended March 31, 2023, from $392.2 million in the year ended March 31, 2022. The increase was driven by strength across our retailer and e-commerce channels. Net sales increased $158.0 million, or 45%, in our retailer channels and $28.6 million, or 71%, in our e-commerce channels. From a price and volume perspective, a higher volume of units sold drove $97.7 million of the increase in net sales and a higher average item price within retailer and e-commerce orders drove the remaining $88.9 million increase in net sales as compared to the year ended March 31, 2022.

Gross profit

Gross profit increased $138.7 million, or 55%, to $390.4 million in the year ended March 31, 2023, compared to $251.7 million in the year ended March 31, 2022. Higher average item price and mix accounted for approximately $75.9 million of the increase to gross profit, with the remaining $62.8 million driven by volume. Gross margin increased from 64% in the year ended March 31, 2022 to 67% in the year ended March 31, 2023. The increase in gross margin rate was primarily driven by pricing, cost savings and product mix, partially offset by inventory adjustments.

Selling, general and administrative expenses

SG&A expenses were $322.3 million in the year ended March 31, 2023, an increase of $100.4 million, or 45%, from $221.9 million in the year ended March 31, 2022. SG&A expenses as a percentage of net sales decreased to 56% for the year ended March 31, 2023 from 57% in the year ended March 31, 2022. The increase on a dollar basis was primarily related to increased marketing and digital spend of $62.8 million, increased compensation and benefits of $19.4 million, increased operations costs of $9.6 million, and increased retail fixturing and visual merchandising costs of $5.6 million.

Other expense, net

Other expense, net was $1.9 million of expense in the year ended March 31, 2023, as compared to $1.4 million of expense in the year ended March 31, 2022. The change was primarily related to unfavorable foreign exchange rate movements, impacting cash and receivables, driving an unrealized loss in the period.

Interest expense, net

Interest expense decreased $0.4 million, or 17%, to $2.0 million in the year ended March 31, 2023, as compared to $2.4 million in the year ended March 31, 2022. This decrease was due to increased interest earned on our cash balances and a lower average loan balance, offsetting higher interest rates.

Income tax (provision) benefit

The provision for income taxes was $2.5 million, or an effective rate of 4% for the twelve months ended March 31, 2023, as compared to a provision of $3.7 million, or an effective rate of 14% for the twelve months ended March 31, 2022. The change in the provision was primarily driven by an increase in discrete tax benefit of $12.7 million, primarily related to stock based compensation. The discrete benefit was partially offset by additional income taxes related to the increase in income before taxes of $38.6 million.

Comparison of the year ended March 31, 2022 to the year ended March 31, 2021

Net sales

Net sales increased $74.0 million, or 23%, to $392.2 million in the year ended March 31, 2022, from $318.1 million in the year ended March 31, 2021. The increase was driven primarily by strength in our national and international retailers. Net sales increased $76.8 million, or 28%, in our retailer channels, offset by a decrease of $2.8 million, or 6%, in our e-commerce channels. From a price and volume perspective, a higher volume of units sold drove $59.4 million of the increase in net sales and a higher average item price within retailer and e-commerce orders drove the remaining $14.6 million increase in net sales as compared to the year ended March 31, 2021.

Gross profit

Gross profit increased $45.5 million, or 22%, to $251.7 million in the year ended March 31, 2022, compared to $206.2 million in the year ended March 31, 2021. Gross margin decreased from 65% in the year ended March 31, 2021 to 64% in the year ended March 31, 2022. Increased volume accounted for approximately $48.0 million of the increase in gross profit, offset by a $2.5 million decline related to the decrease in gross margin rate. The decrease in gross margin rate was primarily driven by unfavorable foreign exchange rates and elevated transportation costs. These items were partially offset by price increases, cost savings and margin accretive mix.

Selling, general and administrative expenses

SG&A expenses were $221.9 million in the year ended March 31, 2022, an increase of $27.8 million, or 14%, from $194.2 million in the year ended March 31, 2021. SG&A expenses as a percentage of net sales decreased to 57% for the year ended March 31, 2022 from 61% in the year ended March 31, 2021. The increase on a dollar basis was primarily related to increased marketing and digital spend of $15.1 million along with increased compensation and benefits of $5.7 million and increased software subscription costs of $2.8 million.

Restructuring expense

Restructuring expenses were $50 thousand in the year ended March 31, 2022 in connection with our restructuring plan approved in 2021 to close the our manufacturing plant in Rancho Cucamonga, California.

Other expense, net

Other expense, net was $1.4 million of expense in the year ended March 31, 2022, as compared to $1.6 million of expense in the year ended March 31, 2021. The change was primarily related to foreign exchange rate movements.

Interest expense, net

Interest expense decreased $1.6 million, or 40%, to $2.4 million in the year ended March 31, 2022, as compared to $4.1 million in the year ended March 31, 2021. This decrease was due to a reduction in our long-term debt as well as a decline in interest rates.

Income tax (provision) benefit

The provision for income taxes increased from a benefit of $2.5 million, or an effective tax rate of (69)%, for the year ended March 31, 2021, to an expense of $3.7 million, or an effective tax rate of 14%, for the year ended March 31, 2022. The change in the provision for income taxes was primarily driven by an increase in income before taxes of $21.7 million. One-time tax benefits related to stock based compensation were consistent between periods.

Financial condition, liquidity and capital resources

Overview

As of March 31, 2023, we held $120.8 million of cash and cash equivalents. In addition, as of March 31, 2023, we had borrowing capacity of $100.0 million under the Amended Revolving Credit Facility.

Our primary cash needs are for working capital, fixturing, retail product displays and digital investment. Cash needs typically vary depending on strategic initiatives selected for the fiscal year, including investments in infrastructure, digital capabilities and expansion within or to additional retailer store locations. We expect to fund ongoing cash needs from existing cash and cash equivalents, cash generated from operations and, if necessary, draws on our Amended Revolving Credit Facility.

Our primary working capital requirements are for product and product-related costs, payroll, rent, distribution costs and advertising and marketing. Fluctuations in working capital are primarily driven by the timing of when a retailer rearranges or restocks its products, expansion of space within our existing retailer base and the general seasonality of our business. As of March 31, 2023, we had working capital, excluding cash, of $74.6 million, compared to $84.7 million as of March 31, 2022. Working capital, excluding cash and debt, was $80.1 million and $90.4 million as of March 31, 2023 and March 31, 2022, respectively.

We believe that our operating cash flow, cash on hand and available financing under the Amended Revolving Credit Facility will be adequate to meet our planned operating, investing and financing needs for the next twelve months. If necessary, we can borrow funds under the Amended Revolving Credit Facility to finance our liquidity requirements, subject to customary borrowing conditions. To the extent additional funds are necessary to meet our long-term liquidity needs as we continue to execute our business strategy, we anticipate that they will be obtained through the incurrence of additional indebtedness, additional equity financings or a combination of these potential sources of funds; however, such financing may not be available on favorable terms, or at all. Our ability to meet our operating, investing and financing needs depends to a significant extent on our future financial performance, which will be subject in part to general economic, competitive, financial, regulatory and other factors that are beyond our control, including those described elsewhere in Part I, Item 1A “Risk factors”. In addition to these general economic and industry factors, the principal factors in determining whether our cash flows will be sufficient to meet our liquidity requirements will rely on our ability to provide innovative products to our consumers, manage production and our supply chain.

Cash flows

(in thousands)	Year ended March 31, 2023	2022	2021
Net cash provided by (used in):			
Operating activities	$ 101,883	$ 19,513	$ 29,475
Investing activities	(1,723)	(4,818)	(6,474)
Financing activities	(22,735)	(29,110)	(11,400)
Net increase (decrease) in cash:	$ 77,425	$ (14,415)	$ 11,601

Cash provided by operating activities

For the year ended March 31, 2023, net cash provided by operating activities was $101.9 million. This included net income, before deducting depreciation, amortization and other non-cash items, of $107.1 million and an increase in net working capital of $5.2 million. The change in net working capital was driven by a $22.4 million increase in accounts receivable, a $24.6 million increase in prepaid and other assets, and a $4.4 million decrease of other liabilities partially offset by a $43.0 million increase of accounts payable and accrued expenses, and a $3.2 million decrease in inventory.

For the year ended March 31, 2022, net cash provided by operating activities was $19.5 million. This included net income, before deducting depreciation, amortization and other non-cash items, of $66.2 million and an increase in net working capital of $46.7 million. The change in net working capital was driven by a $5.6 million increase in accounts receivable, a $27.7 million increase in inventory, a $10.6 million increase in prepaid and other assets and a $4.4 million decrease of other liabilities, partially offset by a $1.5 million increase of accounts payable and accrued expenses.

For the year ended March 31, 2021, net cash provided by operating activities was $29.5 million. This included net income, before deducting depreciation, amortization and other non-cash items, of $46.4 million and an increase in net working capital of $16.9 million. The change in net working capital was driven by a $10.5 million increase in accounts receivable, a $10.9 million increase in inventory, a $9.7 million increase in prepaid and other assets and a $3.3 million decrease of other liabilities, partially offset by a $17.5 million increase of accounts payable and accrued expenses.

Cash used in investing activities

For the years ended March 31, 2023, March 31, 2022 and March 31, 2021, net cash used in investing activities was $1.7 million, $4.8 million and $6.5 million, respectively, which was primarily driven by capital expenditures related to new customer fixture programs.

Cash used in financing activities

For the year ended March 31, 2023, net cash used in financing activities was $22.7 million, primarily driven by prepayment on the Amended Term Loan Facility of $25.0 million and quarterly debt payments, partially offset by cash received from the exercise of stock options to purchase common stock.

For the year ended March 31, 2022, net cash used in financing activities was $29.1 million, driven by $54.5 million of repayment of the revolving line of credit and the term loan facility, offset by $25.6 million of cash received from net of proceeds from the amended revolving line of credit and the Amended term loan facility.

For the year ended March 31, 2021, net cash used in financing activities was $11.4 million, driven by $11.8 million in mandatory principal payments under the prior term loan facility. This was partially offset by $1.5 million of proceeds from the exercise of stock options to purchase common stock.

Description of indebtedness

Amended Credit Agreement

On April 30, 2021, we amended and restated the prior credit agreement (as further amended, supplemented or modified from time to time, the "Amended Credit Agreement") and refinanced all loans under the prior credit agreement. The

Amended Credit Agreement has a five year term and consists of (i) a $100 million revolving credit facility (the “Amended Revolving Credit Facility”) and (ii) a $100 million term loan facility (the "Amended Term Loan Facility").

All amounts under the Amended Revolving Credit Facility are available for draw until the maturity date on April 30, 2026. The Amended Revolving Credit Facility is collateralized by substantially all of our assets and requires payment of an unused fee ranging from 0.10% to 0.30% (based on our consolidated total net leverage ratio (as defined in the Amended Credit Agreement)) times the average daily amount of unutilized commitments under the Amended Revolving Credit Facility. The Amended Revolving Credit Facility also provides for sub-facilities in the form of a $7 million letter of credit and a $5 million swing line loan; however, all amounts drawn under the Amended Revolving Credit Facility cannot exceed $100 million. The unused balance of the Amended Revolving Credit Facility as of March 31, 2023 was $100.0 million.

Prior to the First Amendment (as defined below), both the Amended Revolving Credit Facility and the Amended Term Loan Facility bore interest, at the borrowers’ option, at either (i) a rate per annum equal to an adjusted LIBOR rate determined by reference to the cost of funds for the United States dollar deposits for the applicable interest period (subject to a minimum floor of 0%) plus an applicable margin ranging from 1.25% to 2.125% based on our consolidated total net leverage ratio (the "Applicable Margin") or (ii) a floating base rate plus an applicable margin ranging from 0.25% to 1.125% based on our consolidated total net leverage ratio. The all-in interest rate as of March 31, 2023 for the Amended Term Loan Facility was approximately 6.2%. On March 29, 2023, we amended the Amended Credit Agreement to transition the benchmark from LIBOR to an adjusted Secured Overnight Financing Rate (“SOFR”) (which is equal to the applicable SOFR plus 0.10%) (such transaction, the “First Amendment”). In connection with the First Amendment, all outstanding LIBOR loans were converted to SOFR loans. The annual interest rate for SOFR borrowings will be equal to term SOFR, subject to a floor of 0%, plus a margin ranging from 1.25% to 2.125%.

The Amended Credit Agreement contains a number of covenants that, among other things, restrict our ability to (subject to certain exceptions) pay dividends and distributions or repurchase our capital stock, incur additional indebtedness, create liens on assets, engage in mergers or consolidations and sell or otherwise dispose of assets. The Amended Credit Agreement also includes reporting, financial and maintenance covenants that require us to, among other things, comply with certain consolidated total net leverage ratios and consolidated fixed charge coverage ratios. As of March 31, 2023, we were in compliance with all financial covenants under the Amended Credit Agreement.

In accordance with ASC 470, Debt, the amendment to the prior credit agreement was accounted for as both a debt modification and partial debt extinguishment, which resulted in the recognition of a loss on extinguishment of debt of $0.5 million for the year ended March 31, 2022. We incurred and capitalized $1.1 million of new debt issuance costs related to the amendment.

In the year ended March 31, 2023, we recognized a loss on extinguishment of debt of $176 thousand, primarily related to the partial prepayment of term loan borrowings in the amount of $25.0 million.

Off-balance sheet arrangements

We are not party to any off-balance sheet arrangements.

Critical accounting policies and estimates

Our consolidated financial statements included elsewhere in this Annual Report have been prepared in accordance with US generally accepted accounting principles. The preparation of our financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. While our significant accounting policies are more fully described in the Note 2 to consolidated financial statements in Part IV, Item 15. “Exhibits, financial statement schedules,” we believe that the following accounting policies and estimates are critical to our business operations and understanding of our financial results.

Revenue recognition

We recognize revenue when control of promised goods or services is transferred to a customer in an amount that reflects the consideration that we expect to receive in exchange for those goods or services. Control of the substantial majority of the products that we sell is transferred at a point in time. Factors that determine the specific point in time a customer obtains

control and a performance obligation is satisfied are when we have a present right to payment for the goods, whether the customer has physical possession and title to the goods, and whether significant risks and rewards of ownership have transferred. Delivery is typically considered to have occurred at the time the title and risk of loss passes to the customer.

In the normal course of business, we offer various incentives to customers such as sales discounts, markdown support and other incentives and allowances, which give rise to variable consideration. The amount of variable consideration is estimated at the time of sale based on either the expected value method or the most likely amount, depending on the nature of the variability. We regularly review and revise, when deemed necessary, our estimates of variable consideration based on both customer-specific expectations as well as historical rates of realization. A provision for unclaimed customer incentives and allowances is included on the consolidated balance sheet, net against accounts receivable.

Impairment of long-lived assets, including goodwill and intangible assets

We assess potential impairments to our long-lived assets, which include property and equipment, retail product displays, and amortizable intangible assets, whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of an asset is measured by a comparison of the carrying amount of an asset group to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset group exceeds its estimated undiscounted future cash flows, an impairment charge is recognized as the amount by which the carrying amount of the asset exceeds the fair value of the asset. There were no impairment charges recorded on long-lived assets during the years ended March 31, 2023 or March 31, 2022.

We evaluate our indefinite-lived intangible asset to determine whether current events and circumstances continue to support an indefinite useful life. In addition, our indefinite-lived intangible asset is tested for impairment annually. The indefinite-lived intangible asset impairment test consists of a comparison of the fair value of each asset with its carrying value, with any excess of carrying value over fair value being recognized as an impairment loss. We are also permitted to make a qualitative assessment of whether it is more likely than not that an indefinite-lived intangible asset's fair value is less than its carrying value prior to applying the quantitative assessment. If based on our qualitative assessment it is more likely than not that the carrying value of the asset is less than its fair value, then a quantitative assessment may be required.

The goodwill impairment test consists of a comparison of each reporting unit's fair value to its carrying value. The fair value of a reporting unit is an estimate of the amount for which the unit as a whole could be sold in a current transaction between willing parties. If the carrying value of a reporting unit exceeds its fair value, goodwill is written down to its implied fair value. We are also permitted to make a qualitative assessment of whether it is more likely than not that the fair value of a reporting unit is less than its carrying value prior to applying the quantitative assessment. If based on our qualitative assessment it is more likely than not that the carrying value of the reporting unit is less than its fair value, then a quantitative assessment may be required. We have identified a single reporting unit for purposes of impairment testing.

We have selected October 1 as the date on which to perform our annual impairment tests. We also test for impairment whenever events or circumstances indicate that the fair value of goodwill or indefinite-lived intangible assets has been impaired. No impairment of goodwill or our indefinite-lived intangible asset was recorded during the years ended March 31, 2023 or March 31, 2022.

Stock based compensation

We have several stock award plans, which are described in detail in Note 12. We account for stock based compensation under ASC 718, "Compensation-Stock Compensation." We recognize expense over the requisite service period of the award, net of an estimate for the impact of award forfeitures.

We have no current plans to pay a regular dividend.

New accounting pronouncements

See Note 2 Summary of significant accounting policies to the Notes to consolidated financial statements in Part IV, Item 15. "Exhibits, Financial Statement Schedules" for information regarding new accounting pronouncements.

We comply with any new or revised accounting standards on the relevant dates on which adoption of such standards is required for publicly traded companies that are not emerging growth companies.

Item 7A. Quantitative and qualitative disclosures about market risk.

We are exposed to certain market risks arising from transactions in the normal course of our business. Such risk is principally associated with interest rates and foreign exchange.

Interest rate risk

We had cash, cash equivalents of $120.8 million and $43.4 million as of March 31, 2023 and March 31, 2022, respectively. Our cash and cash equivalents consist of cash and money market funds, which are highly liquid and, as such, are not sensitive to interest rate risk.

We are exposed to changes in interest rates because the indebtedness incurred under the Amended Credit Agreement is variable rate debt. Interest rate changes generally do not affect the market value of our Amended Credit Facility; however, they do affect the amount of our interest payments. A hypothetical 1% increase or decrease of interest rates would result in a decrease or increase, respectively, in interest expense on an annualized basis of approximately $0.7 million as of March 31, 2023.

Foreign exchange risk

We are exposed to foreign exchange risk as we sell product into Canada, the UK, Europe and other smaller international markets. We also have exposure to the Chinese Renminbi as we source nearly all our products from China. We do not have an active hedging program.

Foreign currency transaction exposure from a 10% movement of currency exchange rates would have a material impact on our reported cost of sales and net income. Based on a hypothetical 10% adverse movement in RMB as compared to the US dollar, our cost of sales and net income would be adversely affected by approximately $12.3 million for the year ended March 31, 2023.

Item 8. Financial statements and supplementary data.

The following consolidated financial statements are incorporated by reference herein:

e.l.f. Beauty, Inc. and subsidiaries
Index to consolidated financial statements

Item 9. Changes in and disagreements with accountants on accounting and financial disclosure.

None.

Item 9A. Controls and procedures.

Evaluation of Disclosure Controls and Procedures

As of March 31, 2023, our management conducted an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2023, our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to the officers who certify our financial reports and to the members of the Company's senior management and board of directors as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in the Exchange Act. Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements prepared for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements.

Under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, our management conducted an evaluation of the effectiveness of our internal control over financial reporting based upon the framework in "Internal Control - Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, management concluded that our internal control over financial reporting was effective as of March 31, 2023.

Deloitte & Touche LLP, an independent registered public accounting firm, was retained to audit our Consolidated Financial Statements and the effectiveness of our internal control over financial reporting. They have issued an attestation report on our internal control over financial reporting as of March 31, 2023, which is included herein.

Changes in Internal Control over Financial Reporting

There were no changes to our internal control over financial reporting that occurred during the quarter ended March 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Section 302 and 906 Certification

The required certification of our Chief Executive Officer and Chief Financial Officer under Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 are included as exhibits to this Annual Report (See Exhibits 31 and 32 under Part IV, Item 15. "Exhibits, Financial Statement Schedules").

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of e.l.f. Beauty, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of e.l.f. Beauty, Inc. and subsidiaries (the "Company") as of March 31, 2023, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2023, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended March 31, 2023, of the Company and our report dated May 25, 2023, expressed an unqualified opinion on those financial statements.

Basis for Opinion

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

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

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

/s/ Deloitte & Touche LLP

San Francisco, California
May 25, 2023

Item 9B. Other information.

None.

Item 9C. Disclosure regarding foreign jurisdictions that prevent inspections.

Not applicable.

PART III

Item 10. Directors, executive officers and corporate governance.

The information required by this Part III, Item 10 is incorporated by reference to the sections titled “Our Board of Directors,” “Our Executive Officers," and “Corporate Governance Materials" (or similar titles) that will be contained in our Definitive Proxy Statement relating to our 2023 annual meeting of stockholders (our “Proxy Statement”). Our Proxy Statement will be filed with the SEC within 120 days of March 31, 2023.

Item 11. Executive compensation.

The information required by this Part III, Item 11 is incorporated by reference to the sections titled “Our Board of Directors” and “Executive Compensation” (or similar titles) that will be contained in the Proxy Statement.

Item 12. Security ownership of certain beneficial owners and management and related stockholder matters.

The information required by this Part III, Item 12 is incorporated by reference to the sections titled “Equity Compensation Plan Information” and “Beneficial Ownership of Common Stock” (or similar titles) that will be contained in the Proxy Statement.

Item 13. Certain relationships and related transactions, and director independence.

The information required by this Part III, Item 13 is incorporated by reference to the sections titled “Certain Relationships and Related Party Transactions” and “Our Board of Director” (or similar titles) that will be contained in the Proxy Statement.

Item 14. Principal accountant fees and services.

The information required by this Part III, Item 14 is incorporated by reference to the section entitled “Audit Matters” (or a similar title) that will be contained in the Proxy Statement.

PART IV

Item 15. Exhibits, financial statement schedules.

(a) The following documents are filed as part of this Annual Report:

1. Consolidated financial statements:

   Reference is made to the Index to Consolidated Financial Statements on page 62 hereof, which is incorporated by reference herein.

2. Financial statement schedules:

   All schedules are omitted because the required information is either not present, not present in material amounts or presented within our consolidated financial statements and notes thereto beginning on page 65 hereof and are incorporated herein by reference.

3. Exhibits

			Incorporated by Reference			
Exhibit Number	Exhibit Description	Provided Herewith	Form	Exhibit Number	File Number	Filing Date
3.1	Amended and Restated Certificate of Incorporation of e.l.f. Beauty, Inc.		8-K	3.1	001-37873	9/27/2016
3.2	Amended and Restated Bylaws of e.l.f. Beauty, Inc.		8-K	3.2	001-37873	9/27/2016
4.1	Reference is made to Exhibits 3.1 and 3.2.					
4.2	Form of Common Stock Certificate.		S-1/A	4.4	333-213333	9/12/2016
4.3	Description of Capital Stock		10-K	4.4	001-37873	5/27/2021
10.1 (a)	Standard Multi-Tenant Office Lease, dated as of March 31, 2014, by and between 1007 Clay Street Properties LLC and e.l.f. Cosmetics, Inc. (formerly known as J.A. Cosmetics US, Inc.).		S-1	10.1	333-213333	8/26/2016
10.1 (b)	Addendum to Standard Multi-Tenant Office Lease, dated as of March 31, 2014, by and between 1007 Clay Street Properties LLC and e.l.f. Cosmetics, Inc. (formerly known as J.A. Cosmetics US, Inc.).		S-1	10.2	333-213333	8/26/2016
10.1 (c)	Standard Multi-Tenant Office Lease, dated as of October 5, 2015, by and between 1007 Clay Street Properties LLC and e.l.f. Cosmetics, Inc. (formerly known as J.A. Cosmetics US, Inc.).		S-1	10.3	333-213333	8/26/2016
10.1 (d)	Addendum to Standard Multi-Tenant Office Lease, dated as of October 22, 2015, by and between 1007 Clay Street Properties LLC and e.l.f. Cosmetics, Inc. (formerly known as J.A. Cosmetics US, Inc.).		S-1	10.4	333-213333	8/26/2016
10.1 (e)	Amended and Restated Lease Agreement, dated June 19, 2019, by and between e.l.f. Cosmetics, Inc. and Redwood Property Investors III, LLC (as successor to 1007 Clay Street Properties)		10-Q	10.1	001-37873	8/8/2019
10.2(a)	Standard Industrial/Commercial Multi-Tenant Lease, dated as of December 9, 2015, by and between Jurupa Gateway LLC and e.l.f. Cosmetics, Inc. (formerly known as J.A. Cosmetics US, Inc.).		S-1	10.5	333-213333	8/26/2016
10.2(b)	First Amendment to Lease, dated August 24, 2020, by and between Jurupa Gateway LLC and e.l.f. Cosmetics, Inc.		10-Q	10.1	001-37873	2/4/2021

Exhibit Number	Exhibit Description	Provided Herewith	Incorporated by Reference			
			Form	Exhibit Number	File Number	Filing Date
10.3 (a)	Senior Secured Credit Agreement, dated as of December 23, 2016, by and among e.l.f. Beauty, Inc., as parent guarantor, e.l.f. Cosmetics, Inc., J.A. 139 Fulton Street Corp., J.A. 741 Retail Corp., J.A. Cosmetics Retail, Inc., J.A. RF, LLC and J.A. Cherry Hill, LLC, each as a borrower, and Bank of Montreal, as the administrative agent, swingline lender and l/c issuer.		8-K	10.1	001-37873	12/28/2016
10.3 (b)	First Amendment to Credit Agreement, dated as of August 25, 2017, by and among e.l.f. Beauty, Inc., as parent guarantor, e.l.f. Cosmetics, Inc., J.A. 139 Fulton Street Corp., J.A. 741 Retail Corp., J.A. Cosmetics Retail, Inc., J.A. RF, LLC and J.A. Cherry Hill, LLC, each as a borrower, Bank of Montreal, as the administrative agent, swingline lender and l/c issuer, and the lenders from time to time party thereto.		8-K	10.1	001-37873	8/28/2017
10.3 (c)	Second Amendment to Credit Agreement, dated as of December 7, 2018, by and among e.l.f. Beauty, Inc., as parent guarantor, e.l.f. Cosmetics, Inc., J.A. 139 Fulton Street Corp., J.A. 741 Retail Corp., J.A. Cosmetics Retail, Inc., J.A. RF, LLC and J.A. Cherry Hill, LLC, each as a borrower, Bank of Montreal, as the administrative agent, swingline lender and l/c issuer, and the lenders from time to time party thereto		10-K	10.8(b)	001-37873	5/28/2020
10.3(d)	Third Amendment to Credit Agreement, dated as of April 8, 2020, by and among e.l.f. Beauty, Inc., as parent guarantor, e.l.f. Cosmetics, Inc., W3ll People, Inc., J.A. RF, LLC, each as a borrower, Bank of Montreal, as the administrative agent, swingline lender and l/c issuer, and the lenders from time to time party thereto.		8-K	10.1	001-37873	4/9/2020
10.4(a)	Amended and Restated Credit Agreement, dated April 30, 2021, by and among the Company as parent guarantor, e.l.f. Cosmetics, Inc., W3LL People, Inc. and J.A. RF, LLC, each as a borrower, Bank of Montreal, as the administrative agent, swingline lender and l/c issuer, U.S. Bank, as syndication agent and a joint lead arranger, BMO Capital Markets Corp., as a joint lead arranger and bookrunner, and the lenders from time to time party thereto.		8-K	10.1	001-37873	5/4/2021
10.4(b)	FIRST AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT	X				
10.5 (a)#	2014 Equity Incentive Plan of e.l.f. Beauty, Inc.		S-1	10.12	333-213333	8/26/2016
10.5 (b)#	Amendment to 2014 Equity Incentive Plan of e.l.f. Beauty, Inc., dated as of March 15, 2017.		10-K	10.7(b)	001-37873	3/15/2017
10.5 (c)#	Forms of stock option award agreements used under the 2014 Equity Incentive Plan of e.l.f. Beauty, Inc.		S-1	10.13	333-213333	8/26/2016
10.6 (a)#	2016 Equity Incentive Award Plan of e.l.f. Beauty, Inc.		S-1/A	10.16	333-213333	9/12/2016
10.6 (b)#	Amendment to the e.l.f. Beauty, Inc. 2016 Equity Incentive Award Plan		8-K	10.2	001-37873	7/2/2020
10.6 (c)#	Form of Stock Option Grant Notice under the 2016 Equity Incentive Award Plan of e.l.f. Beauty, Inc.		S-1/A	10.17	333-213333	9/12/2016

Exhibit Number	Exhibit Description	Provided Herewith	Incorporated by Reference			
			Form	Exhibit Number	File Number	Filing Date
10.6 (d)#	Form of Restricted Stock Unit Award Grant Notice under the 2016 Equity Incentive Award Plan of e.l.f. Beauty, Inc.		S-1/A	10.27	333-213333	9/12/2016
10.6 (e)#	Form of Restricted Stock Award Grant Notice under the 2016 Equity Incentive Award Plan of e.l.f. Beauty, Inc. (Executives).		10-K	10.12(d)	001-37873	3/15/2017
10.6 (f)#	Form of Restricted Stock Award Grant Notice under the 2016 Equity Incentive Award Plan of e.l.f. Beauty, Inc. (Chief Executive Officer).		10-K	10.12(e)	001-37873	3/15/2017
10.6 (g)#	Form of Performance Stock Award Grant Notice under the 2016 Equity Incentive Award Plan of e.l.f. Beauty, Inc. (Executives).		10-K	10.1	001-37873	5/27/2021
10.6 (h)#	Form of Performance Stock Award Grant Notice under the 2016 Equity Incentive Award Plan of e.l.f. Beauty, Inc. (Chief Executive Officer).		10-K	10.2	001-37873	5/27/2021
10.7#	2016 Employee Stock Purchase Plan of e.l.f. Beauty, Inc.		S-1/A	10.18	333-213333	9/12/2016
10.8#	Amended and Restated Employment Agreement, dated as of February 26, 2019, between Tarang Amin, e.l.f. Cosmetics, Inc. and e.l.f. Beauty, Inc.		10-K	10.16	001-37873	2/28/2019
10.9#	Amended and Restated Employment Agreement, dated as of February 26, 2019, between Scott Milsten, e.l.f. Cosmetics, Inc. and e.l.f. Beauty, Inc.		10-K	10.17	001-37873	2/28/2019
10.10#	Employment Agreement, dated as of February 1, 2019, between Kory Marchisotto, e.l.f. Cosmetics, Inc. and e.l.f. Beauty, Inc.		10-Q	10.1	001-37873	5/9/2019
10.11#	Employment Agreement, dated as of March 15, 2019, between Mandy Fields, e.l.f. Cosmetics, Inc. and e.l.f. Beauty, Inc.		8-K	10.1	001-37873	3/21/2019
10.12#	Employment Agreement, dated as of November 25, 2019, between Josh Franks, e.l.f. Cosmetics, Inc. and e.l.f. Beauty, Inc.		10-Q	10.1	001-37873	2/6/2020
10.13#	Employment Agreement, dated as of April 20, 2022 between Jennie Laar, e.l.f. Cosmetics, Inc. and e.l.f. Beauty, Inc.	X				
10.14#	Form of Indemnification Agreement for directors and officers of e.l.f. Beauty, Inc.		S-1	10.25	333-213333	8/26/2016
10.15#	Amended and Restated Non-Employee Director Compensation Program of e.l.f. Beauty, Inc.		10-Q	10.1	001-37873	11/7/2019
10.16#	Cooperation Agreement, dated as of July 1, 2020, by and between e.l.f. Beauty, Inc., Marathon Partners Equity Management, LLC, Marathon Partners L.P., Marathon Focus Fund L.P., Marathon Partners LUX Fund, L.P., Cibelli Research & Management, LLC and Mario Cibelli.		8-K	10.1	001-37873	7/2/2020

10.17	List of Significant Subsidiaries of e.l.f. Beauty, Inc.		10-K	21.1	001-37873	5/27/2021

			Incorporated by Reference			
Exhibit Number	Exhibit Description	Provided Herewith	Form	Exhibit Number	File Number	Filing Date
23.1	Consent of Independent Registered Public Accounting Firm.	X				
24.1	Power of Attorney. Reference is made to the signature page to this Annual Report on Form 10-K.	X				
31.1	Certification of the Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act.	X				
31.2	Certification of the Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act.	X				
32.1*	Certification of the Chief Executive Officer and Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act.	X				
101.INS	XBRL Instance Document - Instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	X				
101.SCH	Inline XBRL Taxonomy Extension Schema Document.	X				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	X				
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	X				
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	X				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	X				
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).	X				

# Indicates management contract or compensatory plan

* This certification is deemed furnished, and not filed, with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of e.l.f. Beauty, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Annual Report on Form 10-K, irrespective of any general incorporation language contained in such filing.

Item 16. Form 10-K Summary.

None.

SIGNATURES

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

e.l.f. Beauty, Inc.

May 25, 2023	By:	/s/ Tarang P. Amin
Date		Tarang P. Amin Chief Executive Officer (Principal Executive Officer)
May 25, 2023	By:	/s/ Mandy Fields
Date		Mandy Fields Chief Financial Officer (Principal Financial and Accounting Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Tarang P. Amin, Mandy Fields and Scott K. Milsten and each of them acting individually, as his or her true and lawful attorneys-in-fact and agents, each with full power of substitution, for him or her in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, with full power of each to act alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, each of the undersigned has executed this Power of Attorney as of the date indicated opposite his or her name.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Annual Report on Form 10-K has been signed below by the following persons in the capacities and on the dates indicated.

Name	Title	Date
/s/ Tarang P. Amin **Tarang P. Amin**	Chairman, Chief Executive Officer and Director (Principal Executive Officer)	May 25, 2023
/s/ Mandy Fields **Mandy Fields**	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	May 25, 2023
/s/ Lori A. Keith **Lori A. Keith**	Director	May 25, 2023
/s/ Lauren Cooks Levitan **Lauren Cooks Levitan**	Director	May 25, 2023
/s/ Kenny Mitchell **Kenny Mitchell**	Director	May 25, 2023
/s/ Tiffany Daniele **Tiffany Daniele**	Director	May 25, 2023
/s/ Gayle Tait **Gayle Tait**	Director	May 25, 2023
/s/ Beth M. Pritchard **Beth M. Pritchard**	Director	May 25, 2023
/s/ Maureen C. Watson **Maureen C. Watson**	Director	May 25, 2023
/s/ Richard G. Wolford **Richard G. Wolford**	Director	May 25, 2023

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of e.l.f. Beauty, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of e.l.f. Beauty, Inc. and subsidiaries (the "Company") as of March 31, 2023 and 2022, the related consolidated statements of operations and comprehensive income, stockholders' equity, and cash flows, for each of the three years in the period ended March 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of March 31, 2023, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated May 25, 2023, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

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

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

Critical Audit Matter

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

Revenue Recognition—Provision for Customer Incentives and Allowances—Refer to Note 2 to the financial statements

Critical Audit Matter Description

The Company offers various incentives to customers such as sales discounts, markdown support and other incentives and allowances, which give rise to variable consideration. The amount of variable consideration is estimated at the time of sale based on either the expected amount or the most likely amount, depending on the nature of the variability. The Company regularly reviews and revises, when deemed necessary, its estimates of variable consideration based on both customer-specific expectations as well as historical rates of realization. A provision for customer incentives and allowances is included on the consolidated balance sheet, net against accounts receivable. The provision for customer incentives and allowances was $23.5 million and $16.3 million as of March 31, 2023 and March 31, 2022, respectively.

Auditing the Company's provision for customer incentives and allowances was complex and judgmental as the provision for customer incentives and allowances is determined based on significant management estimates. Changes in these estimates

can have a material impact on revenue recognized. Additionally, given the subjectivity of estimating the provision for customer incentives and allowances, performing audit procedures to evaluate whether the provision for customer incentives and allowances is appropriately recorded required a high degree of auditor judgment.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the Company's provision of unclaimed customer incentives and allowances included the following, among others:

- We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's provision of unclaimed customer incentives and allowances, including controls over management's review of the significant assumptions, such as the historical rate of customer deductions and management's review of the completeness and accuracy of the data used.
- We tested customer deduction data underlying the estimate to validate the nature, timing, and amount of deductions taken.
- We evaluated the Company's historical ability to accurately estimate its provision by performing a retrospective analysis on the prior period reserve, based on current period deductions.
- We evaluated period-over-period comparisons of the Company's provision for customer incentives and allowances and deductions claimed by customers by allowance type to identify unusual trends.
- We evaluated management's methodologies and tested the significant assumptions used by the Company to calculate the provision for customer incentives and allowances and verified they were in agreement with the terms of underlying customer contracts.

/s/ Deloitte & Touche LLP

San Francisco, California
May 25, 2023

We have served as the Company's auditor since 2014.

e.l.f. Beauty, Inc. and subsidiaries
Consolidated balance sheets
(in thousands, except share and per share data)

	March 31, 2023	March 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 120,778	$ 43,353
Accounts receivable, net	67,928	45,567
Inventory, net	81,323	84,498
Prepaid expenses and other current assets	33,296	19,611
Total current assets	303,325	193,029
Property and equipment, net	7,874	10,577
Intangible assets, net	78,041	86,163
Goodwill	171,620	171,620
Investments	2,875	2,875
Other assets	31,866	30,368
Total assets	$ 595,601	$ 494,632
Liabilities and stockholders' equity		
Current liabilities:		
Current portion of long-term debt and finance lease obligations	$ 5,575	$ 5,786
Accounts payable	31,427	19,227
Accrued expenses and other current liabilities	70,974	40,004
Total current liabilities	107,976	65,017
Long-term debt and finance lease obligations	60,881	91,080
Deferred tax liabilities	3,742	9,593
Long-term operating lease obligations	11,201	15,744
Other long-term liabilities	784	769
Total liabilities	184,584	182,203
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Common stock, par value of $0.01 per share; 250,000,000 shares authorized as of March 31, 2023 and March 31, 2022; 53,770,482 and 52,243,764 shares issued and outstanding as of March 31, 2023 and March 31, 2022, respectively	535	515
Additional paid-in capital	832,481	795,443
Accumulated deficit	(421,999)	(483,529)
Total stockholders' equity	411,017	312,429
Total liabilities and stockholders' equity	$ 595,601	$ 494,632

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

e.l.f. Beauty, Inc. and subsidiaries
Consolidated statements of operations and comprehensive income
(in thousands, except share and per share data)

	Year ended March 31,		
	2023	2022	2021
Net sales	$ 578,844	$ 392,155	$ 318,110
Cost of sales	188,448	140,423	111,912
Gross profit	390,396	251,732	206,198
Selling, general and administrative expenses	322,253	221,912	194,157
Restructuring expense	—	50	2,641
Operating income	68,143	29,770	9,400
Other expense, net	(1,875)	(1,438)	(1,620)
Interest expense, net	(2,018)	(2,441)	(4,090)
Loss on extinguishment of debt	(176)	(460)	—
Income before provision for income taxes	64,074	25,431	3,690
Income tax (provision) benefit	(2,544)	(3,661)	2,542
Net income	$ 61,530	$ 21,770	$ 6,232
Comprehensive income	$ 61,530	$ 21,770	$ 6,232
Net income per share:			
Basic	$ 1.17	$ 0.43	$ 0.13
Diluted	$ 1.11	$ 0.41	$ 0.12
Weighted average shares outstanding:			
Basic	52,474,811	50,940,808	49,377,410
Diluted	55,337,554	53,654,303	51,994,145

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

e.l.f. Beauty, Inc. and subsidiaries
Consolidated statements of stockholders' equity
(in thousands, except share data)

	Common stock		Additional paid-in capital	Accumulated deficit	Total stockholders' equity
	Shares	Amount			
Balance as of March 31, 2020	48,874,742	$ 489	$ 753,213	$ (511,531)	$ 242,171
Net income	—	—	—	6,232	6,232
Stock based compensation	—	—	19,493	—	19,493
Exercise of stock options and vesting of restricted stock	1,525,768	15	1,735	—	1,750
Balance as of March 31, 2021	50,400,510	504	774,441	(505,299)	269,646
Net income	—	—	—	21,770	21,770
Stock based compensation	—	—	19,336	—	19,336
Exercise of stock options and vesting of restricted stock	1,123,797	11	1,666	—	1,677
Balance as of March 31, 2022	51,524,307	515	795,443	(483,529)	312,429
Net income	—	—	—	61,530	61,530
Stock based compensation	—	—	29,005	—	29,005
Exercise of stock options and vesting of restricted stock	2,047,270	20	8,033	—	8,053
Balance as of March 31, 2023	53,571,577	$ 535	$ 832,481	$ (421,999)	$ 411,017

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

e.l.f. Beauty, Inc. and subsidiaries
Consolidated statements of cash flows
(in thousands)

	Year ended March 31,		
	2023	2022	2021
Cash flows from operating activities:			
Net income	$ 61,530	$ 21,770	$ 6,232
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	22,164	27,083	25,179
Restructuring expense	—	50	2,641
Stock based compensation expense	29,117	19,646	19,682
Amortization of debt issuance costs and discount on debt	346	394	847
Deferred income taxes	(6,401)	(3,701)	(8,584)
Loss on extinguishment of debt	176	460	—
Other, net	179	496	383
Changes in operating assets and liabilities:			
Accounts receivable	(22,432)	(5,597)	(10,529)
Inventory	3,174	(27,655)	(10,937)
Prepaid expenses and other assets	(24,553)	(10,555)	(9,659)
Accounts payable and accrued expenses	42,995	1,498	17,472
Other liabilities	(4,412)	(4,376)	(3,252)
Net cash provided by operating activities	101,883	19,513	29,475
Cash flows from investing activities:			
Purchase of property and equipment	(1,723)	(4,818)	(6,474)
Net cash used in investing activities	(1,723)	(4,818)	(6,474)
Cash flows from financing activities:			
Proceeds from revolving line of credit	—	26,480	20,000
Repayment of revolving line of credit	—	(26,480)	(20,000)
Proceeds from long-term debt	—	25,581	—
Repayment of long-term debt	(30,000)	(54,525)	(11,756)
Debt issuance costs paid	—	(1,064)	(334)
Cash received from issuance of common stock	8,053	1,677	1,503
Other, net	(788)	(779)	(813)
Net cash used in financing activities	(22,735)	(29,110)	(11,400)
Net increase (decrease) in cash and cash equivalents	77,425	(14,415)	11,601
Cash and cash equivalents - beginning of period	43,353	57,768	46,167
Cash and cash equivalents - end of period	$ 120,778	$ 43,353	$ 57,768

	Year ended March 31,		
	2023	2022	2021
Supplemental disclosure of cash flow information:			
Cash paid for interest	$ 3,546	$ 1,762	$ 3,018
Cash paid for income taxes, net of refunds	13,369	7,573	2,301
Cash paid for interest on finance leases	32	63	137
Supplemental disclosure of noncash investing and financing activities:			
Property and equipment purchases included in accounts payable and accrued expenses	$ 335	$ 390	$ 359

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

Note 1—Nature of operations

e.l.f. Beauty, Inc., a Delaware corporation, ("e.l.f. Beauty" and together with its subsidiaries, the "Company," or "we") is a multi-brand beauty company that offers inclusive, accessible, clean, vegan and cruelty-free cosmetics and skincare products. The Company's mission is to make the best of beauty accessible to every eye, lip, face and skin concern.

e.l.f Beauty believes its ability to deliver cruelty-free, clean, vegan and premium-quality products at accessible prices with broad appeal differentiates it in the beauty industry. e.l.f.Beauty believes the combination of its value proposition, innovation engine, ability to attract and engage consumers, and its world-class team's ability to execute with speed, has positioned the Company well to navigate the competitive beauty market.

The Company's family of brands includes e.l.f. Cosmetics, e.l.f. SKIN, Well People and Keys Soulcare. The Company's brands are available online and across leading beauty, mass-market and specialty retailers. The Company has strong relationships with its retail customers such as Target, Walmart, Ulta Beauty and other leading retailers that have enabled the Company to expand distribution both domestically and internationally.

Note 2—Summary of significant accounting policies

Basis of presentation

The consolidated financial statements and related notes have been prepared in accordance with US generally accepted accounting principles ("US GAAP") and all intercompany balances and transactions have been eliminated in consolidation.

Use of estimates

The preparation of financial statements in conformity with US GAAP requires management make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash and cash equivalents

Cash and cash equivalents include all cash balances and highly liquid investments purchased with maturities of three months or less.

Accounts receivable

Trade receivables consist of uncollateralized, non-interest bearing customer obligations from transactions with the Company's customers, reduced by an allowance for doubtful accounts for estimated losses resulting from the inability of customers to make payments. The allowance is based on the evaluation and aging of past due balances, specific exposures, historical trends and economic conditions.

The Company maintains allowances for doubtful accounts for uncollectible accounts receivable. Management estimates anticipated losses from doubtful accounts based on days past due, collection history and the financial health of customers. The Company writes off accounts receivable against the allowance when a balance is determined to be uncollectible. Recoveries of receivables previously written off are recorded when received. The Company recorded an allowance for doubtful accounts of $0.1 million and $0.1 million as of March 31, 2023 and March 31, 2022, respectively. The Company recorded a reserve for sales adjustments of $23.5 million and $16.3 million as of March 31, 2023 and March 31, 2022, respectively, which is also presented as a reduction to accounts receivable. The Company grants credit terms in the normal course of business to its customers. Trade credit is extended based upon an evaluation of each customer's ability to perform its payment obligations.

Concentrations of credit risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of cash and cash equivalents including money market funds. Although the Company deposits its cash with creditworthy financial institutions, its deposits, at times, may exceed federally insured limits. To date, the Company has not experienced any losses on its cash deposits. The Company performs credit evaluations of its customers and the risk with respect to trade receivables is further mitigated by the short duration of customer payment terms and the pedigree of the customer base.

During the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the following customers individually accounted for greater than 10% of the Company's net sales as disclosed below:

	Year ended March 31,		
	2023	2022	2021
Target	25 %	23 %	22 %
Walmart	20 %	26 %	26 %
Ulta Beauty	15 %	12 %	*

* Net sales from customer comprised less than 10% of net sales in the period indicated.

Customers that individually accounted for greater than 10% of the Company's accounts receivable at the end of the periods as of March 31, 2023 and March 31, 2022, respectively, are as presented:

	March 31, 2023	March 31, 2022
Target	32 %	18 %
Walmart	26 %	31 %

Inventory

Inventory, consisting principally of finished goods, is stated at the lower of cost and net realizable value. Cost is principally determined by the first-in, first-out method. The Company also records a reserve for excess and obsolete inventory, which represents the excess of the cost of the inventory over its estimated market value. This reserve is based upon an assessment of historical trends, current market conditions and forecasted product demand. The Company recorded an adjustment for excess and obsolete inventory, which is presented as a reduction to inventory of $6.6 million and $4.5 million as of March 31, 2023 and March 31, 2022, respectively.

Property and equipment and other assets

Property and equipment is stated at cost and is depreciated on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized on a straight-line basis over the shorter of the lease term or the useful lives of the assets. Repairs and maintenance expenditures are expensed as incurred.

Useful lives by major asset class are as follows:

	Estimated useful lives
Machinery, equipment and software	3 - 5 years
Leasehold improvements	up to 5 years
Furniture and fixtures	2 - 5 years
Store fixtures	1 - 3 years

As of March 31, 2023 and March 31, 2022, included in other assets are retail product displays, net, of $15.7 million and $10.1 million, respectively, that are generally amortized over a period of three years. Amortization expense for retail product displays was $5.2 million, $5.9 million and $5.2 million for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively.

The Company evaluates events and changes in circumstances that could indicate carrying amounts of long-lived assets, including property and equipment, may not be recoverable. When such events or changes in circumstances occur, the Company assesses the recoverability of long-lived assets by determining whether or not the carrying value of such assets will be recovered through undiscounted future cash flows derived from their use and eventual disposition. For purposes of this assessment, long-lived assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. The Company's long-lived assets are grouped on an entity-wide basis. This is due, in part, to the integrated nature of the Company's various distribution channels and the extent of shared costs across those channels. If the sum of the undiscounted future cash flows is less than the carrying amount of an

asset, the Company records an impairment loss for the amount by which the carrying amount of the assets exceeds its fair value. There were no impairment charges recorded on long-lived assets during the years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively.

Goodwill and intangible assets

Goodwill represents the excess of the purchase price for an acquisition over the fair value of the net assets acquired. In addition, the Company has acquired finite-lived intangible assets and an indefinite-lived intangible asset.

Goodwill is not amortized but rather is reviewed annually for impairment, at the reporting unit level, or when there is evidence that events or changes in circumstances indicate that the Company's carrying amount may not be recovered. When testing goodwill for impairment, the Company first performs an assessment of qualitative factors. If qualitative factors indicate that it is more likely than not that the fair value of the relevant reporting unit is less than its carrying amount, the Company tests goodwill for impairment at the reporting unit level using a two-step approach. In step one, the Company determines if the fair value of the reporting unit exceeds the unit's carrying value. If step one indicates that the fair value of the reporting unit is less than its carrying value, the Company performs step two, determining the fair value of goodwill and, if the carrying value of goodwill exceeds its implied fair value, an impairment charge is recorded. The Company has identified a single reporting unit for purposes of impairment testing due, in part, to the integrated nature of the Company's various distribution channels and the extent of shared costs across those channels.

Indefinite-lived intangible assets are not amortized but rather are tested for impairment annually and impairment is recognized if the carrying amount exceeds the fair value of the intangible asset. The Company evaluates its indefinite-lived intangible asset to determine whether current events and circumstances continue to support an indefinite useful life. Amortization of intangible assets with finite useful lives is computed on a straight-line basis over periods of 3 years to 10 years. The determination of the estimated period of benefit is dependent upon the use and underlying characteristics of the intangible asset. The Company evaluates the recoverability of its intangible assets subject to amortization when facts and circumstances indicate that the carrying value of the asset may not be recoverable. If the carrying value of an intangible asset is not recoverable, impairment loss is measured as the amount by which the carrying value exceeds its estimated fair value.

Debt issuance costs

Debt issuance costs and lender fees were incurred for arranging the credit facilities from various financial institutions. For credit facilities consisting of both term and revolving debt, such costs are allocated to each sub-facility based upon the total borrowing capacity. For term debt, issuance costs are presented within the related long-term debt liability on the consolidated balance sheet and lender fees are presented as a direct deduction from the carrying amount. Both debt issuance costs and lender fees are amortized over the term of the related debt using the effective interest rate method. For revolving debt, issuance costs and lender fees are presented as a noncurrent asset and amortized over the term of the related debt on a straight-line basis.

Fair value of financial instruments

The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable and accrued expenses approximate their fair values due to the short-term nature of these items. The carrying amounts of bank debt approximate their fair values as the stated interest rates approximate market rates currently available to the Company for loans with similar terms. See Note 7 Fair value of financial instruments to consolidated financial statements in Part IV, Item 15."Exhibits, financial statement schedules".

Segment reporting

Operating segments are components of an enterprise for which separate financial information is available that is evaluated by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Utilizing these criteria, the Company manages its business on the basis of one operating segment and one reportable segment. It is impracticable for the Company to provide revenue by product line.

During the years ended March 31, 2023, March 31, 2022 and March 31, 2021, net sales in the United States and International were as follows (in thousands):

	Year ended March 31,		
	2023	2022	2021
United States	$ 506,759	$ 347,484	$ 282,273
International	72,085	44,671	35,837
Total net sales	$ 578,844	$ 392,155	$ 318,110

As of March 31, 2023 and March 31, 2022, the Company had property and equipment in the United States and International as follows (in thousands):

	March 31, 2023	March 31, 2022
United States	$ 7,606	$ 10,363
International	268	214
Total property and equipment, net	$ 7,874	$ 10,577

Revenue recognition

Revenue is recognized when control of promised goods or services is transferred to a customer in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services.

For the Company's retail customer transactions, a contract exists when a written purchase order is received and control transfers at the time of shipment or the time of delivery, depending upon the specific terms of the customer arrangement. For the Company's direct-to-consumer transactions, a contract exists when an order is placed online and control transfers at the time of delivery of merchandise to the consumer. Nearly all of the Company's transactions with its customers and consumers include a single performance obligation delivered at a point in time.

The transaction price can include both fixed and variable consideration. In most cases, it is entirely comprised of variable consideration with the variability driven by expected sales discounts, markdown support and other incentives and allowances offered to customers. These incentives may be explicit or implied by the Company's historical business practices. Generally, these commitments represent cash consideration paid to a customer and do not constitute a promised good or service.

The amount of variable consideration is estimated at the time of sale based on either the expected amount or the most likely amount, depending on the nature of the variability. The Company regularly reviews and revises, when deemed necessary, its estimates of variable consideration, based on both customer-specific expectations as well as historical rates of realization. A provision for customer incentives and allowances is included on the consolidated balance sheet, net against accounts receivable.

Disaggregated revenue

The Company distributes product both through national and international retailers as well as direct-to-consumers through its e-commerce channels. The marketing and consumer engagement benefits that the direct channels provide are integral to the Company's brand and product development strategy and drive sales across channels. As such, the Company views its two primary distribution channels as components of one integrated business, as opposed to discrete revenue streams.

The Company sells a variety of beauty products but does not consider them to be meaningfully different revenue streams given similarities in the nature of the products, the target consumer and the innovation and distribution processes. See *Segment Reporting* section above for the table providing disaggregated revenue from contracts with customers by geographical market, as the nature, amount, timing and uncertainty of revenue and cash flows can differ between domestic and international customers.

Contract assets and liabilities

The Company extends credit to its retail customers based upon an evaluation of their credit quality. The majority of retail customers obtain payment terms of approximately 30 days and a contract asset is recognized for the related accounts receivable. Additionally, shipping terms can vary, giving rise to contract liabilities for contracts where payment has been received in advance of delivery. The contract liability balance can vary significantly depending on the timing of when an order is placed and when shipment or delivery occurs.

As of March 31, 2023, other than accounts receivable, the Company had no material contract assets, contract liabilities or deferred contract costs recorded on its consolidated balance sheet.

Practical expedients

The Company elected to record revenue net of taxes collected from customers and exclude the amounts from the transaction price. The Company includes in revenue any taxes assessed on the Company's total gross receipts for which it has the primary responsibility to pay the tax.

The Company elected not to disclose revenues related to remaining performance obligations for partially completed or unfulfilled contracts that are expected to be fulfilled within one year as such amounts were insignificant.

A reconciliation of the beginning and ending amounts of the reserve for sales adjustments for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 is as follows (in thousands):

Balance as of March 31, 2020	$	7,613
Charges		41,027
Deductions		(36,727)
Balance as of March 31, 2021		11,913
Charges		48,862
Deductions		(44,465)
Balance as of March 31, 2022		16,310
Charges		66,302
Deductions		(59,092)
Balance as of March 31, 2023	$	23,520

In the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the Company recorded $1.6 million, $0.7 million and $0.8 million, respectively, of reimbursed shipping expenses from customers within revenues. The shipping and handling costs associated with product distribution were $36.9 million, $28.0 million and $26.4 million, in the years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively, and are included in selling, general and administrative expenses in the consolidated statements of operations.

Income taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized.

Future income tax benefits are recognized to the extent that realization of such benefits is more likely than not. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in its income tax provision.

Leases

The Company has entered into operating lease agreements for office space, warehouse and equipment and software. Lease assets and liabilities are recognized at the present value of the minimum rental payments (excluding executory costs) and expected payment under any residual value guarantee at the lease commencement date. The Company uses its incremental borrowing rate to determine the present value of lease payments.

Non-lease components primarily include payments for maintenance and utilities. The Company accounts for the non-lease components in a contract (e.g., common area maintenance) as part of the lease component by electing practical expedient for all leases of commercial office and warehouse space, as the non-lease components are not a significant portion of the total consideration in those agreements. The Company's lease terms include periods under options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option.

Operating lease assets and liabilities are included on the Company's consolidated balance sheet. The current portion of the Company's operating lease liabilities is included in accrued expenses and other current liabilities and the long-term portion is included in long-term operating lease liabilities. Finance lease assets are included in other assets. Finance lease liabilities are included in long-term debt and finance lease obligations. Operating lease expense is recognized on a straight-line basis over the lease term.

Foreign currency

The functional currency of the Company’s foreign subsidiaries is the US dollar. Transactions denominated in currencies other than the functional currency are recorded at exchange rates in effect on the date of the transaction. At the end of each reporting period, monetary assets and liabilities are remeasured to the functional currency using exchange rates in effect at the balance sheet date. Non-monetary assets and liabilities are remeasured at historical exchange rates. Transaction gains or losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in other income (expense), net in the consolidated statements of operations.

Stock based compensation

The Company has several stock award plans, which are described in detail in Note 12. The Company accounts for stock based compensation under ASC 718, "Compensation-Stock Compensation." The Company recognizes expense over the requisite service period of the award, net of an estimate for the impact of award forfeitures.

Advertising costs

Advertising costs are expensed as incurred or distributed. Advertising costs are included in selling, general and administrative expenses in the accompanying consolidated statements of operations and amounted to approximately $96.7 million, $41.0 million and $30.3 million in the years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively.

Net income per share

Basic net income per share is computed using net income available to common stockholders divided by the weighted-average number of common shares outstanding during the period. Diluted net income per share reflects the dilutive effects of stock options and restricted stock outstanding during the period, to the extent such securities would not be anti-dilutive and is determined using the treasury stock method.

Recent accounting pronouncements

No new accounting pronouncements issued but not yet adopted are expected to have a material impact on the Company’s consolidated financial statements.

Note 3—Investment in equity securities

On April 14, 2017, the Company invested $2.9 million in a social media analytics company, which is included in investments on its consolidated balance sheets. The Company has elected the measurement alternative for equity investments that do not have readily determinable fair values. The Company did not record an impairment charge on its investment during the years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively, as any identified events or changes in circumstances did not result in an indicator for impairment. Further, there were no observable price changes in orderly

transactions for the identical or a similar investment of the same issuer during the years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively.

Note 4—Goodwill and other intangible assets

Information regarding the Company's goodwill and intangible assets as of March 31, 2023 is as follows (in thousands):

	Estimated useful life	Gross carrying amount	Accumulated amortization	Net carrying amount
Customer relationships – retailers	10 years	$ 77,600	$ (65,780)	$ 11,820
Customer relationships – e-commerce	3 years	3,940	(3,940)	—
Trademarks	10 years	3,500	(1,079)	2,421
Total finite-lived intangibles		85,040	(70,799)	14,241
Trademarks	Indefinite	63,800	—	63,800
Goodwill		171,620	—	171,620
Total goodwill and other intangibles		$ 320,460	$ (70,799)	$ 249,661

Information regarding the Company's goodwill and intangible assets as of March 31, 2022 is as follows (in thousands):

	Estimated useful life	Gross carrying amount	Accumulated amortization	Net carrying amount
Customer relationships – retailers	10 years	$ 77,600	$ (58,020)	$ 19,580
Customer relationships – e-commerce	3 years	3,940	(3,928)	12
Trademarks	10 years	3,500	(729)	2,771
Total finite-lived intangibles		85,040	(62,677)	22,363
Trademarks	Indefinite	63,800	—	63,800
Goodwill		171,620	—	171,620
Total goodwill and other intangibles		$ 320,460	$ (62,677)	$ 257,783

The Company has not recognized any impairment charges on its goodwill or intangible assets. Amortization expense on the finite-lived intangible assets was $8.1 million for each of the years ended March 31, 2023, March 31, 2022 and March 31, 2021.

The estimated future amortization expense related to the finite-lived intangible assets, assuming no impairment as of March 31, 2023, is as follows (in thousands):

The year ended March 31,	
2024	$ 6,963
2025	1,230
2026	1,230
2027	1,230
2028	1,230
Thereafter	2,358
Total	$ 14,241

Note 5—Property and equipment

Property and equipment as of March 31, 2023 and March 31, 2022 consists of the following (in thousands):

	March 31, 2023	March 31, 2022
Machinery, equipment and software	$ 15,148	$ 15,757
Leasehold improvements	4,677	4,670
Furniture and fixtures	1,263	1,032
Store fixtures	10,782	13,619
Property and equipment, gross	31,870	35,078
Less: Accumulated depreciation and amortization	(23,996)	(24,501)
Property and equipment, net	$ 7,874	$ 10,577

Depreciation and amortization expense on property and equipment was $4.3 million, $7.9 million and $6.7 million during the years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively.

Note 6—Accrued expenses and other current liabilities

Accrued expenses and other current liabilities as of March 31, 2023 and March 31, 2022 consists of the following (in thousands):

	March 31, 2023	March 31, 2022
Accrued expenses	$ 47,817	$ 19,938
Current portion of operating lease liabilities	4,510	4,391
Accrued compensation	13,098	11,532
Taxes payable	2,851	2,128
Other current liabilities	2,698	2,015
Accrued expenses and other current liabilities	$ 70,974	$ 40,004

Note 7—Fair value of financial instruments

The fair value of financial instruments are categorized based upon the level of judgment associated with the inputs used to measure their fair values. Fair value is measured using inputs from the three levels of the fair value hierarchy, which are described as follows:

Level 1—Quoted prices in active markets for identical assets or liabilities

Level 2—Quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3—Inputs that are unobservable (for example, cash flow modeling inputs based on management's assumptions)

The assets' or liabilities' fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following table sets forth the fair value of the Company's financial liabilities by level within the fair value hierarchy as of March 31, 2023 (in thousands):

		Fair value measurements using		
	Fair value	Level 1	Level 2	Level 3
Financial liabilities:				
Long-term debt, including current portion [1]	$ 66,883	$ —	$ 66,883	$ —
Total financial liabilities	$ 66,883	$ —	$ 66,883	$ —

[1] Of this amount, $5,575 is classified as current. The gross carrying amounts of the Company's bank debt, before reduction of the debt issuance costs, approximate their fair values as the stated rates approximate market rates for loans with similar terms.

The following table sets forth the fair value of the Company's financial liabilities by level within the fair value hierarchy as of March 31, 2022 (in thousands):

		Fair value measurements using		
	Fair value	Level 1	Level 2	Level 3
Financial liabilities:				
Long-term debt, including current portion [1]	$ 97,669	$ —	$ 97,669	$ —
Total financial liabilities	$ 97,669	$ —	$ 97,669	$ —

[1] Of this amount, $5,786 is classified as current. The gross carrying amounts of the Company's bank debt, before reduction of the debt issuance costs, approximate their fair values as the stated rates approximate market rates for loans with similar terms.

The Company did not transfer any assets measured at fair value on a recurring basis to or from Level 1 or Level 2 for any of the periods presented.

Note 8—Debt

The Company's outstanding debt as of March 31, 2023 and March 31, 2022 consists of the following (in thousands):

	March 31, 2023	March 31, 2022
Debt:		
Term loan	$ 66,250	$ 96,250
Finance lease obligations	633	1,419
Total debt	66,883	97,669
Less: debt issuance costs	(427)	(803)
Total debt, net of issuance costs	66,456	96,866
Less: current portion	(5,575)	(5,786)
Long-term portion of debt	$ 60,881	$ 91,080

Amended credit agreement

On April 30, 2021, the Company amended and restated its prior credit agreement (as further amended, supplemented or modified from time to time, the "Amended Credit Agreement") and refinanced all loans under the prior credit agreement. The Amended Credit Agreement has a five year term and consists of (i) a $100 million revolving credit facility (the "Amended Revolving Credit Facility") and (ii) a $100 million term loan facility (the "Amended Term Loan Facility").

All amounts under the Amended Revolving Credit Facility are available for draw until the maturity date on April 30, 2026. The Amended Revolving Credit Facility is collateralized by substantially all of our assets and requires payment of an unused fee ranging from 0.10% to 0.30% (based on our consolidated total net leverage ratio (as defined in the Amended Credit Agreement)) times the average daily amount of unutilized commitments under the Amended Revolving Credit Facility. The Amended Revolving Credit Facility also provides for sub-facilities in the form of a $7 million letter of credit and a $5 million swing line loan; however, all amounts drawn under the Amended Revolving Credit Facility cannot exceed $100 million. The unused balance of the Amended Revolving Credit Facility as of March 31, 2023 was $100.0 million.

Prior to the First Amendment (as defined below), both the Amended Revolving Credit Facility and the Amended Term Loan Facility bore interest, at the borrowers' option, at either (i) a rate per annum equal to an adjusted LIBOR rate determined by reference to the cost of funds for the United States US dollar deposits for the applicable interest period (subject to a minimum floor of 0%) plus an applicable margin ranging from 1.25% to 2.125% based on our consolidated total net leverage ratio (the "Applicable Margin") or (ii) a floating base rate plus an applicable margin ranging from 0.25% to 1.125% based on our consolidated total net leverage ratio. The all-in interest rate as of March 31, 2023 for the Amended Term Loan Facility was approximately 6.2%. On March 29, 2023, the Company amended the Amended Credit Agreement to transition the benchmark from LIBOR to an adjusted Secured Overnight Financing Rate ("SOFR") (which is equal to the applicable SOFR plus 0.10%) (such transaction, the "First Amendment"). In connection with the First Amendment, all outstanding LIBOR loans were converted to SOFR loans. The annual interest rate for SOFR borrowings will be equal to term SOFR, subject to a floor of 0%, plus a margin ranging from 1.25% to 2.125%.

The Amended Credit Agreement contains a number of covenants that, among other things, restrict our ability to (subject to certain exceptions) pay dividends and distributions or repurchase our capital stock, incur additional indebtedness, create liens on assets, engage in mergers or consolidations and sell or otherwise dispose of assets. The Amended Credit Agreement also includes reporting, financial and maintenance covenants that require us to, among other things, comply with certain consolidated total net leverage ratios and consolidated fixed charge coverage ratios.

In accordance with ASC 470, Debt, the amendment to the Company's prior credit agreement was accounted for as both a debt modification and partial debt extinguishment, which resulted in the recognition of a loss on extinguishment of debt of $0.5 million for the year ended March 31, 2022. The Company incurred and capitalized $1.1 million of new debt issuance costs related to the amendment.

In the year ended March 31, 2023, the Company recognized a loss on extinguishment of debt of $176 thousand, primarily related to the partial prepayment of term loan borrowings in the amount of $25.0 million.

Aggregate future minimum principal payments are as follows (in thousands):

The year ended March 31,	Term Loan
2024	$ 5,000
2025	5,000
2026	5,000
2027	51,250
Total	$ 66,250

Interest expense

The components of interest expense, net are as follows (in thousands):

	Year ended March 31,		
	2023	2022	2021
Interest on term loan debt	$ 3,450	$ 1,708	$ 2,912
Amortization of debt issuance costs	346	331	847
Interest on revolving line of credit	163	342	199
Interest on finance leases	31	63	137
Interest income	(1,972)	(3)	(5)
Interest expense, net	$ 2,018	$ 2,441	$ 4,090

Note 9—Commitments and contingencies

Legal Contingencies

From time to time, the Company is involved in legal proceedings, claims, and litigation arising in the ordinary course of business. The Company is not currently a party to any matters that management expects will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

Note 10—Income taxes

The components of income (loss) before the provision for income taxes are as follows (in thousands):

	Year ended March 31,		
	2023	2022	2021
Domestic	$ 64,850	$ 26,286	$ 3,715
Foreign	(776)	(855)	(25)
Total	$ 64,074	$ 25,431	$ 3,690

The components of the benefit (provision) for income taxes are as follows (in thousands):

	Year ended March 31,		
	2023	2022	2021
Current:			
US federal	$ (7,065)	$ (5,637)	$ (4,772)
State	(1,854)	(1,715)	(1,186)
Foreign	(26)	(10)	(84)
Total current	(8,945)	(7,362)	(6,042)
Deferred:			
US federal	5,035	3,146	7,159
State	816	738	1,293
Foreign	550	(183)	132
Total deferred	6,401	3,701	8,584
Total (provision) benefit for income taxes	$ (2,544)	$ (3,661)	$ 2,542

The following table presents a reconciliation of the federal statutory rate to the Company's effective tax rate:

	Year ended March 31,		
	2023	2022	2021
Federal statutory rate	21.0 %	21.0 %	21.0 %
State tax, net of federal benefit	1.0 %	2.6 %	(10.6)%
State tax deferred rate change, net of federal benefit	— %	(0.1)%	(1.6)%
Nondeductible business expenses	0.6 %	0.4 %	2.1 %
Nondeductible employee compensation	2.5 %	1.1 %	9.1 %
Provision-to-return adjustment	(0.1)%	(0.3)%	1.5 %
Uncertain tax positions	— %	0.1 %	1.0 %
Stock based compensation	(20.3)%	(12.0)%	(90.7)%
Change in valuation allowance	(0.6)%	1.5 %	— %
Others	(0.1)%	0.1 %	(0.7)%
Effective tax rate	4.0 %	14.4 %	(68.9)%

The components of net deferred taxes arising from temporary differences are as follows (in thousands):

	March 31, 2023	March 31, 2022
Deferred tax assets:		
Compensation	$ 354	$ 489
Inventory and receivables	9,976	7,939
Accrued expenses	2,734	2,225
Stock compensation	8,247	7,567
Net operating losses	571	426
Right of use liability	3,782	4,763
Capitalized research and development	858	—
Other	774	874
Gross deferred tax assets	27,296	24,283
Valuation allowance	—	(370)
Net deferred tax assets	27,296	23,913
Deferred tax liabilities:		
Goodwill	5,180	3,084
Fixed assets and internally developed software	2,451	2,894
Intangible assets	19,107	22,740
Right of use asset	3,359	4,294
Other	378	494
Deferred tax liabilities	30,475	33,506
Net deferred tax liabilities	$ 3,179	$ 9,593

The deferred tax assets and liabilities are reported in the accompanying balance sheets as follows (in thousands):

	March 31, 2023	March 31, 2022
Deferred tax assets	$ 563	$ —
Deferred tax liabilities	3,742	9,593
Net deferred tax liabilities	$ 3,179	$ 9,593

The valuation allowance was zero and $0.4 million as of March 31, 2023 and March 31, 2022, respectively, primarily relating to foreign net operating loss carryforwards for which we do not believe a tax benefit is more likely than not to be realized.

As of March 31, 2023, the Company had gross federal, state and foreign net operating loss carryforwards of zero, $0.8 million and $2.1 million, respectively. The federal and state net operating loss carryforwards can either be carried forward 20 years or indefinitely. The federal and state net operating loss carryforwards will begin to expire in 2038. The foreign net operating loss carryforwards have a carryforward period of 5 years and will begin to expire in 2026.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

	Year ended March 31,		
	2023	2022	2021
Balance at beginning of year	$ 466	$ 458	$ 477
Increases for prior year tax positions	—	—	6
Increases for current year tax positions	92	75	65
Decreases for prior year tax positions	(10)	(6)	—
Decreases due to settlements	—	(61)	(27)
Decreases due to statutes lapsing	(106)	—	(63)
Balance at end of year	$ 442	$ 466	$ 458

If all of the Company's unrecognized tax benefits as of March 31, 2023, March 31, 2022 and March 31, 2021 were recognized, $0.4 million, $0.5 million and $0.5 million, respectively, of unrecognized tax benefits, would impact the effective tax rate. The Company believes it is reasonably possible that $0.1 million of unrecognized tax benefits may reverse in the next twelve months.

The Company recognizes interest and penalties accrued related to unrecognized tax benefits in the provision for income taxes. The Company had $0.2 million and $0.2 million of accrued gross interest and penalties as of March 31, 2023 and March 31, 2022, respectively. The Company recognized net interest and penalties expense of $34 thousand, $27 thousand and $29 thousand for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively.

The Company files income tax returns in the US federal jurisdiction and various state and foreign jurisdictions. As of March 31, 2023, with few exceptions, the Company or its subsidiaries are no longer subject to examination prior to tax year ended March 31, 2019.

Note 11—Preferred stock

The Company has authorized 30,000,000 shares of preferred stock for issuance with a par value of $0.01 per share. There were no shares of preferred stock outstanding as of March 31, 2023 or March 31, 2022.

Note 12—Stock based compensation

Stock plans

The Company grants stock based awards under its 2016 Equity Incentive Award Plan (as amended) (the "2016 Plan"), which replaced its 2014 Equity Incentive Plan (the "2014 Plan") and became effective immediately prior to the effectiveness of the Company's registration statement on Form S-1 in September 2016. No grants have been made under the 2014 Plan since the Company's initial public offering and no further awards will be granted thereunder. Any awards outstanding under the 2014 Plan that are forfeited or lapse unexercised will be added to the shares reserved and available for grant under the 2016 Plan. The 2016 Plan permits the grant of incentive stock options, non-statutory stock options, restricted stock and other stock- or cash-based awards to employees, officers, directors, advisors and consultants. The 2016 Plan allows for option grants of the Company's common stock based on service, performance and market conditions.

In the year ended March 31, 2023, no stock options were issued. As of March 31, 2023, a total of 16,589,312 shares have been authorized for issuance under the 2016 Plan, and 7,969,487 remain available for grant. As of March 31, 2023, there were 368,915 options and awards outstanding under the 2014 Plan that, if forfeited, would increase the number of shares authorized for grant under the 2016 Plan.

Service-based vesting stock options

The following table summarizes the activity for options that vest solely based upon the satisfaction of a service condition as follows:

	Options outstanding	Weighted-average exercise price	Weighted-average remaining contractual life (in years)	Aggregate intrinsic values (in thousands) [1]
Balance as of March 31, 2020	1,999,553	13.17		
Exercised	(337,376)	4.36		
Canceled or forfeited	(21,196)	23.24		
Balance as of March 31, 2021	1,640,981	14.86	6.1	$ 19,650
Exercised	(93,282)	11.19		
Canceled or forfeited	(4,200)	26.63		
Balance as of March 31, 2022	1,543,499	$ 15.05	5.1	$ 16,686
Exercised	(519,009)	12.82		
Balance as of March 31, 2023	1,024,490	$ 16.17	4.1	$ 67,796
Exercisable, March 31, 2023	952,850	$ 16.30	4.0	$ 62,939

(1) The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the Company's closing stock price of $82.35, as reported on the New York Stock Exchange on March 31, 2023.

Additional information relating to service-based options is as follows (in thousands, except per share data):

	Year ended March 31,		
	2023	2022	2021
Stock based compensation expense	$ 344	$ 924	$ 1,671
Intrinsic value of options exercised	18,015	1,695	5,620

As of March 31, 2023, there was $0.3 million of total unrecognized compensation cost related to service-based stock options, which is expected to be recognized over the remaining weighted-average vesting period of 1.4 years.

No service-based stock options were granted during the years ended March 31, 2023, March 31, 2022 and March 31, 2021.

The determination of the fair value of stock options on the date of grant using a Black-Scholes option-pricing model is affected by the fair value of the underlying common stock, as well as assumptions regarding a number of variables that are complex, subjective and generally require significant judgment. The assumptions used in the Black-Scholes option-pricing model to calculate the fair value of stock options were:

Fair value of common stock

The fair value of shares of common stock underlying stock options is based on the closing stock price as quoted on the New York Stock Exchange on the date of grant.

Expected term

The expected term of the options represents the period of time that the options are expected to be outstanding. Options granted have a maximum contractual life of 10 years. Prior to the Company’s initial public offering of its common stock in September 2016, the Company estimated the expected term of the option based on the estimated timing of potential liquidity events. For grants upon or after the initial public offering, the Company estimated the expected term based upon the simplified method described in Staff Accounting Bulletin No. 107, as the Company did not have sufficient historical exercise data to provide a reasonable basis upon which to estimate expected term due to the limited period of time its equity shares had been publicly traded.

Expected volatility

As the Company did not have sufficient trading history for its common stock, the expected stock price volatility for the common stock was estimated by taking the average historic price volatility for industry peers based on daily price observations over a period equivalent to the expected term of the stock option grants. Industry peers consist of several public companies within the same industry, which are of similar size, complexity and stage of development. The Company intends to continue to consistently apply this process using the same or similar public companies until a sufficient amount of historical information regarding the volatility of its own share price becomes available, or unless circumstances change such that the identified companies are no longer similar to the Company, in which case, more suitable companies whose share prices are publicly available would be used in the calculation.

Risk-free interest rate

The risk-free interest rate was based on the US Treasury rate, with maturities similar to the expected term of the options.

Expected dividend yield

The Company does not anticipate paying any dividends in the foreseeable future. As such, the Company uses an expected dividend yield of zero.

Performance-based and market-based vesting stock options

The following table summarizes the activity for options that vest based upon the satisfaction of performance or market conditions as follows:

	Options outstanding	Weighted-average exercise price	Weighted-average remaining contractual life (in years)	Aggregate intrinsic values (in thousands) [1]
Balance as of March 31, 2020	1,252,932	7.97		
Exercised	(144,340)	1.89		
Balance as of March 31, 2021	1,108,592	8.72	4.0	$ 20,077
Exercised	(104,265)	2.24		
Balance as of March 31, 2022	1,004,327	9.40	3.0	$ 16,809
Exercised	(460,787)	2.73		
Canceled or forfeited	(25,800)	26.84		
Balance as of March 31, 2023	517,740	14.46	2.4	$ 35,151
Exercisable, March 31, 2023	517,740	14.46	2.4	$ 35,151

[1] The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the Company's closing stock price of $82.35, as reported on the New York Stock Exchange on March 31, 2023.

As of March 31, 2023, there was no further unrecognized compensation cost related to performance-based and market-based vesting stock options.

Additional information relating to options that vest based upon the satisfaction of performance or market conditions is as follows (in thousands):

	Year ended March 31,		
	2023	2022	2021
Intrinsic value of options exercised	23,860	2,921	$ 3,117

Restricted stock

The following table summarizes the activities for restricted stock awards ("RSAs") and restricted stock units ("RSUs") as follows:

	Shares of restricted stock outstanding	Weighted-average grant date fair value
Balance as of March 31, 2020	2,311,768	12.86
Granted	1,206,870	17.45
Vested	(1,044,052)	13.97
Canceled or forfeited	(184,971)	14.19
Balance as of March 31, 2021	2,289,615	14.67
Granted	1,103,890	27.62
Vested	(926,250)	14.50
Canceled or forfeited	(191,513)	16.67
Balance as of March 31, 2022	2,275,742	20.85
Granted	1,180,167	28.59
Vested	(1,066,516)	18.88
Canceled or forfeited	(260,620)	22.24
Balance as of March 31, 2023	2,128,773	25.94

As of March 31, 2023, there were 198,905 unvested shares subject to RSAs outstanding. Additional information relating to RSAs and RSUs is as follows (in thousands):

	Year ended March 31,		
	2023	2022	2021
Stock based compensation expense	$ 28,773	$ 18,722	$ 18,012
Intrinsic value of restricted stock released	$ 47,713	$ 25,621	$ 24,328

As of March 31, 2023, there was $46.5 million of total unrecognized compensation cost related to unvested RSAs and RSUs, which is expected to be recognized over the remaining weighted-average vesting period of 2.2 years. Stock based compensation expense related to restricted stock for the year ended March 31, 2023 of $0.1 million and $28.7 million were reported in cost of sales and selling, general and administrative expense in the Company's consolidated statements of operations and comprehensive income, respectively.

Stock based compensation expense related to restricted stock for the year ended March 31, 2022 of $0.3 million and $18.4 million were reported in cost of sales and selling, general and administrative expense in the Company's consolidated statements of operations and comprehensive income, respectively.

Stock based compensation expense related to restricted stock for the year ended March 31, 2021 of $0.2 million and $17.8 million were reported in cost of sales and selling, general and administrative expense in the Company's consolidated statements of operations and comprehensive income, respectively.

Note 13—Repurchase of common stock

On May 8, 2019, the Company announced that its board of directors authorized a share repurchase program to acquire up to $25.0 million of the Company's common stock (the "Share Repurchase Program"). Purchases under the Share Repurchase Program may be made from time to time through a variety of methods, which may include open market purchases, privately negotiated transactions, block trades, accelerated share repurchase transactions, or by any combination of such methods. The timing and amount of any repurchases pursuant to the Share Repurchase Program will be determined based on market conditions, share price and other factors. The Share Repurchase Program does not require the Company to repurchase any specific number of shares of its common stock, and may be modified, suspended or terminated at any time without notice.

There is no guarantee that any additional shares will be purchased under the Share Repurchase Program and such shares are intended to be retired after purchase.

On April 30, 2021, the Company amended and restated its prior credit agreement. Subject to certain exceptions, the covenants in the Amended Credit Agreement require the Company to be in compliance with certain leverage ratios to make repurchases under the Share Repurchase Program.

The Company did not repurchase any shares during the three and twelve months ended March 31, 2023. A total of $17.1 million remains available for purchase under the Share Repurchase Program as of March 31, 2023.

Note 14—Employee benefit plan

The Company maintains a defined contribution 401(k) profit-sharing plan (the "401(k) Plan") for eligible employees. Participants may make voluntary contributions up to the maximum amount allowable by law. The Company may make contributions to the 401(k) Plan on a discretionary basis which vest to the participants 100%. The Company made matching contributions of $0.5 million, $0.4 million and $0.3 million to the 401(k) Plan during the years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively.

Note 15—Net income per share

The following is a reconciliation of the numerator and denominator in the basic and diluted net income per common share computations (in thousands, except share and per share data):

	Year ended March 31,		
	2023	2022	2021
Numerator:			
Net income	$ 61,530	$ 21,770	$ 6,232
Denominator:			
Weighted average common shares outstanding — basic	52,474,811	50,940,808	49,377,410
Dilutive common equivalent shares from equity awards	2,862,743	2,713,495	2,616,735
Weighted average common shares outstanding —diluted	55,337,554	53,654,303	51,994,145
Net income per share:			
Basic	$ 1.17	$ 0.43	$ 0.13
Diluted	$ 1.11	$ 0.41	$ 0.12
Weighted average anti-dilutive shares from outstanding equity awards excluded from diluted earnings per share	194,289	20,314	1,038,810

Note 16—Leases

The Company leases warehouses, distribution centers, office space and equipment. The majority of the Company's leases include one or more options to renew, with renewal terms that can extend the lease term for up to five years. The exercise of lease renewal options is at the Company's sole discretion and such renewal options are included in the lease term if they are reasonably certain to be exercised. Certain leases also include options to purchase the leased asset. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Most of the Company’s equipment leases are finance leases of assets used to operate its distribution centers in Ontario, California and Columbus, Ohio.

Significant judgment is required to determine whether commercial contracts contain a lease for purposes of ASC 842. The discount rate used in measuring lease liabilities is generally based on the interest rate on the Company’s revolving line of credit, assuming sufficient unused capacity exists at the time the lease liability is measured.

A reconciliation of the balance sheet line items that were impacted or created as a result of the Company's adoption of ASC 842 as of March 31, 2023 and March 31, 2022 is as follows (in thousands):

	Classification	March 31, 2023	March 31, 2022
Assets			
Operating lease assets	Other assets	$ 14,071	$ 18,218
Finance lease assets [(a)]	Other assets	245	664
Total leased assets		$ 14,316	$ 18,882
Liabilities			
Current			
Operating	Accrued expenses and other current liabilities	$ 4,510	$ 4,391
Finance	Current portion of long-term debt and finance lease obligations	575	786
Noncurrent			
Operating	Long-term operating lease obligations	11,201	15,744
Finance	Long-term debt and finance lease obligations	58	633
Total lease liabilities		$ 16,344	$ 21,554

[(a)] Finance leases are recorded net of accumulated amortization of $3.4 million and $3.0 million as of March 31, 2023 and March 31, 2022, respectively.

For the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the components of operating and finance lease costs were as follows (in thousands):

		Year ended March 31,		
	Classification	2023	2022	2021
Operating lease cost	Selling, general and administrative ("SG&A") expenses	$ 4,638	$ 4,686	$ 4,756
Finance lease cost				
Amortization of leased assets	SG&A expenses	420	436	970
Interest on lease liabilities	Interest expense, net	31	63	137
Total lease cost		$ 5,089	$ 5,185	$ 5,863

As of March 31, 2023, the aggregate future minimum lease payments under non-cancellable leases presented in accordance with ASC 842 are as follows (in thousands):

	Operating leases	Finance leases	Total
2024	$ 4,851	$ 582	$ 5,433
2025	4,071	58	4,129
2026	3,097	—	3,097
2027	1,441	—	1,441
2028	846	—	846
Thereafter	2,374	—	2,374
Total lease payments	16,680	640	17,320
Less: Interest	969	7	976
Present value of lease liabilities	$ 15,711	$ 633	$ 16,344

As of March 31, 2023 and March 31, 2022, the weighted average remaining lease term (in years) and discount rate were as follows:

	March 31, 2023	March 31, 2022
Weighted-average remaining lease term		
Operating leases	4.6 years	5.2 years
Finance leases	0.9 years	1.9 years
Weighted-average discount rate		
Operating leases	2.6 %	2.7 %
Finance leases	2.6 %	3.0 %

Operating cash outflows from operating leases for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 were $4.9 million, $5.1 million and $3.8 million, respectively.

Note 17—Quarterly financial summary (unaudited)

Unaudited quarterly results for the last three years were as follows (in thousands, except per share data):

2023	Q1	Q2	Q3	Q4
Net sales	$ 122,601	$ 122,349	$ 146,537	$ 187,357
Gross profit	82,985	79,560	98,725	129,126
Net income	14,469	11,710	19,105	16,246
Net income per share:				
Basic	0.28	0.22	0.36	$ 0.31
Diluted	$ 0.27	$ 0.21	$ 0.34	$ 0.29

2022	Q1	Q2	Q3	Q4
Net sales	$ 97,047	$ 91,855	$ 98,118	105,135
Gross profit	61,906	57,985	64,341	67,500
Net income	8,276	5,724	6,214	1,556
Net income per share:				
Basic	0.16	0.11	0.12	$ 0.03
Diluted	$ 0.15	$ 0.11	$ 0.12	$ 0.03

2021	Q1	Q2	Q3	Q4
Net sales	$ 64,527	$ 72,350	$ 88,562	$ 92,671
Gross profit	43,341	47,138	57,119	58,600
Net income (loss)	1,512	447	4,297	(24)
Net income per share:				
Basic	0.03	0.01	0.09	0.00
Diluted	$ 0.03	$ 0.01	$ 0.08	$ 0.00

Execution Version

FIRST AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT

THIS FIRST AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment") is entered into as of March 29, 2023 (the "First Amendment Effective Date") by and among e.l.f. Cosmetics, Inc., a Delaware corporation ("e.l.f. Cosmetics"), J.A. RF, LLC, a Delaware limited liability company ("J.A. RF"), W3LL People, Inc., a Delaware corporation ("W3LL"; collectively with e.l.f. Cosmetics and J.A. RF, the "Borrowers"), e.l.f. Beauty, Inc., a Delaware corporation ("Holdings"), the other Persons party hereto that are designated as a "Loan Party" on the signature pages hereof, Bank of Montreal, a Canadian chartered bank acting through its Chicago branch (in its individual capacity, "BMO"), as Administrative Agent, an L/C Issuer and a Lender, and the other Lenders signatory hereto.

W I T N E S S E T H:

WHEREAS, Borrowers, Holdings, the other Loan Parties party thereto, BMO, as Administrative Agent, an L/C Issuer and a Lender, and the other Lenders from time to time party thereto are parties to that certain Amended and Restated Credit Agreement dated as of April 30, 2021 (as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof, the "Existing Credit Agreement"); and

WHEREAS, the Loan Parties have requested that the Lenders amend certain provisions of the Existing Credit Agreement, and, subject to the satisfaction of the conditions set forth herein, the Administrative Agent and the Lenders signatory hereto are willing to do so, on the terms set forth herein;

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties hereto agree as follows:

1. Defined Terms. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Credit Agreement (as defined below).

2. Amendments to Existing Credit Agreement. Upon satisfaction of the conditions set forth in Section 3 hereof, the Existing Credit Agreement is hereby amended as follows:

a. The Existing Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the bold, double-underlined text (indicated textually in the same manner as the following example: **double-underlined text**) as set forth in the pages of the Credit Agreement attached hereto as Exhibit A (the "Credit Agreement").

b. Exhibit A to the Existing Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the bold, double-underlined text (indicated textually in the same manner as the following example: **double-underlined text**) as set forth in the pages of the amended Exhibit A attached hereto as Exhibit B.

c. As of the First Amendment Effective Date, all outstanding Eurodollar Rate Loans (as defined in the Existing Credit Agreement) with an Interest Period ending on or prior to March 31, 2023 (the "Existing Eurodollar Rate Loans") shall continue to bear interest at the Eurodollar Rate (as defined in the Existing Credit Agreement) plus the Applicable Margin for the applicable Interest Period in effect immediately prior to giving effect to this Amendment on such Existing

Eurodollar Rate Loans (each applicable Interest Period for such Existing Eurodollar Rate Loans, an "Existing Interest Period") until such time as the Existing Interest Periods have expired and immediately after the Existing Interest Periods have expired, the Existing Eurodollar Rate Loans will no longer accrue interest based on the Eurodollar Rate and shall accrue interest based on Adjusted Term SOFR and/or the Base Rate, as applicable, in accordance with the terms and conditions of the Credit Agreement. Notwithstanding the immediately preceding sentence, the terms of the Existing Credit Agreement in respect of the calculation, payment and administration of the Existing Eurodollar Rate Loans shall remain in effect from and after the First Amendment Effective Date until the termination of all Existing Interest Periods, solely for purposes of making, and the administration of, fee and interest payments on the Existing Eurodollar Rate Loans. As of the First Amendment Effective Date, all outstanding Eurodollar Rate Loans (as defined in the Existing Credit Agreement) with an Interest Period ending after March 31, 2023 are hereby converted to SOFR Loans with an Interest Period of 3 months ending June 30, 2023 (the "SOFR Conversion"). Notwithstanding anything to the contrary set forth in the Existing Credit Agreement, no amounts shall be owed by the Borrowers in respect of any Eurodollar breakage costs associated with the SOFR Conversion.

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

a. the execution and delivery of this Amendment by the Administrative Agent, the Lenders, the Borrowers and each other Loan Party; and

b. the truth and accuracy, in all material respects (or in all respects for such representations and warranties that are by their terms already qualified as to materiality), of the representations and warranties contained in Section 4 hereof.

4. Representations and Warranties. Each Loan Party hereby represents and warrants to the Administrative Agent and each Lender as follows:

a. after giving effect to this Amendment, such Loan Party is duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization;

b. such Loan Party has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to execute, deliver and perform its obligations under this Amendment and the Credit Agreement, as amended hereby;

c. the execution, delivery and performance by such Loan Party of this Amendment and the Credit Agreement, as amended hereby, have, in each case, been duly authorized by all necessary organizational action and (A) do not and will not (i) contravene the terms of its Organization Documents, (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under (other than as permitted by Section 7.02 of the Credit Agreement) (x) any Contractual Obligation to which such Person is a party or (y) any order, injunction, writ or decree of any Governmental Authority, (iii) violate any Law material to any Loan Party or Subsidiary in any material respect, except with respect to any conflict, breach, or contravention referred to in clause (A)(ii), to the extent that such conflict, breach or contravention would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or (B) do not or will not require any approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person, except for (i) filings necessary to perfect Liens on the Collateral granted by the Loan Parties in favor of the Administrative Agent for the benefit of the Lender Parties, (ii) the approvals, consents, exemptions, authorizations, actions, notices, and filings which have been duly obtained, taken, given or made and are in full force and effect or (iii) if the failure to obtain the same, take such

action or give such notice could reasonably be expected to result in a Material Adverse Effect; and

d. this Amendment and the Credit Agreement, as amended hereby, constitutes the legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar Laws relating to or affecting the rights and remedies of creditors or by general equitable principles.

5. No Modification. Except as expressly set forth herein, nothing contained herein shall be deemed to constitute a waiver of compliance with any term or condition contained in the Credit Agreement or any of the other Loan Documents or constitute a course of conduct or dealing among the parties. Except as expressly stated herein, the Administrative Agent and Lenders reserve all rights, privileges and remedies under the Loan Documents. Except as amended or consented to hereby, the Credit Agreement and other Loan Documents remain unmodified and in full force and effect. All references in the Loan Documents to the Credit Agreement shall be deemed to be references to the Credit Agreement as amended and waived hereby. This Amendment is a Loan Document for purposes of the Credit Agreement.

6. Counterparts. This Amendment may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute a single contract. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or other electronic means (including .pdf or .tiff files) shall be effective as delivery of a manually executed counterpart of this Amendment.

7. Successors and Assigns. The provisions of this Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided that none of the Loan Parties may assign or transfer any of its rights or obligations under this Amendment except as permitted by the Credit Agreement.

8. Governing Law and Jurisdiction. SECTION 10.14 (*GOVERNING LAW; JURISDICTION; ETC.*) IS INCORPORATED HEREIN BY REFERENCE, *MUTATIS MUTANDIS.*

9. Severability. The illegality or unenforceability of any provision of this Amendment or any instrument or agreement required hereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Amendment or any instrument or agreement required hereunder. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10. Reaffirmation. Each of the Loan Parties as debtor, grantor, pledgor, guarantor, assignor, or in other any other similar capacity in which such Loan Party grants liens or security interests in its property or otherwise acts as accommodation party or guarantor, as the case may be, hereby (i) ratifies and reaffirms all of its payment and performance obligations, contingent or otherwise, under each of the Loan Documents to which it is a party (after giving effect hereto) and (ii) to the extent such Loan Party granted liens on or security interests in any of its property pursuant to any such Loan Document as security for or otherwise guaranteed the Borrower's Obligations under or with respect to the Loan Documents, ratifies and reaffirms such guarantee and grant of security interests and liens and confirms and agrees that such security interests and liens hereafter secure all of the Obligations as amended hereby. Each of the Loan Parties hereby

consents to this Amendment and acknowledges that each of the Loan Documents remains in full force and effect and is hereby ratified and reaffirmed. The execution of this Amendment shall not operate as a waiver of any right, power or remedy of the Administrative Agent or Lenders, constitute a waiver of any provision of any of the Loan Documents or serve to effect a novation of the Obligations.

11. Fees and Expenses. To the extent required by Section 10.04 of the Credit Agreement, Borrowers agree to reimburse the Administrative Agent for all reasonable and documented out-of-pocket costs, fees and expenses due and payable to Administrative Agent pursuant to this Amendment and the Credit Agreement.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

IN WITNESS WHEREOF, each of the undersigned has executed this Amendment as of the date set forth above.

BORROWERS:

E.L.F. COSMETICS, INC.
a Delaware corporation

J.A. RF, LLC
a Delaware limited liability company

W3LL PEOPLE, INC.
a Delaware corporation

By: /s/ Tarang P. Amin
Name: Tarang P. Amin
Title: Chief Executive Officer

IN WITNESS WHEREOF, each of the undersigned has executed this Amendment as of the date set forth above.

OTHER LOAN PARTIES:

E.L.F. BEAUTY, INC.,
a Delaware corporation

By: /s/ Tarang P. Amin
Name: Tarang P. Amin
Title: Chief Executive Officer

IN WITNESS WHEREOF, the each of the undersigned has executed this Amendment as of the date set forth above.

ADMINISTRATIVE AGENT AND LENDERS:

BANK OF MONTREAL, as Administrative Agent a Lender, Swing Line Lender, and an L/C Issuer

By: /s/ Abigail Sacco
Name: Abigail Sacco
Title: Vice President

LENDERS (cont'd):

M&T Bank, as a Lender

By: /s/ Kathryn Williams
Name: Kathryn Williams
Title: SVP

IN WITNESS WHEREOF, the each of the undersigned has executed this Amendment as of the date set forth above.

Wells Fargo Bank, N.A., as a Lender

By: /s/ Gerrit J. Buddingh
Name: Gerrit J. Buddingh
Title: Director

IN WITNESS WHEREOF, the each of the undersigned has executed this Amendment as of the date set forth above.

Bank of America, N.A., as a Lender

By: /s/ Jason Eshler
Name: Jason Eshler
Title: Vice President

IN WITNESS WHEREOF, the each of the undersigned has executed this Amendment as of the date set forth above.

U.S. Bank, as a Lender

By: /s/ Julie Lin
Name: Julie Lin
Title: VP, Portfolio Manager

IN WITNESS WHEREOF, the each of the undersigned has executed this Amendment as of the date set forth above.

Morgan Stanley Senior Funding, Inc., as a Lender

By: /s/ Jack Kuhns
Name: Jack Kuhns
Title: Vice President

EXHIBIT A

Credit Agreement

See attached.

AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of April 30, 2021

among

E.L.F. COSMETICS, INC., **J.A. RF, LLC**, **W3LL PEOPLE, INC.**,
and each other Person that becomes a Borrower hereunder by execution of a Joinder Agreement, as the Borrowers,

THE OTHER PERSONS PARTY HERETO THAT ARE DESIGNATED AS LOAN PARTIES,
as Guarantors,

CERTAIN FINANCIAL INSTITUTIONS,
as Lenders,

BANK OF MONTREAL,
as Administrative Agent, Swing Line Lender and an L/C Issuer,

BANK OF AMERICA, N.A.,
as Documentation Agent,

U.S. BANK,
as Syndication Agent, a Joint Lead Arranger and a Joint Bookrunner

and

BMO CAPITAL MARKETS CORP.,
as a Joint Lead Arranger and a Joint Bookrunner

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Form of

AMENDED AND RESTATED CREDIT AGREEMENT

This **AMENDED AND RESTATED CREDIT AGREEMENT** (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, this "***Agreement***") is entered into as of April 30, 2021, among e.l.f. Cosmetics, Inc., a Delaware corporation ("***elf Cosmetics***"), J.A. RF, LLC, a Delaware limited liability company ("***JA RF***"), W3LL People, Inc., a Delaware corporation ("***W3LL***"; elf Cosmetics, JA RF, W3LL and each Domestic Subsidiary of Holdings who hereafter becomes a "Borrower" hereunder pursuant to a Joinder Agreement, may be referred to individually, as a "***Borrower***" and collectively herein, as "***Borrowers***"), e.l.f. Beauty, Inc., a Delaware corporation ("***Holdings***"), the other Persons party hereto that are designated as a "Loan Party", **EACH LENDER FROM TIME TO TIME PARTY HERETO** (collectively, the "***Lenders***" and individually, a "***Lender***"), and **BANK OF MONTREAL**, a Canadian chartered bank acting through its Chicago branch as Administrative Agent, Swing Line Lender, and an L/C Issuer.

PRELIMINARY STATEMENTS

A. The Borrowers, the other Loan Parties party thereto, the Administrative Agent and the Lenders party thereto are party to that certain Credit Agreement dated as of the Original Closing Date defined below (as amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the effectiveness hereof, the "***Original Credit Agreement***"); and

B. The Borrowers, the other Loan Parties, the Administrative Agent and the Lenders desire to amend and restate in its entirety the Original Credit Agreement, without constituting a novation, all on the terms, and subject to the conditions contained herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree to amend and restate the Original Credit Agreement in its entirety, without constituting a novation, as follows:

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

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

"Acquired EBITDA" means, with respect to any Acquired Entity or Business for any period, the amount for such period of Adjusted Consolidated EBITDA of such Acquired Entity or Business, as determined on a consolidated basis for such Acquired Entity or Business.

"Acquired Entity or Business" has the meaning specified in the definition of the term "Adjusted Consolidated EBITDA" in the Compliance Certificate.

"Acquisition" means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in the acquisition of (a) a majority equity or other ownership interest in another Person (including the purchase of an option, warrant or convertible or similar type security to acquire such a majority interest at the time it becomes exercisable by the holder thereof), or (b) assets of another Person which constitute all or substantially all of the assets of such Person or of a line or lines of business or division conducted by such Person.

"Additional Lender" has the meaning specified in Section 2.18(c).

"Adjusted Consolidated EBITDA" has the meaning specified in the Compliance Certificate.

"Adjusted Term SOFR" means with respect to any tenor, the per annum rate equal to the sum of (i) Term SOFR *plus* (ii) of 0.10% (10 basis points); provided, that 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.

"Adjustment Date" means for any Fiscal Quarter of the Borrowers ending on or after September 30, 2021, the first day of the month following the date on which Administrative Agent is in receipt of Borrowers' most recent financial statements for the fiscal period most recently ended pursuant to Section 6.01(a) or (b).

"Administrative Agent" means BMO, in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

"Administrative Agent's Office" means Administrative Agent's address and, as appropriate, account as set forth on Schedule 10.02, or such other address or account as Administrative Agent may from time to time notify Borrower Agent and the Lenders.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by Administrative Agent.

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

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

"Affiliated Lender" has the meaning specified in Section 10.06(a).

"Agent Parties" has the meaning specified in Section 10.02(c).

"Aggregate Revolving Credit Commitments" means, as at any date of determination thereof, the sum of all Revolving Credit Commitments of all Lenders at such date.

"Agreement" has the meaning specified in the introductory paragraph hereto.

"All-In Yield" means, as to any Indebtedness, the yield thereon, whether in the form of interest rate, margin, original issue discount ("OID"), up-front fees or an Adjusted Term SOFR or Base Rate floor greater than the applicable Existing Floor, in each case, incurred or payable by the Borrowers generally to the lenders of such Indebtedness; provided that (x) OID and up-front fees (which shall be deemed to constitute like amounts of OID) shall be equated to interest rate adjustments, assuming a 4-year life to maturity (or, if less, the stated life to maturity of the applicable Indebtedness at the time of its incurrence), (y) any Adjusted Term SOFR floor, Base Rate floor shall or Existing Floor shall be equated to yield for purposes of any calculation of "All-In Yield", and (z) any amendments to the Adjusted Term SOFR floor, Base Rate floor on the initial Term Loan that became effective subsequent to the Restatement Effective Date but on or prior to the time of such Incremental Term Loan Facility shall also be included in such calculation of "All-In Yield"; and provided, further, that "All-In Yield" shall not include customary arrangement, structuring, underwriting fees, ticking, consent, amendment or similar fees paid to (x) BMO, Arrangers or their respective Affiliates, (y) one or more arrangers, underwriters or their respective Affiliates of such Indebtedness or (z) one or more existing

lenders or their respective Affiliates of such Indebtedness and, in each case, not shared by all lenders providing such Indebtedness.

"Applicable Indebtedness" has the meaning specified in the definition of Weighted Average Life to Maturity.

"Applicable Margin" means (a) for the period commencing on the Restatement Effective Date through the first Adjustment Date: (i) if a SOFR Loan, the greater of (x) 1.375% per annum and (y) the Applicable Margin for SOFR Loans as determined in the pricing grid below based on the Consolidated Total Net Leverage Ratio (calculated after giving pro forma effect to the Transactions) on the Restatement Effective Date and (ii) if a Base Rate Loan, the greater of (x) 0.375% and (y) the Applicable Margin for Base Rate Loans as determined in the pricing grid below based on the Consolidated Total Net Leverage Ratio (calculated after giving pro forma effect to the Transactions) on the Restatement Effective Date.

Level	Consolidated Total Net Leverage Ratio	Applicable Margin for SOFR Loans	Applicable Margin for Base Rate Loans
I	> 3.25:1.00	2.125%	1.125%
II	> 2.50:1.00 but ≤ 3.25:1.00	1.875%	0.875%
III	> 1.75:1.00 but ≤ 2.50:1.00	1.625%	0.625%
IV	> 1.00:1.00 but ≤ 1.75:1.00	1.375%	0.375%
V	≤ 1.00:1.00	1.25%	0.25%

(b) thereafter, the Applicable Margin shall equal the applicable margin in effect from time to time determined as set forth above based upon the applicable Consolidated Total Leverage Ratio then in effect pursuant to the appropriate column under the table above and any increase or decrease in the Applicable Margin resulting from a change in the Consolidated Total Leverage Ratio shall become effective as of each Adjustment Date based upon the Consolidated Total Leverage Ratio for the immediately preceding Fiscal Quarter for which financial statements have been delivered or were required to be delivered pursuant to Section 6.01(a) or (b). If any Compliance Certificate (including any required financial information in support thereof) of the Borrowers is not received by Administrative Agent by the date required pursuant to Section 6.02(a), then, at Administrative Agent's election, the Applicable Margin shall be determined as if the Consolidated Total Leverage Ratio for the immediately preceding Fiscal Quarter is at Level I until such time as such Compliance Certificate and supporting information is received.

In the event either Borrower Agent or Administrative Agent determines in good faith that the calculation of the Consolidated Total Leverage Ratio on which the applicable interest rate and any fees for any particular period was determined is inaccurate, and as a consequence thereof, the Applicable Margin was lower that it would have been, (i) Borrower Agent shall immediately deliver to Administrative Agent a correct Compliance Certificate for such period (and if such Compliance Certificate is not accurately restated and delivered within ten (10) Business Days after the first discovery of such inaccuracy or upon notice by Administrative Agent of such determination, then Level I shall apply retroactively for such period notwithstanding any subsequent restatement thereof after such ten (10) day period), (ii) Administrative Agent shall notify Borrower Agent of the amount of interest and fees that would have been due in respect of any outstanding Obligations during such period had the applicable rate been calculated based on the correct Consolidated Total Leverage Ratio (or the Level I rate if a correct Compliance Certificate was not delivered within the ten (10) day period) and (iii)

Borrowers shall promptly pay to Administrative Agent for the benefit of the applicable Lenders and other Persons that hold the Commitments and Loans at the time such payment is received (regardless of whether those Persons held the Commitments and Loans during the relevant period) the difference between the amount that would have been due and the amount actually paid in respect of such period.

"Applicable Percentage" means (a) in respect of the Revolving Credit Facility, with respect to any Revolving Lender at any time, the percentage (carried out to the ninth-decimal place) of the Revolving Credit Facility, represented by the amount of the Revolving Credit Commitment of such Revolving Lender at such time; provided that if the Aggregate Revolving Credit Commitments have been terminated at such time, then the Applicable Percentage of each Revolving Lender shall be the Applicable Percentage of such Revolving Lender immediately prior to such termination and after giving effect to any subsequent assignments, and (b) in respect of the Term Loan Facility, with respect to any Term Lender at any time, the percentage (carried out to the ninth decimal place) of the Term Loan Facility represented by (i) on or prior to the Restatement Effective Date, such Term Lender's Term Loan Commitment at such time and (ii) thereafter, the Outstanding Amount of such Term Lender's Term Loans at such time. The initial Applicable Percentage of each Lender with respect to each Facility is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

"Approved Fund" means, with respect to any Lender, any Fund that is administered, advised or managed by (a) such Lender, (b) an Affiliate of such Lender or (c) an entity or an Affiliate of an entity that administers, advises or manages such Lender.

"Arrangers" means, collectively, (i) BMO Capital Markets Corp. and (ii) U.S. Bank and each of the foregoing, individually, an "Arranger".

"Assignee Group" means two or more assignees of Loans or Commitments that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor.

"Assignment and Assumption" means an assignment and assumption agreement entered into by a Lender and an assignee of Loans or Commitments (with the consent of any party whose consent is required by Section 10.06(b)), and accepted by Administrative Agent, in substantially the form of Exhibit F or any other form reasonably approved by Administrative Agent.

"Attributable Indebtedness" means, on any date, (a) in respect of any Capital Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any synthetic lease or other similar financing lease, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a capital lease.

"Audited Financial Statements" means the audited consolidated balance sheet of the Holdings and its Subsidiaries for the Fiscal Year ended March 31, 2020, and the related consolidated statements of income or operations and cash flows for such Fiscal Year, including the notes thereto.

"Auditor" has the meaning specified in Section 6.01(a).

"Auto-Extension Letter of Credit" has the meaning specified in Section 2.03(b)(iii).

"Available Amount" means, on any date of determination, the sum (but not less than zero for any applicable fiscal year) of (without duplication) (a) $10,000,000; plus (b) an amount equal to the portion of Excess Cash Flow (50% or 100%, as applicable) for each Fiscal Year ending after the Restatement Effective Date for which an Excess Cash Flow Certificate has been delivered, commencing with the Fiscal Year ending March 31, 2022, and prior to such date of determination that was not taken into account in calculating the Excess Cash Flow prepayment required pursuant to Section 2.06(b)(i) (for the avoidance of doubt, any portion of the Excess Cash Flow prepayment not required to be paid pursuant to Section 2.06(b)(vii) shall not increase the amount in this clause (b)); plus (c) the aggregate amount of Net Cash Proceeds of an issuance by Holdings of or capital contribution (including, without limitation, any capital contribution of marketable securities or other Cash Equivalents) in respect of any of its Equity Interests that are not Disqualified Equity Interests or Permitted Cure Securities and which are not used to make Restricted Payments under Section 7.06(i) received by any of the Borrowers during the period from and including the Business Day immediately following the Restatement Effective Date through and including such date of determination; minus (d) the aggregate amount of the Available Amount used to pay dividends and distributions pursuant to Section 7.06(h) during the period from and including the Business Day immediately following the Restatement Effective Date through and including such date of determination (without taking account of the intended usage of the Available Amount on such date of determination); minus (e) the aggregate amount of the Available Amount used for Permitted Acquisitions during the period from and including the Business Day immediately following the Restatement Effective Date through and including such date of determination (without taking account of the intended usage of the Available Amount on such date of determination); minus (f) the aggregate amount of the Available Amount used to make other investments pursuant to Section 7.03(z) during the period from and including the Business Day immediately following the Restatement Effective Date through and including such date of determination (without taking account of the intended usage of the Available Amount on such date of determination); minus (g) the aggregate amount of the Available Amount used to make cash loans and advances to officers, directors and employees pursuant to Section 7.03(x) during the period from and including the Business Day immediately following the Restatement Effective Date through and including such date of determination (without taking account of the intended usage of the Available Amount on such date of determination); minus (h) the aggregate amount of the Available Amount used to make payments of Subordinated Indebtedness pursuant to Section 7.11(a)(iv) during the period from and including the Business Day immediately following the Restatement Effective Date through and including such date of determination (without taking account of the intended usage of the Available Amount on such date of determination).

"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 3.10(d).

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

"Bail-In Legislation" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA

Member Country from time to time that 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).

"Bankruptcy Code" means Title 11 of the United States Code, as in effect from time to time.

"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 Administrative 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 Administrative Agent's best or lowest rate), and (b) the sum of (i) the Federal Funds Rate (which shall not be less than 0.00%), as in effect from time to time, plus (ii) 1/2 of 1.00%, and (c) the sum of (i) Adjusted Term SOFR for a one-month tenor in effect on such day (after giving effect to the Floor) plus (ii) 1.00%. Any change in the Base Rate due to a change in the prime rate, the quoted federal funds rates or Term SOFR, as applicable, shall be effective from and including the effective date of the change in such rate. If the Base Rate is being used as an alternative rate of interest pursuant to Sections 3.03 or 3.10, then the Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above, provided that if Base Rate as determined above shall ever be less than the Floor plus 1.00%, then Base Rate shall be deemed to be the Floor plus 1.00%.

"Base Rate Loan" means a Loan (or segment of a Loan) that bears interest based on the Base Rate.

"Base Rate Revolving Loan" means a Revolving Loan that is a Base Rate Loan.

"Benchmark" means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event 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 3.10.

"Benchmark Replacement" means, either of the following to the extent selected by Administrative Agent in its reasonable discretion (in consultation with Borrower Agent),

(a) the sum of: (i) Daily Simple SOFR and (ii) the related Benchmark Replacement Adjustment; or

(b) the sum of: (i) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower Agent giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (ii) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower Agent giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities.

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event", the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of "Benchmark Transition Event", the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by 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 referenced in 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 the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such

component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) 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 such Benchmark (or such component thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Unavailability Period" means the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 3.10 and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 3.10.

"BMO" means Bank of Montreal.

"Borrower Agent" has the meaning specified in Section 2.15(d).

"Borrower" and "Borrowers" has the meaning specified in the introductory paragraph hereto.

"Borrower Materials" has the meaning specified in Section 10.02(c).

"Borrowing" means any of (a) a Revolving Borrowing, (b) a Term Borrowing or (c) a Swing Line Borrowing, as the context may require.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where Administrative Agent's Office is located; provided that when used in connection with a SOFR Loan, or any calculation or determination involving SOFR, then the term "Business Day" means any such day that is also a U.S. Government Securities Business Day.

"Capital Leases" means all leases that have been or should be, in accordance with GAAP, recorded as capitalized leases; provided, that, for purposes of this Agreement, the determination of whether a lease is required to be accounted for as a Capital Lease on the balance sheet of such Person shall be made by reference to GAAP as in effect on the Restatement Effective Date.

"Cash Collateralize" means to pledge and deposit with or deliver to Administrative Agent, (a) for the benefit of one or more of the L/C Issuer or the Revolving Lenders, as collateral for L/C Obligations or obligations of the Revolving Lenders to fund participations in respect of L/C Obligations, (i) cash or Deposit Account balances in an amount equal to 104% of the L/C Obligations (pursuant to documentation reasonably satisfactory to

Administrative Agent and the L/C Issuer), (ii) a standby letter of credit, in form and substance reasonably satisfactory to Administrative Agent and the L/C Issuer, from a commercial bank acceptable to Administrative Agent and the L/C Issuer, in an amount equal to 104% of the L/C Obligations, or (iii) such other credit support or other arrangements with respect thereto reasonably satisfactory to Administrative Agent and the L/C Issuer in their sole discretion shall have been made or (b) for the benefit of the Swing Line Lender, as collateral for Swing Line Loans that have not been refunded by the Revolving Lenders, cash or Deposit Account balances in an amount equal to the principal amount of such Swing Line Loans or, if Administrative Agent shall agree in its sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to Administrative Agent. "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral.

"Cash Equivalents" means any of the following types of property, to the extent owned by Holdings or any of its Subsidiaries:

(a) cash, denominated in Dollars or, with respect to a Borrower or any of its Subsidiaries, any other lawful currency and investments of comparable tenor and credit quality to those described in the other clauses in this definition customarily utilized in countries in which Holdings or any of its Subsidiaries operate for cash management purposes;

(b) readily marketable direct obligations of the government of the United States or any agency or instrumentality thereof, or obligations the timely payment of principal and interest on which are fully and unconditionally guaranteed by the government of the United States or any state or municipality thereof, in each case so long as such obligation has an investment grade rating by S&P and Moody's;

(c) commercial paper maturing no more than 24 months from the date of creation thereof and rated at least P-1 (or the then equivalent grade) by Moody's and A-1 (or the then equivalent grade) by S&P, or carrying an equivalent rating by a nationally recognized rating agency if at any time neither Moody's and S&P shall be rating such obligations;

(d) insured certificates of deposit or bankers' acceptances of, or time deposits with any commercial bank that (i) is a member of the Federal Reserve System, (ii) issues (or the parent of which issues) commercial paper rated as described in clause (c) above, (iii) is organized under the laws of the United States or of any state thereof and (iv) has combined capital and surplus of at least $250,000,000;

(e) readily marketable general obligations of any corporation organized under the laws of any state of the United States, payable in the United States, expressed to mature not later than 24 months following the date of issuance thereof and rated A or better by S&P or A2 or better by Moody's;

(f) readily marketable shares of investment companies or money market funds that, in each case, invest solely in the foregoing Investments described in clauses (a) through (e) above; and

(g) in the case of a Foreign Subsidiary, Investments of a kind or type similar to Cash Equivalents described above (replacing United States or any state, agency, instrumentality or municipality thereof with the corresponding Governmental Authorities of any foreign jurisdiction and using comparable ratings, if any, customary in the relevant jurisdiction) in any country other than the United States where such Foreign Subsidiary maintains a business location.

"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, (b) any change in any Law or in the administration, interpretation, implementation or application thereof or (c) the making or issuance of any request, rule, guideline, interpretation, 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, 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.

"Change of Control" means an event or series of events by which:

(a) any "person" or "group" (within the meaning of Rules 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) (other than any Permitted Holder and other than any employee benefit plan of Holdings or Borrower and any Person acting as the trustee, agent or other fiduciary or administrator thereof) becomes the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under such Act), directly or indirectly, of Voting Equity Interests representing (x) more than 35% of the Voting Equity Interests of Holdings and (y) a greater percentage of Voting Equity Interests of Holdings than is then beneficially owned, directly or indirectly, in the aggregate by the Permitted Holders, unless, in the case of either clause (x) or (y) above, the Permitted Holders have, at such time, the right or the ability by percentage of Voting Equity Interest of Holdings owned, contract or otherwise to elect or designate for election at least a majority of the board of directors of Holdings;

(b) Holdings shall fail to own (i) directly 100% of the issued and outstanding Equity Interests of elf Cosmetics (or any surviving entity of a merger with elf Cosmetics permitted under Section 7.04(b), (x) that has assumed all obligations of elf Cosmetics under the Loan Documents in accordance with Section 7.04(b) and (y) 100% of the issued and outstanding Equity Interests of which have been pledged by Holdings to Administrative Agent) or (ii) directly or indirectly, 100% of the issued and outstanding Equity Interests of the other Borrowers, except in this clause (ii) where such failure is the result of a transaction permitted under the Loan Documents provided that, with respect to any such transaction permitted under Section 7.04(b), 100% of the issued and outstanding Equity Interests of any surviving entity of such other Borrower shall have been pledged to Administrative Agent; or

(c) any "change of control" or similar event under any material Indebtedness

"Code" means the U.S. Internal Revenue Code of 1986, as amended from time to time, and any successor statute, and regulations promulgated thereunder.

"Collateral" means, collectively, certain personal property of the Loan Parties or any other Person in which Administrative Agent or any Lender Party is granted a Lien under any Security Instrument as security for all or any portion of the Secured Obligations or any other obligation arising under any Loan Document.

"Commitment" means a Term Loan Commitment or a Revolving Credit Commitment, as the context may require.

"Committed Loan Notice" means a notice of (a) a Borrowing, (b) a conversion of Loans from one Type to the other, or (c) a continuation of SOFR Loans, which, if in writing, shall be substantially in the form of Exhibit A.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.).

"Competitor" means any operating entity competing with the Borrowers or their Subsidiaries in the Borrowers' and Subsidiaries' operating businesses.

"Compliance Certificate" means a certificate substantially in the form of Exhibit D.

"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 Administrative Agent decides (in consultation with Borrower Agent) may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent (in consultation with Borrower Agent) decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent (in consultation with Borrower Agent) determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"Consolidated" means the consolidation, in accordance with GAAP, of the financial condition or operating results of such Person and its Subsidiaries.

"Consolidated Fixed Charge Coverage Ratio" has the meaning specified in the Compliance Certificate.

"Consolidated Senior Net Debt" has the meaning specified in the Compliance Certificate.

"Consolidated Senior Net Leverage Ratio" has the meaning specified in the Compliance Certificate.

"Consolidated Total Net Funded Debt" has the meaning specified in the Compliance Certificate.

"Consolidated Total Net Leverage Ratio" has the meaning specified in the Compliance Certificate.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, indenture, mortgage, deed of trust, contract or any other instrument or undertaking (other than a Loan Document) to which such Person is a party or by which it or any of its property is bound or to which any of its property is subject.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "***Controlling***" and "***Controlled***" have meanings correlative thereto.

"Control Agreement" means, with respect to any Deposit Account, any Securities Account, Commodity Account, securities entitlement or Commodity Contract, an agreement, in form and substance reasonably satisfactory to Administrative Agent, among Administrative Agent, the financial institution or other Person at which such account is maintained or with which such entitlement or contract is carried and the Loan Party maintaining such account, effective to grant "control" (as defined under the applicable UCC governing such account) over such account to Administrative Agent.

"Controlled Account Bank" means each bank with whom Deposit Accounts are maintained in which any funds of any of the Loan Parties are maintained and with whom a Control Agreement has been, or is required to be, executed in accordance with the terms hereof.

"Controlled Investment Affiliates" means, as to any Person, any other Person that (a) directly or indirectly, is in Control of, is Controlled by, or is under common Control with, such Person and (b) is organized by such Person primarily for the purpose of making equity or debt investments in one or more companies.

"Core Business" means any material line of business conducted by the Borrowers and their Subsidiaries as of the Restatement Effective Date and any business reasonably related, complementary, supplemental or ancillary thereto.

"Corresponding Tenor" with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

"Credit Extension" means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

"Credit Product Arrangements" means, collectively, (a) Swap Contracts between any Loan Party and any Credit Product Provider and (b) Treasury Management and Other Services between any Loan Party and any Credit Product Provider.

"Credit Product Indemnitee" has the meaning specified in Section 9.13(a).

"Credit Product Obligations" means Indebtedness and other obligations of any Loan Party or any Subsidiary of a Loan Party arising under Credit Product Arrangements and owing to any Credit Product Provider; provided, that Credit Product Obligations shall not include Excluded Swap Obligations.

"Credit Product Provider" means (a) BMO, and (b) any other Person who was a Lender, Administrative Agent, or an Affiliate of a Lender or Administrative Agent at the time of entry into the applicable Credit Product Arrangement, so long as such provider with the Borrowers' consent, delivers written notice to Administrative Agent, in form and substance reasonably satisfactory to Administrative Agent, by the later of the Restatement Effective Date or the entering into of the applicable Credit Product Arrangement, (i) describing the Credit Product Arrangement and (ii) agreeing to be bound by Section 9.13.

"Cure Amount" has the meaning specified in Section 8.04.

"Cure Right" has the meaning specified in Section 8.04.

"Daily Simple SOFR" means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body

for determining "Daily Simple SOFR" for syndicated business loans; provided, that if the Administrative Agent decides in its reasonable discretion that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion, which shall give due consideration to the then prevailing market conventions.

"Debtor Relief Laws" means the Bankruptcy Code, 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 and affecting the rights of creditors generally.

"Default" means any event or condition that, with the giving of any notice, the passage of time, or both, would unless cured or waived be an Event of Default.

"Default Rate" means (a) an interest rate equal to the rate of interest otherwise applicable hereunder plus 2% per annum, and (b) with respect to Letter of Credit Fees, the Letter of Credit Fee then in effect plus 2% per annum, in each case to the fullest extent permitted by applicable Laws.

"Defaulting Lender" means, subject to Section 2.17(b), any Lender that (a) has failed to fund all or any portion of its Loans or otherwise pay to Administrative Agent, the L/C Issuer, the Swing Line Lender or any other Lender any other amount required to be paid by it hereunder, in any case within two Business Days of the date such Loans were required to be funded or amounts required to be paid hereunder unless due to such Lender's good faith determination that the conditions set forth in Section 4.02 have not been met, (b) has notified any Borrower, Administrative Agent, the L/C 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 due to such Lender's good faith determination that the conditions set forth in Section 4.02 have not been met, (c) has failed, within three Business Days after written request by Administrative Agent or Borrower Agent, to confirm in writing to Administrative Agent and Borrower Agent 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 Administrative Agent and Borrower Agent), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) becomes the subject of a Bail-In Action or (iii) 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; 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 Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error.

"Disposed EBITDA" means, with respect to any Sold Entity or Business for any period, the amount of Adjusted Consolidated EBITDA of such Sold Entity or Business for such period, all as determined on a consolidated basis for such Sold Entity or Business.

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction) of any property (including any Equity

Interest), or part thereof, by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith; provided that "Dispose" shall not be deemed to include any issuance by Holdings of any of its Equity Interests.

"Disqualified Equity Interest" means any Equity Interest that (a) matures or is mandatorily redeemable (other than solely for Qualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control, initial public offering or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control, initial public offering or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments and all outstanding Letters of Credit), (b) is redeemable at the option of the holder thereof (other than solely for Qualified Equity Interests), in whole or in part, (c) is convertible into or exchangeable for debt securities or other Indebtedness (unless only occurring at the sole option of the issuer thereof) that would constitute Disqualified Equity Interests or (d) provides for the scheduled payments of dividends in cash (other than in respect of taxes), in each case, prior to the date that is 91 days after the later of (x) the Revolving Credit Maturity Date and (y) the Term Loan Maturity Date; provided that if such Equity Interests are issued pursuant to a plan for the benefit of employees of Holdings or its Subsidiaries or by any such plan to such employees, such Equity Interests shall not constitute Disqualified Equity Interests solely because it may be required to be repurchased by Holdings or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations as a result of such employee's termination, death, invalidity or disability; provided, further, that if such Equity Interests are issued by (x) any direct or indirect Subsidiary of the Borrowers to a Loan Party or (y) any direct or indirect Subsidiary of the Borrowers that is not a Loan Party to any other direct or indirect Subsidiary of the Borrowers that is not a Loan Party, such Equity Interests shall not constitute Disqualified Equity Interests.

"Disqualified Institutions" means (a) those banks, financial institutions and other institutional lenders and Persons (or related funds of such Persons), (b) any Competitor and (c) any Subsidiary or Affiliate (other than their financial investors that are not operating companies or Affiliates of operating companies and other than any Affiliate that is a bona fide diversified debt fund) of the foregoing, in the case of clauses (a), (b) and (c) above, identified in writing by the Borrowers to Administrative Agent on December 20, 2016; provided, that upon reasonable notice to the Administrative Agent, the Borrowers shall be permitted to supplement in writing the list of Competitors that are Disqualified Institutions after the date hereof, but which supplement shall not apply to assignments and participations entered into prior to such supplement (such list of Disqualified Institutions, the "Disqualified Institutions List").

"Dollar" and "$" mean lawful money of the United States.

"Domestic Subsidiary" means any Subsidiary that is organized under the laws of any state of the United States or the District of Columbia (but excluding any territory or possession thereof).

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"elf Cosmetics" has the meaning specified in the introductory paragraph hereto.

"Environmental Laws" means any and all applicable Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, licenses, legally-binding agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any Hazardous Materials into the environment, including those related to air emissions and other discharges of Hazardous Materials to waste or public systems.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of a Loan Party or any of its Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract or agreement to the extent liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in, including partnership, member or trust interests) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, and all of the other ownership or profit interests in such Person.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor thereto.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with any Loan Party or a Subsidiary thereof within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Sections 412 and 430 through 436 of the Code and Section 302 through 305 and 4007 of ERISA).

"ERISA Event means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of any Loan Party, a Subsidiary thereof or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by any Loan Party, a Subsidiary thereof or any ERISA Affiliate from a Multiemployer Plan or receipt by any Loan Party, a Subsidiary thereof or any ERISA Affiliate of notification that a Multiemployer Plan is in reorganization or that any Multiemployer Plan is insolvent or being terminated; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination, each under Section 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan or Multiemployer Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections 303, 304 and 305 of ERISA; or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Loan Party, a Subsidiary thereof

or any ERISA Affiliate; or (i) any failure by any Pension Plan to satisfy the minimum funding standards (within the meaning of Sections 412 or 430 of the Code or Section 302 of ERISA) applicable to such Pension Plan, whether or not waived.

"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.

"Event of Default" has the meaning specified in Section 8.01.

"Event of Loss" means, with respect to any property, any of the following: (a) any loss, destruction or damage of such property or (b) any condemnation, seizure, or taking, by exercise of the power of eminent domain or otherwise, of such property by any Governmental Authority, or confiscation of such property or the requisition of the use of such property by any Governmental Authority.

"Exchange Act" means the Securities Exchange Act of 1934.

"Excess Cash Flow" has the meaning specified in the Excess Cash Flow Certificate.

"Excess Cash Flow Certificate" means a certificate substantially in the form of Exhibit E.

"Excluded Domestic Holdco" means a Domestic Subsidiary the primary assets of which are the Equity Interests of one or more Foreign Subsidiaries and, if applicable, Indebtedness of such Foreign Subsidiaries.

"Excluded Domestic Subsidiary" means any Domestic Subsidiary that is a direct or indirect Subsidiary of (a) a Foreign Subsidiary or (b) an Excluded Domestic Holdco.

"Excluded Subsidiary" means any Subsidiary of the Borrowers (a) that is a Foreign Subsidiary, an Excluded Domestic Subsidiary or an Excluded Domestic Holdco, (b) that is a captive insurance company, (c) that is a not-for-profit Subsidiary, (d) that is a special purpose entity, (e) that is prohibited or restricted by any contract existing on the Restatement Effective Date or on the date such Subsidiary is acquired (so long as in respect of such contractual prohibition such prohibition is not incurred in contemplation of such acquisition) or formed (solely to the extent the formation of such a Subsidiary is not materially adverse to the Lenders and the designation of such newly formed Subsidiary as an Excluded Subsidiary is agreed to by Administrative Agent in its sole discretion) with a Person who is not an Affiliate of a Borrower, applicable law (including, in each case, any requirement to obtain governmental authority or third party consent (unless such consent has been received)), rule or regulation from providing a guaranty (but only so long as such prohibition or restriction is in effect), (f) with respect to which the Borrower Agent has reasonably determined in consultation with the Administrative Agent, that providing a Guarantee would result in material adverse tax consequences to the Borrowers or any of their Subsidiaries, and (g) to the extent the Administrative Agent and Borrowers mutually determine the cost and/or burden of obtaining the guaranty from such Subsidiary outweigh the benefits to the Lenders.

"Excluded Swap Obligation" means, with respect to any Loan Party (other than the direct counterparty of such Swap Obligation), any Swap Obligation of a Loan Party (other than the direct counterparty of such Swap Obligation) if, and to the extent that, all or a portion of the Guarantee of such Loan Party of, or the grant by such Loan Party of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal or unlawful under

the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Loan Party's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act at the time the Guarantee of such Loan Party or the grant of such security interest would otherwise become effective with respect to such Swap Obligation but for such Loan Party's failure to constitute an "eligible contract participant" at such time. 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 or unlawful under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Loan Party's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act at the time the Guarantee of such Loan Party or the grant of such security interest would otherwise have become effective with respect to such Swap Obligation but for such Loan Party's failure to constitute an "eligible contract participant" at such time.

"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) and franchise Taxes, in each case, imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof), and any other Taxes imposed by an jurisdiction as a result of a present or former connection of such Recipient with such jurisdiction (other than any such connection arising solely from such Recipient having executed, enforced, delivered, performed its obligations, becomes a party to or received any payment under this Agreement or any other Loan Document), (b) branch profit Taxes imposed by the United States or any similar tax imposed by any other Governmental Authority, (c) U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Recipient pursuant to a law in effect on the date on which such Recipient (i) becomes a party to this Agreement (other than pursuant to an assignment request by Borrower Agent under Section 10.13) or (ii) in the case of a Lender, changes its Lending Office, except in each case, in the case of a Lender, to the extent that, pursuant to Section 3.01 amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (d) United States federal withholding Taxes (including backup withholding taxes) that would not have been imposed but for such Recipient's failure to comply with Section 3.01(e) (except where the failure to comply with Section 3.01(e) was the result of a change in law, ruling, regulation, treaty, directive, or interpretation thereof by a Governmental Authority after the date the Recipient became a party to this Agreement or a Participant, and (e) any U.S. federal withholding Taxes imposed under FATCA.

"Executive Order" has the meaning specified in Section 5.15.

"Existing Floor" means, (a) with respect to the Adjusted Term SOFR, the rate specified in the definition of "Adjusted Term SOFR" and (b) with respect to the Base Rate, the rate specified in clause (c) of the definition of "Base Rate".

"Existing Letters of Credit" means the letter of credit issued and outstanding under the Original Credit Agreement which are identified on Schedule 1.01 hereto.

"Extending Lender" has the meaning specified in Section 10.01.

"Extension Agreement" means an extension agreement, in a form reasonably satisfactory to the Administrative Agent, among Holdings, the Borrowers and one or more

Extending Lenders, effecting one or more Extension Permitted Amendments and such other amendments hereto and to the other Loan Documents as are contemplated by Section 10.01.

"Extension Offer" is defined in Section 10.01.

"Extension Permitted Amendment" means an amendment to this Agreement and the other Loan Documents, effected in connection with an Extension Offer pursuant to Section 10.01, providing for an extension of the Revolving Credit Maturity Date and/or Term Loan Maturity Date applicable to the Extending Lenders' Loans and/or Commitments of the applicable Extension Request Class (such Loans or Commitments being referred to as the "***Extended Loans***" or "***Extended Commitments***", as applicable) and, in connection therewith, may also provide for (a) an increase in the rate of interest accruing on such Extended Loans, (b) in the case of Extended Loans that are Term Loans, a modification of the scheduled amortization applicable thereto, provided that the Weighted Average Life to Maturity of such Extended Loans shall be no less than the remaining Weighted Average Life to Maturity (determined at the time of such Extension Offer) of the Term Loans, (c) a modification of voluntary or mandatory prepayments applicable thereto (including amortization payments), provided that voluntary and mandatory prepayments (including amortization payments) applicable to any other Loans shall not be affected by the terms thereof, (d) an increase in the fees payable to, or the inclusion of new fees to be payable to, the Extending Lenders in respect of such Extension Offer or their Extended Loans or Extended Commitments, and/or (e) different covenants and other provisions that apply only to periods after the then latest maturity date.

"Extension Request Class" is defined in Section 10.01.

"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) and, any current or future regulations or official interpretations thereof, any applicable agreement entered into pursuant to Section 1471(b)(1) of the Code, and any applicable intergovernmental agreement with respect thereto.

"Facility" means the Term Loan Facility and/or the Revolving Credit Facility, as the context may require.

"Facility Termination Date" means the date as of which Payment in Full of all Obligations has occurred.

"FDA" means the Federal Food and Drug Administration and any successor thereto.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to BMO on such day on such transactions as reasonably determined by Administrative Agent.

"Fee Letter" means the letter agreement, dated as of April 30, 2021 between Borrowers and Administrative Agent.

"Fiscal Quarter" means each fiscal quarter of the Borrowers and their Subsidiaries ending on March 31, June 30, September 30 and December 31 of each year.

"Fiscal Year" means each twelve month period of the Borrowers and their Subsidiaries, ending on March 31 of each year.

"Floor" means the rate per annum of interest equal to 0.00%.

"Foreign Assets Control Regulations" has the meaning specified in Section 5.15.

"Foreign Lender" means a Recipient that is not a U.S. Person.

"Foreign Subsidiary" means any Subsidiary that is not a Domestic Subsidiary.

"Fraudulent Conveyance" has the meaning specified in Section 11.09.

"FRB" means the Board of Governors of the Federal Reserve System of the United States.

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

"Fund" means any Person (other than a natural Person) that is primarily engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit or debt securities in the ordinary course of its activities.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States, consistently applied, subject to Sections 1.03(b) and 1.03(c) below.

"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).

"Guarantee" means, as to any Person, any (a) obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to

protect such obligee against loss in respect thereof (in whole or in part), or (b) Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith; provided, that with respect to clause (b) of the preceding sentence, if the subject Indebtedness or other obligation is non-recourse, then the amount of such Guarantee shall be deemed to be the lower of the amount of such Guarantee determined pursuant to the foregoing terms of this sentence or the fair market value of the property subject to such Lien. The term "Guarantee" as a verb has a corresponding meaning.

"Guarantor" means Holdings, each Subsidiary Guarantor and each other Person that becomes a guarantor of all or part of the Obligations after the Original Closing Date pursuant to Section 6.12 of the Agreement or otherwise.

"Hazardous Materials" means all substances or wastes listed, defined or regulated pursuant to any Environmental Law as explosive, radioactive, hazardous, toxic or as pollutants and petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law due to their hazardous, toxic, dangerous or deleterious properties or characteristics.

"Holdings" has the meaning specified in the introductory paragraph hereto.

"Honor Date" has the meaning specified in Section 2.03(c)(i).

"Increase" has the meaning specified in Section 2.18(a).

"Increase Effective Date" has the meaning specified in Section 2.18(d).

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations of such Person for borrowed money and all obligations (direct or contingent) of such Person evidenced by or arising under bonds (including, without limitation, surety, customs, reclamation or performance bonds), debentures, notes, loan agreements or other similar instruments;

(b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guarantees and similar instruments;

(c) net obligations of such Person under any Swap Contract;

(d) (i) all obligations of such Person to pay the deferred purchase price of property or services (other than (x) accrued expenses and trade payables incurred in the Ordinary Course of Business, (y) any working capital adjustment or any earnout obligation, deferred compensation, non-compete or similar obligations under employment agreements of such Person and (z) obligations with respect to seller notes), in each case, to the extent due and payable and (ii) all obligations of such Person with respect to seller notes;

(e) indebtedness secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) obligations under Capital Leases and synthetic or other similar financing leases of such Person;

(g) all obligations of such Person with respect to the redemption, repayment or other repurchase or payment in respect of any Disqualified Equity Interest; and

(h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall (A) include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, to the extent such Indebtedness is recourse to such Person and only to the extent such Indebtedness would be included in the calculation of Consolidated Total Net Debt and (B) in the case of the Borrowers and their Subsidiaries, exclude all intercompany Indebtedness incurred in the Ordinary Course of Business consistent with past practice (other than for purposes of Section 7.01 hereunder). The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any Capital Lease or synthetic or other similar financing lease as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date. The amount of any Indebtedness described in clause (e) above shall be limited to the lesser of the fair market value of any property securing such indebtedness as determined by such Person in good faith and (ii) the aggregate unpaid amount of such Indebtedness.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

"Indemnitees" has the meaning specified in Section 10.04(b).

"Information" has the meaning specified in Section 10.07.

"Intellectual Property" means all rights, title and interest in intellectual property arising under applicable law, including: trade secrets, trademarks, internet domain names, service marks, trade dress, trade names, brand names, business names, designs, logos, slogans (and all translations, adaptations, derivations and combinations of the foregoing) and other source and/or business identifiers, and the goodwill of the business relating thereto and all registrations or applications for registrations which have heretofore been or may hereafter be issued thereon throughout the world; copyrights (including copyrights for computer programs) and copyright registrations or applications for registrations which have heretofore been or may hereafter be issued throughout the world; patent applications and patents; and industrial design applications and registered industrial designs.

"Interest Payment Date" means (a) with respect to any Base Rate Loan (including Swing Line Loans), the last day of every calendar quarter) and on the applicable Maturity Date, (b) as to any SOFR Loan the last day of each Interest Period therefor and, in the case of any Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at three month intervals after the first day of such Interest Period, and on the applicable Maturity Date and (c) as to any Swing Line Loan bearing interest by reference to the Swing Line Lender's Quoted Rate, the last day of the Interest Period with respect to such

Swing Line Loan, and on the applicable Maturity Date; provided that, as to any such Loan, (i) if any such date would be a day other than a Business Day, such date shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such date shall be the next preceding Business Day and (ii) the Interest Payment Date with respect to any Borrowing that occurs on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in any applicable calendar month) shall be the last Business Day of any such succeeding applicable calendar month.

"Interest Period" means the period commencing on the date a Borrowing of SOFR Loans or Swing Line Loans (bearing interest at the Swing Line Lender's Quoted Rate) is advanced, continued, or created by conversion and ending (a) in the case of SOFR Loans bearing interest based on Adjusted Term SOFR, on the numerically corresponding day in the calendar month that is one, three or six months thereafter, as specified in the applicable Committed Loan Notice and (b) in the case of Swing Line Loans bearing interest at the Swing Line Lender's Quoted Rate, on the date one (1) to five (5) Business Days thereafter as mutually agreed by Borrower Agent and the Swing Line Lender, *provided,* 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 Borrowers are required to make a scheduled payment of principal on the Term Loans, as applicable, 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 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 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 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, 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 3.10 below shall be available for specification in such Committed Loan Notice.

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the ownership, purchase or other acquisition of Equity Interests or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of Indebtedness of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor Guarantees Indebtedness of such other Person (excluding loans or advances made in the Ordinary Course of Business (including travel advances and other similar cash advances) to

employees and officers), or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment, less all returns of principal or equity thereon (and without adjustment by reason of the financial condition of such other Person) and shall, if made by the transfer or exchange of property other than cash, be deemed to have been made in an original principal or capital amount equal to the fair market value of such property at the time of such transfer or exchange.

"ISP" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance of such Letter of Credit).

"Issuer Documents" means with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by the L/C Issuer and any Borrower (or any other Loan Party) or in favor the L/C Issuer and relating to any such Letter of Credit.

"JA RF" has the meaning specified in the introductory paragraph hereto.

"Joinder Agreement" means a joinder agreement in the form attached hereto as Exhibit H or in a writing in any other form reasonably acceptable to Administrative Agent duly completed executed by a Person joining this Agreement as a Borrower or Guarantor, as the case may be; provided, however, that any such Person joining as a Borrower must be organized in the United States or District of Columbia unless otherwise agreed by all Lenders.

"Laws" means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"L/C Advance" means each Revolving Lender's funding of its participation in any L/C Borrowing in accordance with its Applicable Percentage.

"L/C Borrowing" means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed by the Honor Date.

"L/C Credit Extension" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the renewal or increase of the amount thereof.

"L/C Exposure" means, at any time, for any Lender, such Lender's Applicable Percentage of the total L/C Obligations at such time.

"L/C Issuer" means BMO and/or any other Lender that, at the request of Borrowers and with the consent of Administrative Agent, agrees, in such Lender's sole discretion, to become an L/C Issuer, each in its capacity as an issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder. At any time there is more than one L/C Issuer, all singular references to the L/C Issuer shall mean any L/C Issuer, either L/C Issuer, each L/C Issuer, the L/C Issuer that has issued the applicable Letter of Credit, or both or all L/C Issuers, as the context may require.

"L/C Obligations" means, as at any date of determination, (a) the aggregate undrawn face amount of all outstanding Letters of Credit, plus (b) the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

"Lender" has the meaning specified in the introductory paragraph hereto and, as the context requires, includes the L/C Issuer and the Swing Line Lender.

"Lender Party" means (a) each Lender, (b) each Credit Product Provider to the extent it holds Credit Product Obligations and was a Lender or an Affiliate of a Lender when such Person provided Credit Product Arrangements to the Loan Parties, (c) Administrative Agent, (d) the L/C Issuer, (e) the Swing Line Lender, (f) each Arranger, (g) each SPV and (h) the successors and permitted assigns of each of the foregoing.

"Lender Party Expenses" has the meaning set forth in Section 10.04(a).

"Lending Office" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify Borrower Agent and Administrative Agent in writing.

"Letter of Credit" means any standby or documentary letter of credit issued by L/C Issuer for the account of a Borrower or any of its Subsidiaries, or any indemnity, guarantee, exposure transmittal memorandum or similar form of credit support issued by Administrative Agent or L/C Issuer for the benefit of a Borrower or any of its Subsidiaries, and shall include the Existing Letters of Credit.

"Letter of Credit Application" means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the L/C Issuer.

"Letter of Credit Expiration Date" means, with respect to any Letter of Credit, the day that is the earlier of (a) the date that is twelve months after the date such Letter of Credit is issued and (b) the date that is seven (7) Business Days prior to the Revolving Credit Maturity Date then in effect (or, if such day is not a Business Day, the next preceding Business Day) or, to the extent such Letter of Credit is Cash Collateralized, such later date as may be permitted by Section 2.03(a)(vi) hereof.

"Letter of Credit Fees" means, collectively or individually as the context may indicate, the fees with respect to Letters of Credit described in Section 2.09(b).

"Letter of Credit Sublimit" means $7,000,000. The Letter of Credit Sublimit is part of, and not in addition to, the Aggregate Revolving Credit Commitments.

"License" means any license or agreement under which a Loan Party is granted any license right in or to Intellectual Property.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"Limited Condition Acquisition" means any acquisition by a Borrower or one or more of its Subsidiaries permitted pursuant to the Loan Documents whose consummation is not conditioned on the availability of, or on obtaining, third party financing.

"Liquidity" means, as of any date of determination, the sum of (x) the Loan Parties' unrestricted domestic cash and Cash Equivalents plus (y) availability under the Revolving Credit Facility.

"Loan" means an extension of credit under Article II in the form of a Revolving Loan, a Term Loan or a Swing Line Loan, including any Increases.

"Loan Account" has the meaning specified in Section 2.11(a).

"Loan Documents" means this Agreement, each Note, each Security Instrument, and the perfection certificate delivered on or prior to the Restatement Effective Date.

"Loan Obligations" means all Obligations other than amounts (including fees) owing by any Loan Party or any Subsidiary of any Loan Party pursuant to any Credit Product Arrangements.

"Loan Parties" means Borrowers, Holdings and the Subsidiary Guarantors, collectively.

"Material Acquisition" means any Acquisition the aggregate cash Permitted Acquisition Consideration for which exceeds $25,000,000.

"Material Adverse Effect" means (a) material adverse change in, or a material adverse effect on, the business, assets, financial condition or results of operations of the Borrowers and their Subsidiaries, taken as a whole, (b) a material adverse effect of the ability of the Loan Parties, taken as a whole, to perform their payment obligations under the Loan Documents or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party (other than to the extent a result of the action or inaction of the Administrative Agent, the Lenders, the other Lender Parties under the Loan Documents or their respective Affiliates, officers, employees, agents, attorneys or representatives).

"Material License" has the meaning specified in Section 6.05(d).

"Maturity Date" means either of the Revolving Credit Maturity Date or the Term Loan Maturity Date.

"Maximum Rate" has the meaning specified in Section 10.09.

"Measurement Period" means, at any date of determination, the most recently completed consecutive four Fiscal Quarters of Holdings and its Subsidiaries for which financial statements have or should have been delivered in accordance with Section 6.01(a) or (b).

"Minimum Collateral Amount" means, at any time, (a) with respect to Cash Collateral consisting of cash or Deposit Account balances provided to reduce or eliminate Fronting Exposure, an amount equal to 104% of the Fronting Exposure of the L/C Issuer with respect to Letters of Credit issued and outstanding at such time and (b) with respect to Cash Collateral consisting of cash or Deposit Account balances provided in accordance with the provisions of Section 2.16(a)(i) or 2.16(a)(ii), an amount equal to 104% of the Outstanding Amount of all L/C Obligations.

"Minority Investment" means any Person (including any joint ventures, limited liability companies or partnerships) other than a Subsidiary in which the Borrowers or any Subsidiary owns any Equity Interests.

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Mortgaged Property" means the Real Estate of the Loan Parties required from time to time to be subject to a Mortgage pursuant to the terms of the Loan Documents.

"Mortgages" means the mortgages, deeds of trust, or deeds to secure debt executed by a Loan Party on or about the Original Closing Date, or from time to time thereafter in favor of Administrative Agent, for the benefit of the Lender Parties, by which such Loan Party has granted to Administrative Agent, as security for the Obligations, a Lien upon the Mortgaged Property described therein.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which any Loan Party makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions or with respect to which any Loan Party has any current or contingent liability as a result of being considered a single employer with any ERISA Affiliate.

"Net Cash Proceeds" means (a) with respect to the Disposition of any asset by any Borrower or any Subsidiary or any Event of Loss, the excess, if any, of (i) the sum of cash and Cash Equivalents received in connection with such Disposition or Event of Loss (including any cash or Cash Equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received and, with respect to any Event of Loss, any insurance proceeds or condemnation awards in respect of such Event of Loss actually received by or paid to or for the account of the Borrowers or any Subsidiary but excluding, in any event, any cash and Cash Equivalents received solely as proceeds of business interruption insurance) over (ii) the sum of (A) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness that is secured by the asset subject to such Disposition or Event of Loss and that is required to be repaid in connection with such Disposition or Event of Loss, (B) the out-of-pocket fees and expenses (including attorneys' fees, investment banking fees, survey costs, title insurance premiums, and related search and recording charges, transfer taxes, deed or mortgage recording taxes, other customary expenses and brokerage, consultant and other customary fees and, with respect to any Event of Loss, costs incurred in connection with the collection of such proceeds, awards or other payments or any settlement of claims with respect thereto) actually incurred by the Borrowers or such Subsidiary in connection with such Disposition or Event of Loss, (C) taxes paid or reasonably estimated to be actually payable in connection therewith, or upon the distribution to a Loan Party of such proceeds from such Disposition or Event of Loss, and (D) any reserve for adjustment in respect of (x) the sale price of such asset or assets established in accordance with GAAP and (y) any liabilities associated with such asset or assets and retained by the Borrowers or any Subsidiary after such sale or other disposition thereof, including pension and other post-employment benefit liabilities and liabilities related to environmental matters or with respect to any indemnification obligations associated with such transaction, and it being understood that "Net Cash Proceeds" shall include (i) any cash or Cash Equivalents received upon the Disposition of any non-cash consideration by the Borrowers or any Subsidiary in any such Disposition and (ii) upon the reversal (without the satisfaction of any applicable liabilities in cash in a corresponding amount) of any reserve described in clause (D) above or if such liabilities have not been satisfied in cash and such reserve is not reversed within 365 days after such Disposition or Event of Loss, the amount of such reserve; and (b) with respect to the incurrence or issuance of any Indebtedness by the Borrowers or any Subsidiary, the excess, if any, of (x) the sum of the cash received in connection with such incurrence or issuance over (y) the sum of (A) the reasonable investment

banking fees, underwriting discounts, commissions, costs and other out-of-pocket expenses and other reasonable and customary expenses, incurred by the Borrowers or such Subsidiary in connection with such incurrence or issuance and (B) taxes paid or reasonably estimated to be actually payable in connection therewith, or upon the distribution to a Loan Party of proceeds from such incurrence or issuance.

"Non-Consenting Lender" has the meaning specified in Section 10.01.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"Non-Extension Notice Date" has the meaning specified in Section 2.03(b)(iii).

"Note" means any or all of the Revolving Loan Notes and/or the Term Loan Notes, as applicable.

"Obligations" means all amounts owing by any Loan Party to Administrative Agent, any Lender or any other Lender Party (excluding Persons specified in clause (b) of the definition thereof solely to the extent of any Credit Product Obligations owed to such Persons) pursuant to or in connection with this Agreement or any other Loan Document or otherwise with respect to any Loan or Letter of Credit, including without limitation, all principal, interest (including any interest accruing after the filing of any petition in bankruptcy or the commencement of any proceeding under any Debtor Relief Law relating to any Loan Party, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), all reimbursement obligations, fees, expenses, indemnification and reimbursement payments, costs and expenses (including all fees and expenses of counsel to Administrative Agent incurred and payable by the Loan Parties pursuant to this Agreement or any other Loan Document), whether direct or indirect, absolute or contingent, liquidated or unliquidated, now existing or hereafter arising hereunder or thereunder, together with all renewals, extensions, modifications or refinancings thereof; provided, that Obligations shall not include Excluded Swap Obligations.

"OFAC" has the meaning specified in Section 5.15.

"Offered Loans" has the meaning specified in Section 2.19(c).

"Ordinary Course of Business" means the ordinary course of business of the Borrowers and their Subsidiaries and undertaken in good faith.

"Organization Documents" means, as applicable with respect to any Person, its certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); its certificate or articles of formation or organization and operating agreement; or its partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization.

"Original Closing Date" means December 23, 2016.

"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, excluding for the avoidance of doubt, Excluded Taxes.

"Outstanding Amount" means, as applicable, the aggregate outstanding principal amount of Revolving Loans, Swing Line Loans and/or Term Loans on any date after giving effect to any Borrowings, prepayments or repayments thereof occurring on such date, and with respect to any L/C Obligations, the aggregate outstanding amount of such L/C Obligations on any date after giving effect to any L/C Credit Extension or other changes in the aggregate amount of the L/C Obligations occurring on such date.

"Outstanding Items" has the meaning specified in Section 6.18.

"Overnight Rate" means, for any day, with respect to any amount denominated in Dollars, the greater of (a) the Federal Funds Rate and (b) an overnight rate determined by Administrative Agent, the L/C Issuer, or the Swing Line Lender, as the case may be, in accordance with banking industry rules on interbank compensation.

"Participant" has the meaning specified in clause (d) of Section 10.06.

"Participation and SPV Register" has the meaning specified in clause (d) of Section 10.06.

"Payment in Full" or "Payment in Full of the Obligations" means (a) the payment in full in cash of all Loan Obligations (other than contingent indemnification claims for which no claim has been asserted), together with all accrued and unpaid interest and fees thereon, other than L/C Obligations that have been fully Cash Collateralized, (b) the Commitments shall have terminated or expired, and (c) the obligations and liabilities of each Loan Party under all Credit Product Arrangements constituting Secured Obligations, to the extent such obligations and liabilities are then due and outstanding as of the date clauses (a) and (b) preceding have been satisfied and the amount of such obligations and liabilities has been provided to Administrative Agent and Borrower Agent in writing by the applicable Credit Product Provider on or prior to such date, shall have been paid and satisfied in full or fully Cash Collateralized (other than contingent indemnification claims for which no claim has been asserted). "Paid in Full," "paid in full," "payment in full," and "payment in full of the Obligations" have meanings correlative thereto.

"PBGC" means the Pension Benefit Guaranty Corporation or any successor thereto.

"Pension Act" means the Pension Protection Act of 2006.

"Pension Funding Rules" means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and Multiemployer Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Section 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA, and any sections of the Code or ERISA related thereto that are enacted after the date of this Agreement.

"Pension Plan" means any employee pension benefit plan (other than a Foreign Plan or Multiemployer Plan) that is maintained or is contributed to by any Loan Party, or with respect to which any Loan Party has any current or contingent liability as a result of being considered a single employer with any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

"Permitted Acquisition" means any Acquisition by a Borrower or a Subsidiary of a Borrower, including in the case of any Permitted Foreign Acquisition, any Foreign Subsidiary,

(i) that has been approved by the Required Lenders or (ii) so long as all of the following conditions have been satisfied:

(a) such Acquisition shall be structured as (1) an asset acquisition by such Borrower or Subsidiary, as applicable, of all or substantially all of the assets of the Person whose assets are being acquired (or all or substantially all of a line or lines of business of such Person), (2) a merger of the Person to be acquired with and into such Borrower or Subsidiary, as applicable, with such Borrower or Subsidiary, as applicable, as the surviving corporation in such merger, unless the surviving entity has otherwise assumed all obligations of such Borrower or Subsidiary, as applicable, under the Loan Documents pursuant to documentation reasonably acceptable to Administrative Agent or (3) a purchase of (x) any remaining Equity Interests in a Minority Investment, (y) any remaining Equity Interest of a Subsidiary of Holdings that is not a wholly-owned Subsidiary or (z) no less than a majority of the Equity Interests of the Person to be acquired by such Loan Party;

(b) the Person to be (or whose assets are to be) acquired does not oppose such Acquisition (unless otherwise agreed by the Required Lenders), such Acquisition shall be consummated in accordance with the terms of the agreements and documents related thereto and the line or lines of business of the Person to be acquired constitute Core Businesses;

(c) no Default or Event of Default shall have occurred and be continuing either immediately prior to or immediately after giving effect to such Acquisition; provided, that solely with respect to a Limited Condition Acquisition, at the Borrower Agent's election this clause (c) shall instead require that (x) no Specified Event of Default shall exist on the execution date of the applicable acquisition agreement for such Limited Condition Acquisition, and (y) no Event of Default under Section 8.01(a) or 8.01(f) shall exist on the date the Limited Condition Acquisition is consummated;

(d) to the extent such Acquisition involves a Permitted Foreign Acquisition, after giving effect to such Permitted Foreign Acquisition, the Loan Parties shall be in compliance with the applicable provisions in Section 7.03 governing Investments to Foreign Subsidiaries;

(e) after giving pro forma effect to such Acquisition (including the payment of cash and other property given as consideration, any Indebtedness incurred, assumed or acquired by any Borrower or Subsidiary, as applicable, in connection with such Acquisition and all fees expenses and transaction costs incurred in connection therewith), (i) the Loan Parties shall be in compliance on a Pro Forma Basis with the covenants set forth in Section 7.12(a) and (b) for the Fiscal Quarter most recently ended as determined based on the financial statements for the most recently ended fiscal period that were required to be delivered pursuant to this Agreement, (ii) the Loan Parties shall have on a Pro Forma Basis a Consolidated Total Net Leverage Ratio of not greater than 3.75:1.00 for the Fiscal Quarter most recently ended as determined based on the financial statements for the most recently ended fiscal period that were required to be delivered pursuant to this Agreement; provided that in the case of any Limited Condition Acquisition, the requirements set forth in clauses (i) and (ii) above shall, at the election of the Borrower Agent, be tested (and assuming for purposes of such calculations that (x) in the case of any Limited Condition Incremental Facility being incurred in connection therewith such Limited Condition Incremental Facility is fully drawn as of such date but without "netting" the Cash proceeds of such Limited Condition Incremental Facility, and (y) the proposed Limited Condition Acquisition, and all transactions to occur in connection therewith, have been effected) either on the execution date of the applicable acquisition agreement or the date the Limited Condition Acquisition is consummated, and (iii) Liquidity shall be at least $5,000,000; provided that in the case of any Limited Condition Acquisition, the Liquidity shall, at the election of the Borrower Agent, be tested (and assuming for purposes of such calculation that the proposed Limited Condition Acquisition, and all transactions to occur in connection

therewith, have been effected) either on the execution date of the applicable acquisition agreement or the date the Limited Condition Acquisition is consummated;

(f) Borrower Agent shall have furnished Administrative Agent (i) two (2) Business Days' (or such shorter period as may be agreed by Administrative Agent) prior to the consummation of such intended Acquisition, a current draft of the acquisition agreement (together with exhibits and schedules thereto and, to the extent required in the acquisition agreement, all required regulatory and third party approvals and copies of environmental assessments, if any) for such intended Acquisition (and final copies thereof as and when executed) and (ii) with respect to any intended Acquisition in which the Permitted Acquisition Consideration exceeds $5,000,000, (w) a description of the proposed Acquisition, (x) pro forma consolidated projections with respect to the intended Acquisition, (y) historical financial statements for the target of the intended Acquisition and (z) such other customary information or documentation regarding the intended Acquisition as Administrative Agent may reasonably request, including, to the extent available, a due diligence package;

(g) Borrower Agent shall have furnished to Administrative Agent at least two (2) Business Days (or such shorter period as may be agreed by Administrative Agent) prior to the date on which any such Acquisition is to be consummated or such shorter time as Administrative Agent may allow, a certificate of a Responsible Officer of Borrower Agent with a reasonably detailed calculation of item (e)(i), (ii) and (iii) above;

(h) to the extent obtained by the Loan Parties or their Affiliates, a quality of earnings report with respect to the target of such Acquisition;

(i) the Permitted Acquisition Consideration for all Permitted Foreign Acquisitions and all other Permitted Acquisitions of targets that will not become Guarantors, or of assets in respect of which Administrative Agent shall not have a first priority perfected Lien (subject to Permitted Liens) on such assets that constitute Collateral, does not exceed $10,000,000 in the aggregate during the term of this Agreement plus the Available Amount when aggregated with all other Foreign Acquisitions consummated during the term of this Agreement; provided, that the limitation provided in this clause (i) shall not apply (a) with respect to that portion of the consideration in the form of Equity Interests of Holdings (or any parent entity thereof) that are not Disqualified Equity Interests and (b) to the extent such Acquisition is financed with the Net Cash Proceeds of issuances by Holdings (or any parent entity thereof) of, or capital contributions to, its Equity Interests that are not Disqualified Equity Interests, Permitted Cure Securities or cash common equity contributions in connection with an Equity Cure pursuant to Section 8.04 (other than issuances of, or contributions to, Equity Interests that are included in the calculation of the Available Amount or the Net Cash Proceeds of which are used to make Restricted Payments under Section 7.06(i)) and solely to the extent the Net Cash Proceeds of such issuances or contributions are contributed by Holdings to a Borrower as cash common equity; and

(j) such Permitted Acquisition shall involve assets, except with respect to a Permitted Foreign Acquisition, principally located in the United States (and, in connection with the acquisition of the Equity Interests of a Person being acquired, such Person shall be organized under the laws of a state within the United States) (any Acquisition that satisfies all of the conditions to satisfy a Permitted Acquisition, other than this clause (j) is referred to herein as a "Permitted Foreign Acquisition").

"Permitted Acquisition Consideration" means the purchase consideration for a Permitted Acquisition and all other payments (but excluding any related acquisition fees, costs and expenses incurred in connection with any Permitted Acquisition), directly or indirectly, by Borrowers or any Subsidiary in exchange for, or as part of, or in connection with, a Permitted

Acquisition, whether paid in cash or by exchange of Equity Interests or of any property or incurrence or assumption of Indebtedness or otherwise and whether payable at or prior to the consummation of a Permitted Acquisition or deferred for payment at any future time (including earnouts, seller notes and other deferred purchase price obligations); provided, that any such future payment that is an earnout or other deferred purchase price obligation shall be included in the determination of Permitted Acquisition Consideration as the maximum amount of such earnout or other deferred purchase price obligation; provided, further, that Permitted Acquisition Consideration shall not include (a) the portion of consideration or payment constituting salary payments pursuant to ordinary course employment agreements and salary bonuses payable thereunder to the extent relating to the applicable Permitted Acquisition and (b) the portion of consideration or payment attributable to cash and Cash Equivalents constituting working capital acquired by Borrowers or their Subsidiaries as part of the applicable Permitted Acquisition in excess of the working capital target set forth in the purchase agreement for such Permitted Acquisition.

"Permitted Cure Security" means an Equity Interest other than a Disqualified Equity Interest or other capital consideration the proceeds of which are utilized in connection with a Cure Right pursuant to Section 8.04.

"Permitted Holder" means (i) the individual founders of the e.l.f. cosmetics business identified to Agent in writing prior to the Restatement Effective Date, (ii) such founders' respective spouses and descendants (whether natural or adopted), and any trust, limited partnership, limited liability company, corporation or other bona-fide estate planning entity of any such founder the only beneficiaries of which are any of the foregoing individuals, such individual's estate (or an executor or administrator acting on its behalf), heirs or legatees or any private foundation or fund that is controlled by any of the foregoing individuals or any donor-advised fund of which any such individual is the donor and (iii) entities that are 100% wholly-owned, directly or indirectly, by such founders.

"Permitted Liens" has the meaning specified in Section 7.02.

"Permitted Refinancing" means, with respect to any Person, any modification (other than a release of such Person), refinancing, refunding, renewal or extension of any Indebtedness of such Person; provided that (a) the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so modified, refinanced, refunded, renewed or extended except by an amount equal to unpaid accrued interest and premium thereon plus other reasonable amounts paid, and fees and expenses reasonably incurred, in connection with such modification, refinancing, refunding, renewal or extension and by an amount equal to any existing commitments unutilized thereunder, and as otherwise permitted under Section 7.01, (b) other than with respect to a Permitted Refinancing in respect of Indebtedness permitted pursuant to Section 7.01(a), such modification, refinancing, refunding, renewal or extension has a final maturity date equal to or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being modified, refinanced, refunded, renewed or extended, (c) other than with respect to a Permitted Refinancing in respect of Indebtedness permitted pursuant to Section 7.01(e), at the time thereof, no Event of Default shall have occurred and be continuing, (d) such modified, refinanced, refunded, renewed or extended Indebtedness shall only be guaranteed by Holdings and/or the Subsidiaries of the Borrowers that are otherwise or are required to be guarantors of the Indebtedness being modified, refinanced, refunded, renewed or extended, at the time of such modification, refinancing, refund, renewal or extension of Indebtedness occurs, and any other Subsidiaries that are acquired in connection with such refinancing, (e) such modified, refinanced, refunded, renewed or extended Indebtedness shall not be secured by any property or assets other than the property or assets that were or are required to be collateral (and then only with the same priority) for the Indebtedness being

modified, refinanced, refunded, renewed or extended at the time of such modification, refinancing, refunding, renewal or extension, and (f) if such Indebtedness being modified, refinanced, refunded, renewed or extended is Indebtedness permitted pursuant to Section 7.01(b) or (l), to the extent such Indebtedness being so modified, refinanced, refunded, renewed or extended is subordinated in right of payment to the Obligations, such modification, refinancing, refunding, renewal or extension is subordinated in right of payment to the Obligations on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being so modified, refinanced, refunded, renewed or extended; provided that a certificate of a Responsible Officer delivered to the Administrative Agent at least five Business Days prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that the Borrower Agent has determined in good faith that such terms and conditions satisfy the foregoing requirement (which determination shall be conclusive evidence that such terms and conditions satisfy the foregoing requirement.

"Permitted Sale Leaseback" means any Sale Leaseback consummated by a Borrower or any of its Subsidiaries after the Restatement Effective Date; provided that any such Sale Leaseback not between (a) a Loan Party and another Loan Party or (b) a Subsidiary that is not a Loan Party and another Subsidiary that is not a Loan Party must be, in each case, consummated for fair value as determined at the time of consummation in good faith by (i) such Borrower or such Subsidiary and (ii) in the case of any Sale Leaseback (or series of related Sales Leasebacks) the aggregate proceeds of which exceed $3,000,000, the board of directors (or equivalent governing body) of such Borrower or such Subsidiary (which such determination may take into account any retained interest or other Investment of such Borrower or such Subsidiary in connection with, and any other material economic terms of, such Sale Leaseback).

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan, but other than a Multiemployer Plan and other than a Foreign Plan), maintained for employees of any Loan Party or any such plan to which any Loan Party is required to contribute (including any Pension Plan which any ERISA Affiliate maintains, or is required to contribute to) on behalf of any of its employees.

"Platform" has the meaning specified in Section 10.02(c).

"Post-Acquisition Period" means, with respect to any Permitted Acquisition, the period beginning on the date such Permitted Acquisition is consummated and ending on the last day of the fourth full consecutive Fiscal Quarter immediately following the date on which such Permitted Acquisition is consummated.

"Pro Forma Adjustment" means, for any Measurement Period that includes all or any part of a Fiscal Quarter included in any Post-Acquisition Period, with respect to the Acquired EBITDA of the applicable Acquired Entity or Business or the Adjusted Consolidated EBITDA of the Loan Parties and their Subsidiaries, (a) the pro forma increase or decrease in such Acquired EBITDA or such Adjusted Consolidated EBITDA, as the case may be, that is factually supportable and is expected to have a continuing impact, and (b) additional good faith pro forma adjustments arising out of cost savings initiatives attributable to such transaction and additional costs associated with the combination of the operations of such Acquired Entity or Business with the operations of the Borrowers and their Subsidiaries, in each case being given pro forma effect that (i) have been realized or (ii) will be implemented following such transaction and are supportable and quantifiable (as determined by the chief financial officer of the Borrower Agent) and expected to be realized within the succeeding 12 months and, in each case, including,

but not limited to, (w) reduction in personnel expenses, (x) reduction of costs related to administrative functions, (y) reductions of costs related to leased or owned properties and (z) reductions from the consolidation of operations and streamlining of corporate overhead) taking into account, for purposes of determining such compliance, the historical financial statements of the Acquired Entity or Business and the consolidated financial statements of the Borrowers and their Subsidiaries, assuming such Permitted Acquisition or Disposition, and all other Permitted Acquisitions or Dispositions that have been consummated during the period, and any Indebtedness or other liabilities repaid in connection therewith had been consummated and incurred or repaid at the beginning of such period (and assuming that such Indebtedness to be incurred bears interest during any portion of the applicable measurement period prior to the relevant acquisition at the interest rate which is or would be in effect with respect to such Indebtedness as at the relevant date of determination); provided that, so long as such actions are initiated during such Post-Acquisition Period or such costs are incurred during such Post-Acquisition Period, as applicable, for purposes of projecting such pro forma increase or decrease to such Acquired EBITDA or such Adjusted Consolidated EBITDA, as the case may be, it may be assumed that such cost savings will be realizable during the entirety of such Measurement Period, or such additional costs, as applicable, will be incurred during the entirety of such Measurement Period; provided, further, that any increase in Acquired EBITDA or Adjusted Consolidated EBITDA, as the case may be, as a result of such Pro Forma Adjustments shall not, together with all increases in Adjusted Consolidated EBITDA pursuant to Restructuring Charges, Business Optimization Expenses and Reserves (as defined in the Compliance Certificate) and Cost Savings and Synergies (as defined in the Compliance Certificate), exceed 20% (or such greater amount approved by the Administrative Agent) of Adjusted Consolidated EBITDA on a Pro Forma Basis calculated prior to giving effect to such adjustments and the adjustments resulting from Restructuring Charges, Business Optimization Expenses and Reserves and Costs Savings and Synergies in the aggregate in any Measurement Period.

"Pro Forma Basis" and "Pro Forma Effect" mean, with respect to compliance with any test hereunder for an applicable period of measurement, that (A) to the extent applicable, the Pro Forma Adjustment shall have been made and (B) all Specified Transactions and the following transactions in connection therewith shall be deemed to have occurred as of the first day of the applicable period of measurement (as of the last date in the case of a balance sheet item) in such test: (a) income statement items (whether positive or negative) attributable to the property or Person subject to such Specified Transaction, (i) in the case of a Disposition of all or substantially all Equity Interests in any Subsidiary of the Borrowers or any division, product line, or facility used for operations of the Borrowers or any of their Subsidiaries which represents a contribution to Adjusted Consolidated EBITDA in excess of $500,000, shall be excluded, and (ii) in the case of a Permitted Acquisition or Investment described in the definition of "Specified Transaction", shall be included, (b) any retirement of Indebtedness, and (c) any Indebtedness incurred or assumed by a Borrower or any of its Subsidiaries in connection therewith and if such Indebtedness has a floating or formula rate, shall have an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate which is or would be in effect with respect to such Indebtedness as at the relevant date of determination; provided that, without limiting the application of the Pro Forma Adjustment pursuant to (A) above, the foregoing pro forma adjustments may be applied to any such test solely to the extent that such adjustments are consistent with the definition of Adjusted Consolidated EBITDA and give effect to events (including operating expense reductions) that are (as determined by the Borrower Agent in good faith) (i) (x) directly attributable to such transaction, (y) expected to have a continuing impact on the Borrowers and their Subsidiaries and (z) factually supportable or (ii) otherwise consistent with the definition of Pro Forma Adjustment.

"Properly Contested" means with respect to any obligation of a Loan Party or any Subsidiary of a Loan Party, (a) the obligation is being properly contested in good faith by

appropriate proceedings; and (b) appropriate reserves have been established in accordance with GAAP.

"Qualified ECP Guarantor" means, in respect of any Swap Obligation, each Loan Party that has total assets exceeding $10,000,000 at the time the relevant Guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an "eligible contract participant" under the Commodity Exchange Act and can cause another person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"Qualified Equity Interests" means any Equity Interests that are not Disqualified Equity Interests.

"Qualified IPO" means a bona fide underwritten sale to the public of common stock of Holdings or any other direct or indirect parent company of the Borrowers pursuant to a registration statement (other than on Form S-8 or any other form relating to securities issuable under any benefit plan of Holdings or any other direct or indirect parent company of the Borrowers) that is declared effective by the SEC.

"Qualifying Lenders" has the meaning set forth in Section 2.19(e).

"Qualifying Loans" has the meaning specified in Section 2.19(e).

"Real Estate" means all land, together with the buildings, structures, parking areas, and other improvements thereon, now or hereafter owned by any Loan Party, including all easements, rights-of-way, and similar rights appurtenant thereto and all leases, tenancies, and occupancies thereof.

"Recipient" means (a) Administrative Agent, (b) any Lender, (c) any L/C Issuer or (d) any other Lender Party.

"Register" has the meaning specified in Section 10.06(c).

"Related Parties" means, with respect to any Person, such Person's Affiliates and the directors, officers, partners, employees, agents and controlling Persons of such Person and of such Person's Affiliates.

"Relevant Governmental Body" means the Board of Governors of the Federal Reserve System of the United States and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System of the United States and/or the Federal Reserve Bank of New York or, in each case, any successor thereto.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

"Request for Credit Extension" means (a) with respect to a Borrowing, conversion or continuation of Loans, a Committed Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application, and (c) with respect to a Swing Line Loan, a Swing Line Loan Notice.

"Required Lenders" means, as of any date of determination, Lenders holding more than 50% of the sum of (a) Total Outstandings and (b) aggregate unused Commitments; but if at least two unaffiliated Lenders that are not Defaulting Lenders exist, Required Lenders must

include at least two unaffiliated Lenders that are not Defaulting Lenders. The unused Commitments of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

"Required Revolving Lenders" means, as of any date of determination, Lenders (a) holding more than 50% of the Aggregate Revolving Credit Commitments of all Lenders, or (b) if the Aggregate Revolving Credit Commitments have been terminated, more than fifty percent (50%) of the sum, without duplication, of the aggregate outstanding amount of Revolving Loans, the outstanding L/C Obligations, amounts of participations in Swing Line Loans and the principal amount of unparticipated portions of Swing Line Loans; but if at least two unaffiliated Revolving Lenders that are not Defaulting Lenders exist, Required Revolving Lenders must include at least two unaffiliated Lenders that are not Defaulting Lenders. The unused Revolving Credit Commitments of, and the portion of the Total Revolving Credit Outstandings held or deemed held by, any Defaulting Lender shall be disregarded in determining Required Revolving Lenders at any time.

"Rescindable Amount" has the meaning specified in Section 2.12(b)(ii).

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

"Responsible Officer" means, with respect to each Loan Party, the chief executive officer, president, chief financial officer, vice president, treasurer or controller of such Loan Party. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

"Restatement Effective Date" means April 30, 2021.

"Restricted Payment" means (a) any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock or other Equity Interest of Holdings or any Subsidiary or (b) any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such capital stock or other Equity Interest, or on account of any return of capital to a Loan Party's or its Subsidiaries' stockholders, partners or members (or the equivalent Person thereof).

"Revolving Credit Commitment" means, as to each Revolving Lender, its obligation to (a) make Revolving Loans to Borrowers pursuant to Section 2.01(a), (b) purchase participations in L/C Obligations, and (c) purchase participations in Swing Line Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Revolving Lender's name on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"Revolving Credit Facility" means the facility described in Sections 2.01(a), 2.03 and 2.04 providing for Revolving Loans, Letters of Credit and Swing Line Loans to or for the benefit of Borrowers by the Revolving Lenders, L/C Issuer and Swing Line Lender, as the case may be, in the maximum aggregate principal amount at any time outstanding of $100,000,000 as adjusted from time to time pursuant to the terms of this Agreement.

"Revolving Credit Maturity Date" means April 30, 2026.

"Revolving Credit Outstandings" means, with respect to any Lender at any time, the sum of the Outstanding Amount of such Lender's Revolving Loans and its L/C Exposure and Swing Line Exposure at such time.

"Revolving Credit Termination Date" means the earliest of (a) the Revolving Credit Maturity Date, (b) the date of termination of the Aggregate Revolving Credit Commitments pursuant to Section 2.07(a), and (c) the date of termination of the commitment of each Lender to make Loans and of the obligation of the L/C Issuer to make L/C Credit Extensions pursuant to Section 8.02.

"Revolving Lender" means each Lender that has a Revolving Credit Commitment or, following termination of the Revolving Credit Commitments, has Revolving Loans outstanding or participations in outstanding Letters of Credit and/or Swing Line Loans.

"Revolving Loan" means a Base Rate Loan or a SOFR Loan made to Borrowers pursuant to Section 2.01(a) or any Increase pursuant to Section 2.18.

"Revolving Loan Note" means a promissory note made by Borrowers in favor of a Revolving Lender evidencing Revolving Loans made by such Revolving Lender, substantially in the form of Exhibit C-1.

"S&P" means Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc. and any successor thereto.

"SEC" means the Securities and Exchange Commission.

"Sale Leaseback" means any transaction or series of related transactions pursuant to which the Borrowers or any of their Subsidiaries (a) sells, transfers or otherwise disposes of any property, real or personal, whether now owned or hereafter acquired, and (b) as part of such transaction, thereafter rents or leases such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold, transferred or disposed.

"Secured Obligations" means (a) the Obligations and (b) all Credit Product Obligations; provided, that Secured Obligations shall not include Excluded Swap Obligations.

"Securitization" means an existing or proposed public or private offering of securities by, or other financing facility involving, a Lender or any of its Affiliates or their respective successors and assigns, which represent an interest in, or which are collateralized, in whole or in part, by the Loans or the Commitments.

"Security Agreement" means the Pledge and Security Agreement dated as of the Original Closing Date by the Loan Parties and Administrative Agent for the benefit of the Lender Parties.

"Security Instruments" means, collectively or individually as the context may indicate, the Security Agreement, the Control Agreements, the Mortgages, all security agreements pertaining to Intellectual Property, any landlord lien waiver, warehouseman's or bailee's letter or similar agreement and all other agreements, instruments and other documents, whether now existing or hereafter in effect, pursuant to which any Loan Party or other Person shall grant or convey to Administrative Agent or the Lenders a Lien in property as security for all or any portion of the Obligations.

"Settlement Date" has the meaning provided in Section 2.14(a).

"SOFR" means a rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York) or a successor administrator of the secured overnight financing rate).

"SOFR Loan" means a Loan bearing interest based on Adjusted Term SOFR, other than pursuant to clause (c) of the definition of "Base Rate."

"Sold Entity or Business" has the meaning specified in the Compliance Certificate.

"Solvent" means, as to any Person on any date of determination, that on such date such Person (a) owns assets whose fair value (on a consolidated and going concern basis) exceeds such Person's debts and liabilities, subordinated, contingent or otherwise; (b) owns property whose present fair salable value (on a consolidated and going concern basis) is greater than the amount that will be required to pay the probable liability, on a consolidated basis, of such Person's debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured in the ordinary course of business; (c) is able to pay its debts and liabilities, subordinated, contingent or otherwise, as such liabilities become absolute and matured in the ordinary course of business; and (d) is not engaged in, and is not about to engage in, business contemplated as of the applicable date of determination for which they have unreasonably small capital. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that would reasonably be expected to become an actual and matured liability.

"Specified Event of Default" means any Event of Default under Section 8.01(a), 8.01(b) (solely with respect to Section 6.01, 6.02(a) or 6.02(b) or Article VII) or 8.01(f).

"Specified Transaction" means any Investment, Disposition, incurrence or repayment of Indebtedness, Restricted Payment, or any Increase that by the terms of this Agreement requires, as a condition to consummating such transaction, compliance with the financial covenants to be calculated on a "Pro Forma Basis" or after giving "Pro Forma Effect"; provided that any increase in the Revolving Commitment, for purposes of this "Specified Transaction" definition, shall be deemed to be fully drawn.

"SPV" means any special purpose funding vehicle identified as such in a writing by any Lender to the Administrative Agent.

"Subordinated Indebtedness" has the meaning specified in Section 7.01(v).

"Subordination Provisions" has the meaning specified in Section 8.01(k).

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity (but not a representative office of such Person) of which a majority of the Voting Equity Interests are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of Holdings or any of its direct or indirect Subsidiaries.

"Subsidiary Guarantor" and "Subsidiary Guarantors" means each Subsidiary that becomes a Guarantor of all or a part of the Secured Obligations after the Original Closing Date pursuant to Section 6.12 of the Agreement or otherwise.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, (b) a "swap agreement" as that term is defined in Section 101(53B)(A) of the Bankruptcy Code, and (c) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "***Master Agreement***"), including any such obligations or liabilities under any Master Agreement.

"Swap Obligation" means, with respect to any Loan Party, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"Swing Line" means the revolving credit facility made available by the Swing Line Lender pursuant to Section 2.04.

"Swing Line Borrowing" means a borrowing of a Swing Line Loan pursuant to Section 2.04.

"Swing Line Exposure" means, at any time, the Outstanding Amount of all Swing Line Loans outstanding at such time. The Swing Line Exposure of any Lender at any time shall be its Applicable Percentage of the total Swing Line Exposure at such time.

"Swing Line Lender" means BMO in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

"Swing Line Lender's Quoted Rate" has the meaning specified in Section 2.04(b).

"Swing Line Loan" has the meaning specified in Section 2.04(a).

"Swing Line Loan Notice" means a notice of a Swing Line Borrowing pursuant to Section 2.04(b), which, if in writing, shall be substantially in the form of Exhibit B.

"Swing Line Sublimit" means an amount equal to $5,000,000. The Swing Line Sublimit is part of, and not in addition to, the Aggregate Revolving Credit Commitments.

"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 Borrowing" means a borrowing consisting of simultaneous Term Loans of the same Type and, in the case of SOFR Loans, having the same Interest Period, made by each of the Term Lenders pursuant to Section 2.01(b).

"Term Lender" means each Lender that has a Term Loan Commitment or, following termination of the Term Loan Commitments, has Term Loans outstanding.

"Term Loan" means a Base Rate Loan or a SOFR Loan made to Borrowers pursuant to Section 2.01(b) or any Increase under an incremental term facility pursuant to Section 2.18.

"Term Loan Commitment" means, as to each Term Lender, its obligation to make Term Loans to Borrowers on the Restatement Effective Date pursuant to Section 2.01(b) in an aggregate original principal amount equal to the amount set forth opposite such Term Lender's name on Schedule 2.01.

"Term Loan Facility" means the facility described in Section 2.01(b), providing for Term Loans to Borrowers by the Term Lenders in the original aggregate principal amount of $100,000,000.

"Term Loan Maturity Date" means April 30, 2026.

"Term Loan Note" means a promissory note made by Borrowers in favor of a Term Lender evidencing Term Loans made by such Term Lender, substantially in the form of Exhibit C-2.

"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, provided, that if Term SOFR determined as provided above shall ever be less than the Floor, then Term SOFR shall be deemed to be the Floor.

"Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

"Term SOFR Reference Rate" means the per annum forward-looking term rate based on SOFR.

"Total Outstandings" means the Outstanding Amount of all Loans and L/C Obligations.

"Total Revolving Credit Outstandings" means, without duplication, the aggregate Outstanding Amount of all Revolving Loans, Swing Line Loans and L/C Obligations at such time.

"Trading With the Enemy Act" has the meaning specified in Section 5.15.

"Transaction" means, individually or collectively as the context may indicate, the entering by Borrowers and the other Loan Parties of the Loan Documents to which they are a party and the funding of the Revolving Credit Facility and the Term Loan Facility, in each case, including the payment of any costs, fees and expenses in connection with the foregoing.

"Treasury Management and Other Services" means (a) all arrangements for the delivery of treasury management services, (b) all commercial credit card, purchase card and merchant card services; and (c) all other banking products or services, other than Letters of Credit and Swap Contracts, in each case, to or for the benefit of any Loan Party or a Subsidiary of a Loan Party which are entered into or maintained with a Lender or Affiliate of a Lender and which are not prohibited by the express terms of the Loan Documents.

"Type" means, with respect to a Loan, its character as a Base Rate Loan or a SOFR Loan.

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York; provided that if, with respect to any financing statement or by reason of any mandatory provisions of law, the perfection or the effect of perfection or non-perfection of any security interests granted to Administrative Agent pursuant to any applicable Loan Document is governed by the Uniform Commercial Code as in effect in a jurisdiction of the United States other than New York, the term "UCC" shall also include the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions of this Agreement, each Loan Document and any financing statement relating to such perfection or effect of perfection or non-perfection.

"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.

"United States" and "U.S." mean the United States of America.

"Unreimbursed Amount" has the meaning specified in Section 2.03(c)(i).

"Unused Fee" has the meaning specified in Section 2.09(a).

"U.S. Government Securities Business Day" means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"USA PATRIOT Act" has the meaning specified in Section 5.15.

"Voting Equity Interests" of any Person means capital stock or other equity interests of any class or classes (however designated) having ordinary voting power for the election of directors or other similar governing body of such Person, other than stock or other equity interests having such power only by reason of the happening of a contingency.

"W3LL" has the meaning specified in the introductory paragraph hereto.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment by (b) the then outstanding principal amount of such Indebtedness; *provided* that for purposes of determining the Weighted Average Life to Maturity of any Indebtedness that is being modified, refinanced, refunded, renewed, replaced or extended (the "Applicable Indebtedness"), the effects of any prepayments made on such Applicable Indebtedness prior to the date of the applicable modification, refinancing, refunding, renewal, replacement or extension shall be disregarded.

"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.

1.02. Other Interpretive Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such

Person's successors and permitted assigns (subject to any restrictions on assignment set forth herein or in any other Loan Document), (iii) the words "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

(d) For purposes of determining compliance with any provision in Section 7.01, 7.02, 7.03, 7.05, 7.06, 7.08 or 7.11(a), in the event that an item or subject matter meets the criteria of more than one of the categories described in each of the respective Sections therein, the Borrowers may, in their commercially reasonable discretion, classify and reclassify or later divide, classify or reclassify such item or subject matter (or any portion thereof) and will only be required to include the amount and type of such item or subject matter in one or more of the applicable categories in the applicable Section.

1.03. Accounting Terms.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either Borrower Agent, Administrative Agent or the Required Lenders shall so request, Administrative Agent, the Lenders and Borrower Agent shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) Borrower Agent shall provide to Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

(c) Pro Forma Calculations. Any pro forma calculation of the financial covenants set forth in Section 7.12 hereof (i) shall be made on a Pro Forma Basis as if all Specified Transactions (including, without limitation, all Indebtedness incurred or Acquisitions or Dispositions of a Subsidiary or business segment) made prior to the time of such measurement had been incurred

or made, as applicable, on the first day of the Measurement Period most recently ended for which Borrower Agent has delivered (or was required to deliver) financial statements pursuant to Sections 6.01(a) or 6.01(b) and (ii) as of any date occurring prior to June 30, 2021 shall assume that the maximum Consolidated Total Net Leverage Ratio or minimum Fixed Charge Coverage Ratio, as applicable, permitted or required, as applicable, as of such date is the applicable covenant level for the Measurement Period ending June 30, 2021. All defined terms used in the calculation of the financial covenants set forth in Section 7.12 hereof shall be calculated on a historical pro forma basis giving effect, during any Measurement Period that includes any Permitted Acquisition or, to the extent there is a reasonable basis for Administrative Agent to verify such historical results, any other Investment constituting an Acquisition permitted to be made hereunder, to the actual historical results of the Person or line of business so acquired and which amounts shall include adjustments as contemplated by the Pro Forma Adjustments set forth herein and in the Compliance Certificate.

(d) In computing financial ratios and other financial calculations of Holdings and its Subsidiaries required to be submitted pursuant to this Agreement, all Indebtedness shall be calculated at par value irrespective of whether such Person has elected the fair value option pursuant to FASB Interpretation No. 159 – The Fair Value Option for Financial Assets and Financial Liabilities—Including an amendment of FASB Statement No. 115 (February 2007).

1.04. Uniform Commercial Code. As used herein, the following terms are defined in accordance with the UCC in effect in the State of New York from time to time: "Chattel Paper," "Commodity Account", "Commodity Contract", "Deposit Account," "Documents," "General Intangible," "Instrument," "Inventory," and "Securities Account."

1.05. Interest Rates. The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to (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, except, in the case of clauses (a) and (b), to the extent of liabilities resulting from the bad faith, gross negligence or willful misconduct of the Administrative Agent, as determined by a court of competent jurisdiction in a final and non-appealable judgment. The Administrative 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 Borrower. The Administrative 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 any Borrower, 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 (including the calculation of any such rate (or component thereof)) made by any such information source or service.

1.06. Foreign Currency**.** Transactions with Foreign Subsidiaries permitted hereunder that are denominated in Dollars shall be deemed to be the dollar equivalent of any such transactions that

are actually funded in a foreign currency, if applicable, using prevailing exchange rates at the time of such transaction and without giving effect to fluctuations in exchange rates.

1.07. Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Central time (daylight or standard, as applicable).

1.08. Divisions. Notwithstanding anything to the contrary in this Agreement, (i) any division of a limited liability company shall constitute a separate Person hereunder, and each resulting division of any limited liability company that, prior to such division, is a Subsidiary, a Loan Party, a joint venture or any other like term shall remain a Subsidiary, a Loan Party, a joint venture, or other like term, respectively, after giving effect to such division, to the extent required under this Agreement, and any resulting divisions of such Persons shall remain subject to the same restrictions and corresponding exceptions applicable to the pre-division predecessor of such divisions, (ii) in no event shall Holdings be permitted to effectuate a division and (iii) if any Subsidiary shall consummate a division permitted under this Agreement in accordance with the foregoing, such Subsidiary shall be required to immediately (effective simultaneously with the effectiveness of such division) comply with the requirements set forth in Section 6.12 to the extent applicable.

ARTICLE II
THE COMMITMENTS AND CREDIT EXTENSIONS

1.01. Loan Commitments.

(a) Revolving Credit Commitments. Subject to the terms and conditions set forth herein, each Lender severally agrees to make Revolving Loans in U.S. Dollars to Borrowers from time to time until the Revolving Credit Termination Date, in an aggregate amount not to exceed at any time outstanding the amount of such Lender's Revolving Credit Commitment, subject to the following limitations:

(i) after giving effect to any Revolving Borrowing, the Total Revolving Credit Outstandings shall not exceed the Aggregate Revolving Credit Commitments,

(ii) the Outstanding Amount of all L/C Obligations shall not at any time exceed the Letter of Credit Sublimit, and

(iii) the Outstanding Amount of all Swing Line Loans shall not at any time exceed the Swing Line Sublimit.

Within the limits of each Lender's Revolving Credit Commitment, and subject to the other terms and conditions hereof, Borrowers may borrow under this Section 2.01(a), prepay under Section 2.06(a), and reborrow under this Section 2.01(a). Each Borrower acknowledges and agrees that, immediately prior to the effectiveness of this Agreement, the outstanding principal amount of the "Revolving Loans" under the Original Credit Agreement is $0, and that all of the foregoing are hereby deemed to have been, and hereby are, converted into a portion of the outstanding Revolving Loans hereunder in like amount without constituting a novation.

(b) Term Loan Commitments. Subject to the terms and conditions set forth herein (including the last sentence of this clause (b)), each Lender severally agrees to make a Term Loan in U.S. Dollars to Borrowers on the Restatement Effective Date in an amount equal to such Lender's Term Loan Commitment. Subject to the last sentence of this clause (b), the advance of the Term Loan shall be made simultaneously by the Lenders on the Restatement Effective Date in accordance with their respective Applicable Percentages of the Term Loan Facility. Amounts borrowed under this Section 2.01(b) and repaid or prepaid may not be reborrowed. Each

Borrower acknowledges and agrees that, (i) immediately prior to the effectiveness of this Agreement, the outstanding principal amount of the "Term Loan" under the Original Credit Agreement is $125,193,750, (ii) Borrowers shall repay $25,193,750 of such amount on the Closing Date with the proceeds of Revolving Loans, and (iii) $100,000,000 of the foregoing are hereby deemed to have been, and hereby are, converted into a portion of the outstanding Term Loan hereunder in like amount without constituting a novation, and that no Term Loans shall be advanced to the Borrowers on the Restatement Effective Date.

1.02. Borrowings, Conversions and Continuations of Loans.

(a) Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of SOFR Loans shall be made upon Borrower Agent's irrevocable notice to Administrative Agent, which may be given by telephone. Each such notice must be received by Administrative Agent not later than 1:00 p.m. (i) three Business Days prior to the requested date of any Borrowing of, conversion to or continuation of SOFR Loans or of any conversion of SOFR Loans to Base Rate Loans, and (ii) on the requested date of any Borrowing of Base Rate Loans. Each telephonic notice pursuant to this Section 2.02(a) must be confirmed promptly by delivery to Administrative Agent of a written Committed Loan Notice, appropriately completed and signed by a Responsible Officer of Borrower Agent. Each Borrowing of, conversion to or continuation of SOFR Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof. Except as provided in Sections 2.03(c) and 2.04(c), each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of $100,000 or a whole multiple of $10,000 in excess thereof. If Borrowers fail to specify a Type of Loan in a Committed Loan Notice or if Borrowers fail to give a timely notice requesting a conversion or continuation, then the applicable Loans shall be made as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable SOFR Loans. If Borrowers request a Borrowing of, conversion to, or continuation of SOFR Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

(b) Following receipt of a Committed Loan Notice for a Facility, Administrative Agent shall promptly notify each Lender of the amount of its Applicable Percentage under such Facility of the applicable Loans, and if no timely notice of a conversion or continuation is provided by Borrower Agent, Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans described in the preceding subsection. In the case of a Term Borrowing or Revolving Borrowing, each Lender shall make the amount of its Loan available to Administrative Agent in immediately available funds at Administrative Agent's Office not later than 1:00 p.m. on the Business Day specified in the applicable Committed Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.02 (and, if such Borrowing is the initial Credit Extension, Section 4.01), Administrative Agent shall make all funds so received available to Borrowers in like funds as received by Administrative Agent either by (i) crediting the account of Borrowers on the books of BMO with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with written instructions provided to (and reasonably acceptable to) Administrative Agent by Borrower Agent.

(c) Except as otherwise provided herein, a SOFR Loan may be continued or converted only on the last day of an Interest Period for such SOFR Loan. During the existence of an Event of

Default, at the election of Required Lenders, no Loans may be requested as, converted to or continued as SOFR Loans with an Interest Period in excess of one month.

(d) After giving effect to all conversions of Loans from one Type to the other, and all continuations of Loans as the same Type, there shall not be more than nine (9) Interest Periods in effect in respect of the Facilities plus two (2) for any Increase.

1.03. Letters of Credit.

(a) The Letter of Credit Commitment.

(i) Subject to the terms and conditions set forth herein, (A) the L/C Issuer agrees, in reliance upon the agreements of the Revolving Lenders set forth in this Section 2.03, from time to time on any Business Day during the period from the Restatement Effective Date until the earlier to occur of the Letter of Credit Expiration Date or Revolving Credit Termination Date, to issue Letters of Credit at the request of Borrower Agent for the account of any Borrower or any Subsidiary thereof and for the benefit of any Borrower or any Subsidiary thereof, and to amend Letters of Credit previously issued by it, in accordance with subsection (b) below; and (B) the Revolving Lenders severally agree to participate in Letters of Credit issued for the account of any Borrower and any drawings thereunder; provided that the L/C Issuer shall not be obligated to make any L/C Credit Extension, if as of the date of such L/C Credit Extension, (A) the aggregate Revolving Credit Outstandings of any Revolving Lender would exceed such Revolving Lender's Revolving Credit Commitment, (B) the Total Revolving Credit Outstandings would exceed the Aggregate Revolving Credit Commitments or (C) the Outstanding Amount of the L/C Obligations would exceed the Letter of Credit Sublimit. Each request by Borrower Agent for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by Borrower Agent that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. All Existing Letters of Credit shall be deemed to have been issued pursuant hereto, and from and after the Restatement Effective Date shall be subject to and governed by the terms and conditions hereof.

(ii) The L/C Issuer shall not be under any obligation to issue any Letter of Credit if:

(A) subject to Section 2.03(b)(iii), the expiry date of such requested Letter of Credit would occur later than the earlier of (i) the Letter of Credit Expiration Date, and (ii) twelve months after the date of issuance,

(B) any order, judgment, decree, request or directive of any Governmental Authority or arbitrator or any Law shall by its terms purport to enjoin, restrain or prohibit the L/C Issuer from issuing such Letter of Credit or shall impose upon the L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the L/C Issuer is not otherwise compensated hereunder) not in effect on the Restatement Effective Date, or shall impose upon the L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Restatement Effective Date;

(C) the issuance of such Letter of Credit would violate one or more policies of the L/C Issuer;

(D) such Letter of Credit is in an initial amount less than $10,000; or

(E) any Revolving Lender is at that time a Defaulting Lender, unless the L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to the L/C Issuer (in its sole discretion) with Borrowers or such Lender to eliminate the L/C Issuer's actual or potential Fronting Exposure (after giving effect to Section 2.17(a)(iv)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that

Letter of Credit and all other L/C Obligations as to which the L/C Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion.

(iii) The L/C Issuer shall not amend any Letter of Credit if the L/C Issuer would not be permitted at such time to issue such Letter of Credit in its amended form under the terms hereof.

(iv) The L/C Issuer shall be under no obligation to amend any Letter of Credit if (A) the L/C Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(v) The L/C Issuer shall act on behalf of the Revolving Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the L/C Issuer shall have all of the benefits and immunities (A) provided to Administrative Agent in Article IX with respect to any acts taken or omissions suffered by the L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article IX included the L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuer.

(vi) Notwithstanding anything contained in this Section 2.03, at the election of Administrative Agent and the L/C Issuer, Borrower Agent may request that the L/C Issuer issue Letters of Credit with expiration dates extending beyond the earlier of the Letter of Credit Expiration Date and the Revolving Credit Termination Date (or that the L/C Issuer permits an automatic extension of any Letter of Credit to a date beyond the earlier of the Letter of Credit Expiration Date and the Revolving Credit Termination Date), in each case subject to the delivery to Administrative Agent by Borrowers of cash collateral in an amount at least equal to the Minimum Collateral Amount (to be held by the Administrative Agent as set forth in Section 2.16 hereof), and in any event, such cash collateral shall be deposited no later than 5 Business Days prior to the earlier of the Letter of Credit Expiration Date and the Revolving Credit Termination Date.

(b) Procedures for Issuance and Amendment of Letters of Credit; Auto-Extension Letters of Credit.

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of Borrower Agent delivered to the L/C Issuer (with a copy to Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of Borrower Agent and, if applicable, of the applicable Borrower. Such Letter of Credit Application must be received by the L/C Issuer and Administrative Agent not later than 11:00 a.m. at least two Business Days (or such later date and time as Administrative Agent and the L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, each Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer the date on which the proposed Letter of Credit is to be issued (which shall be a Business Day), the expiration date of such Letter of Credit and such other matters as the L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer the Letter of Credit to be amended, the proposed date of amendment thereof (which shall be a Business Day), and such other matters as the L/C Issuer may require. Additionally, Borrower Agent shall furnish to the L/C Issuer and Administrative Agent such other documents

and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the L/C Issuer or Administrative Agent may require.

(ii) Promptly after receipt of any Letter of Credit Application, the L/C Issuer will confirm with Administrative Agent (by telephone or in writing) that Administrative Agent has received a copy of such Letter of Credit Application and, if not, the L/C Issuer will provide Administrative Agent with a copy thereof. Unless the L/C Issuer has received written notice from any Revolving Lender, Administrative Agent or any Borrower, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article IV shall not then be satisfied, then, subject to the terms and conditions hereof, the L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the applicable Borrower or enter into the applicable amendment, as the case may be, in each case in accordance with the L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Revolving Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the L/C Issuer a risk participation in such Letter of Credit in an amount equal to such Revolving Lender's Applicable Percentage of such Letter of Credit.

(iii) If Borrower Agent so requests in any applicable Letter of Credit Application, the L/C Issuer may, in its sole and absolute discretion, agree to issue a standby Letter of Credit that has automatic extension provisions (each, an "***Auto-Extension Letter of Credit***"); provided that any such Auto-Extension Letter of Credit must permit the L/C Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "***Non-Extension Notice Date***") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the L/C Issuer, Borrower Agent shall not be required to make a specific request to the L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Revolving Lenders shall be deemed to have authorized (but may not require) the L/C Issuer to permit the extension of such Letter of Credit; provided, however, that the L/C Issuer shall not permit any such extension if (A) the L/C Issuer has determined that it would not be permitted at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof, or (B) it has received notice (which may be by telephone or in writing) on or before the day that is five Business Days before the Non-Extension Notice Date (1) from Administrative Agent that the Required Lenders have elected not to permit such extension or (2) from Administrative Agent, any Revolving Lender or Borrower Agent that one or more of the applicable conditions specified in Section 4.02 is not then satisfied, and in each such case directing the L/C Issuer not to permit such extension.

(iv) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the L/C Issuer will also deliver to Borrower Agent and Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(c) Drawings and Reimbursements; Funding of Participations.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing or presentation of documents under such Letter of Credit, the L/C Issuer shall notify the Borrower Agent and Administrative Agent thereof. Not later than 1:00 p.m. on the first Business Day immediately following the date of any payment by the L/C Issuer under a Letter of Credit (each such date, an "***Honor Date***"), Borrowers shall reimburse the L/C Issuer through Administrative Agent in Dollars and in an amount equal to the amount of such drawing (together with interest thereon at the rate then applicable to Base Rate Revolving Loans). If Borrowers fail to so reimburse the L/C Issuer by such time, Administrative Agent shall promptly notify each Revolving Lender of the Honor Date, the amount of the unreimbursed drawing or payment (the

"***Unreimbursed Amount***"), and the amount of such Revolving Lender's Applicable Percentage thereof. In such event, the Borrower Agent shall be deemed to have requested a Revolving Borrowing of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.03 for the principal amount of Base Rate Loans, but subject to the amount of the unutilized portion of the Aggregate Revolving Credit Commitments. Any notice given by the L/C Issuer or Administrative Agent pursuant to this Section 2.03(c)(i) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Revolving Lender shall upon any notice pursuant to Section 2.03(c)(i) make funds available (and Administrative Agent may apply Cash Collateral provided for this purpose) to Administrative Agent for the account of the L/C Issuer, in Dollars, at Administrative Agent's Office, an amount equal to its Applicable Percentage of the Unreimbursed Amount not later than 3:00 p.m. on the Business Day specified in such notice by Administrative Agent, whereupon, subject to the provisions of Section 2.03(c)(iii), each Revolving Lender that so makes funds available shall be deemed to have made a Base Rate Revolving Loan to the Borrower Agent in such amount. Administrative Agent shall remit the funds so received to the L/C Issuer in Dollars.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Revolving Borrowing of Base Rate Loans for any reason, the L/C Issuer may require the Borrowers to provide Cash Collateral in an amount not less than any such remaining Unreimbursed Amount and in the absence of any such requirement to provide Cash Collateral, Borrowers shall be deemed to have incurred from the L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Revolving Lender's payment to Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Revolving Lender in satisfaction of its participation obligation under this Section 2.03.

(iv) Until each Revolving Lender funds its Revolving Loan or L/C Advance pursuant to this Section 2.03(c) to reimburse the L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Revolving Lender's Applicable Percentage of such amount shall be solely for the account of the L/C Issuer.

(v) Each Revolving Lender's obligation to make Revolving Loans or L/C Advances to reimburse the L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any set-off, counterclaim, recoupment, defense or other right which such Revolving Lender may have against the L/C Issuer, any Borrower or any other Person for any reason whatsoever; (B) the failure of one or more of the applicable conditions specified in Section 4.02 to be satisfied, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing. No such making of an L/C Advance shall relieve or otherwise impair the obligation of Borrowers to reimburse the L/C Issuer for the amount of any payment made by the L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Revolving Lender fails to make available to Administrative Agent for the account of the L/C Issuer any amount required to be paid by such Revolving Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(ii), then, without limiting the other provisions of this Agreement, the L/C Issuer shall be entitled to recover from such Revolving Lender (acting through Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on

which such payment is immediately available to the L/C Issuer at a rate per annum equal to the applicable Overnight Rate from time to time in effect, plus any administrative, processing or similar fees customarily charged by the L/C Issuer in connection with the foregoing. A certificate of the L/C Issuer submitted to any Revolving Lender (through Administrative Agent) with respect to any amounts owing under this clause (vi) shall be conclusive absent manifest error.

(d) Repayment of Participations. At any time after the L/C Issuer has made a payment under any Letter of Credit and has received from any Revolving Lender such Revolving Lender's L/C Advance in respect of such payment in accordance with Section 2.03(c), if Administrative Agent receives for the account of the L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from Borrowers or otherwise, including proceeds of Cash Collateral applied thereto by Administrative Agent), Administrative Agent will distribute to such Revolving Lender its Applicable Percentage thereof in Dollars (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Revolving Lender's L/C Advance was outstanding).

(e) Obligations Absolute. The obligation of Borrowers to reimburse the L/C Issuer for each drawing under each Letter of Credit, and to repay each L/C Borrowing shall be joint and several and absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other agreement or instrument relating thereto;

(ii) the existence of any claim, counterclaim, set-off, defense or other right that any Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document or endorsement presented under or in connection with such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) any payment by the L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit, or any payment made by the L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(v) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Borrower or any Subsidiary (other than the defense of payment in full).

provided, that the foregoing shall not excuse any L/C Issuer from liability to the Borrowers to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are waived by the Borrowers to the extent permitted by applicable Law) suffered by the Borrowers that are caused by such L/C Issuer's bad faith, gross negligence or willful misconduct

when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof.

(f) Role of L/C Issuer. Each Revolving Lender and each Borrower agree that, in paying any drawing under a Letter of Credit, the L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuer, Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Revolving Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. Each Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit. The L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the L/C Issuer shall not be responsible for the validity or sufficiency of any instrument endorsing, transferring or assigning or purporting to endorse, transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

(g) Applicability of ISP and UCP. Unless otherwise expressly agreed by the L/C Issuer and Borrower Agent, when a Letter of Credit is issued, (i) the rules of the ISP shall apply to each standby Letter of Credit, and (ii) the rules of the Uniform Customs and Practice for Documentary Credits, as most recently published by the International Chamber of Commerce at the time of issuance shall apply to each commercial Letter of Credit.

(h) Fronting Fee and Documentary and Processing Charges Payable to L/C Issuer. Borrowers shall pay directly to the L/C Issuer for its own account a fronting fee with respect to each Letter of Credit, in an amount equal to 0.125% per annum or such other amount as may be agreed by the Borrowers and the L/C Issuer, computed on the amount of such Letter of Credit, and payable quarterly in arrears on the last Business Day of each Fiscal Quarter commencing September 30, 2021 and upon the Revolving Termination Date in respect of each such Letter of Credit issued or renewed (automatic or otherwise) or amended to increase the amount thereof during such Fiscal Quarter; provided, that the amount payable on September 30, 2021 shall include any Letters of Credit issued, renewed or amended during the period from the Restatement Effective Date through September 30, 2021. In addition, Borrowers shall pay directly to the L/C Issuer for its own account, in Dollars, the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the L/C Issuer relating to letters of credit issued by it as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(i) Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

1.04. Swing Line Loans.

(a) The Swing Line. Subject to the terms and conditions set forth herein, the Swing Line Lender may, but shall not be obligated to, make loans in reliance upon the agreements of the other Lenders set forth in this Section 2.04 in Dollars (each such loan, a "***Swing Line Loan***") to Borrowers from time to time on any Business Day until the Revolving Credit Termination Date in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit, notwithstanding the fact that such Swing Line Loans, when aggregated with the

Applicable Percentage of the Outstanding Amount of Revolving Loans and L/C Obligations of the Revolving Lender acting as Swing Line Lender, may exceed the amount of such Revolving Lender's Revolving Credit Commitment; provided, however, that after giving effect to any Swing Line Loan, the Revolving Credit Outstandings of any Revolving Lender shall not exceed such Revolving Lender's Revolving Credit Commitment, and provided, further, that Borrowers shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan. Within the foregoing limits and subject to the discretion of the Swing Line Lender to make Swing Line Loans, and subject to the other terms and conditions hereof, Borrowers may borrow under this Section 2.04, prepay under Section 2.06, and reborrow under this Section 2.04. Each Swing Line Loan shall bear interest until maturity at a rate per annum equal to (i) the sum of the Base Rate plus the Applicable Margin for Base Rate Loans under the Revolving Credit Facility as from time to time in effect or (ii) the Swing Line Lender's Quoted Rate (computed on the basis of a year of 365/6 days for the actual number of days elapsed). Immediately upon the making of a Swing Line Loan, each Revolving Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Revolving Lender's Applicable Percentage times the amount of such Swing Line Loan.

(b) Borrowing Procedures. Each Swing Line Borrowing shall be made upon Borrower Agent's irrevocable notice to the Swing Line Lender and Administrative Agent, which may be given by telephone. Each such notice must be received by the Swing Line Lender and Administrative Agent not later than 3:00 p.m. (unless the Borrowers want to reserve the option to borrow at the Swing Line Lender's Quoted Rate, in which case such notice must be received by the Swing Line Lender and Administrative Agent not later than Noon) on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum of $100,000 and integral multiples of $10,000 in excess thereof, and (ii) the requested borrowing date, which shall be a Business Day. Each such telephonic notice must be confirmed promptly by delivery to the Swing Line Lender and Administrative Agent of a written Swing Line Loan Notice, appropriately completed and signed by a Responsible Officer of Borrower Agent. Promptly after receipt by the Swing Line Lender of any Swing Line Loan Notice, the Swing Line Lender will (i) deliver notice to Borrower Agent and Administrative Agent as to whether it will or will not make such Swing Line Loan available to Borrowers and, if agreeing to make such Swing Line Loan, (ii) in its discretion quote an interest rate to Borrower Agent at which the Swing Line Lender would be willing to make such Swing Line Loan available to Borrowers (the rate so quoted being herein referred to as "***Swing Line Lender's Quoted Rate***") and (iii) confirm with Administrative Agent (by telephone or in writing) that Administrative Agent has also received such Swing Line Loan Notice and, if not, the Swing Line Lender will notify Administrative Agent (by telephone or in writing) of the contents thereof. Unless the Swing Line Lender has received notice (by telephone or in writing) from Administrative Agent (including at the request of any Revolving Lender) prior to 1:00 p.m. on the date of the proposed Swing Line Borrowing (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the proviso to the first sentence of Section 2.04(a), or (B) that one or more of the applicable conditions specified in Article IV is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender may, not later than 3:00 p.m. on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to Borrower Agent at its office by crediting the account of Borrower Agent on the books of the Swing Line Lender in immediately available funds.

(c) Refinancing of Swing Line Loans.

(i) The Swing Line Lender at any time in its sole and absolute discretion, may request (and no less frequently than once each week, shall require), on behalf of Borrowers (which hereby irrevocably authorize the Swing Line Lender to so request on their behalf), that each Revolving Lender make a Base Rate Revolving Loan in an amount equal to such Revolving Lender's

Applicable Percentage of the amount of Swing Line Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Committed Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.04 without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Aggregate Revolving Credit Commitments and the conditions set forth in Section 4.02. The Swing Line Lender shall furnish Borrower Agent with a copy of the applicable Committed Loan Notice promptly after delivering such notice to Administrative Agent. Each Revolving Lender shall make an amount equal to its Applicable Percentage of the amount specified in such Committed Loan Notice available to Administrative Agent in immediately available funds (and Administrative Agent may apply Cash Collateral available with respect to the applicable Swing Line Loan) for the account of the Swing Line Lender at Administrative Agent's Office not later than 2:00 p.m. on the day specified in such Committed Loan Notice, whereupon, subject to Section 2.04(c)(ii), each Revolving Lender that so makes funds available shall be deemed to have made a Base Rate Revolving Loan to Borrowers in such amount. Administrative Agent shall remit the funds so received to the Swing Line Lender.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such a Revolving Borrowing in accordance with Section 2.04(c)(i), the request for Base Rate Revolving Loans submitted by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Revolving Lenders fund its risk participation in the relevant Swing Line Loan and each Revolving Lender's payment to Administrative Agent for the account of the Swing Line Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Revolving Lender fails to make available to Administrative Agent for the account of the Swing Line Lender any amount required to be paid by such Revolving Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swing Line Lender shall be entitled to recover from such Revolving Lender (acting through Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the applicable Overnight Rate from time to time in effect, plus any administrative processing or similar fees customarily charged by the Swing Line Lender in connection with the foregoing. A certificate of the Swing Line Lender submitted to any Revolving Lender (through Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Revolving Lender's obligation to make Revolving Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any set-off, counterclaim, recoupment, defense or other right which such Revolving Lender may have against the Swing Line Lender, Borrowers or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default or an Event of Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Revolving Lender's obligation to make Revolving Loans or to purchase and fund participations pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 4.02. No such funding of risk participations shall relieve or otherwise impair the obligation of Borrowers to repay Swing Line Loans, together with interest, as provided herein.

(d) Repayment of Participations. At any time after any Revolving Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute to such Revolving Lender its Applicable Percentage of such payment (appropriately adjusted, in the case of interest

payments, to reflect the period of time during which such Revolving Lender's risk participation was funded) in the same funds as those received by the Swing Line Lender.

(e) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing Borrowers for interest on the Swing Line Loans. Until each Revolving Lender funds its Base Rate Revolving Loan or risk participation pursuant to this Section 2.04 to refinance such Revolving Lender's Applicable Percentage of any Swing Line Loan, interest in respect of such Applicable Percentage shall be solely for the account of the Swing Line Lender.

(f) Payments Directly to Swing Line Lender. Borrowers shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

1.05. Repayment of Loans.

(a) Term Loans. Borrowers unconditionally promise to pay to Administrative Agent for the account of each Term Lender the aggregate principal amount of the Term Loan outstanding on the following dates in the respective amounts set forth opposite such dates:

Date	Quarterly Payment
September 30, 2021	$1,250,000
December 31, 2021	$1,250,000
March 31, 2022	$1,250,000
June 30, 2022	$1,250,000
September 30, 2022	$1,250,000
December 31, 2022	$1,250,000
March 31, 2023	$1,250,000
June 30, 2023	$1,250,000
September 30, 2023	$1,250,000
December 31, 2023	$1,250,000
March 31, 2024	$1,250,000
June 30, 2024	$1,250,000
September 30, 2024	$1,250,000
December 31, 2024	$1,250,000
March 31, 2025	$1,250,000
June 30, 2025	$1,250,000
September 30, 2025	$1,250,000
December 31, 2025	$1,250,000
March 31, 2026	$1,250,000
April 30, 2026	As set forth below

The outstanding unpaid principal balance and all accrued and unpaid interest on the Term Loan shall be due and payable on the earlier of (i) the Term Loan Maturity Date, and (ii) the date of the acceleration of such Term Loans in accordance with the terms hereof.

(b) Revolving Loans. Borrowers shall repay to Administrative Agent for the account of the Revolving Lenders on the earlier of (i) the Revolving Credit Maturity Date, and (ii) the date of the acceleration of the Revolving Loans the aggregate principal amount of all Revolving Loans outstanding on such date.

(c) Swing Line Loans. The Borrowers shall repay each Swing Line Loan on the Revolving Credit Maturity Date.

1.06. Prepayments.

(a) Optional.

(i) Borrowers may, upon notice to Administrative Agent from Borrower Agent, at any time or from time to time voluntarily prepay Term Loans or Revolving Loans in whole or in part without premium or penalty; provided that (A) such notice must be received by Administrative Agent not later than 2:00 p.m. (1) three (3) Business Days prior to any date of prepayment of SOFR Loans and (2) on the date of prepayment of Base Rate Loans; (B) any prepayment of SOFR Loans shall be in a principal amount of at least $100,000; and (C) any prepayment of Base Rate Loans shall be in a principal amount of at least $50,000 or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment, how such prepayment shall be applied and the Type(s) of Loans to be prepaid and, if SOFR Loans are to be prepaid, the Interest Period(s) of such Loans. Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's ratable portion of such prepayment (based on such Lender's Applicable Percentage in respect of the relevant Facility). If such notice is given by Borrower Agent, Borrowers shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein; provided that such notice may state that the prepayment is conditioned upon the effectiveness of other credit facilities, acquisitions or dispositions, in which case such notice may be revoked by Borrower Agent (by notice to Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any prepayment of a SOFR Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Each prepayment of the outstanding Term Loans pursuant to this Section 2.06(a) shall be applied as specified by the Borrower Agent in the applicable notice of prepayment and, in the absence of such direction, in the manner set forth in Section 2.06(b)(v). Subject to Section 2.17, such prepayments shall be paid to the Lenders in accordance with their respective Applicable Percentage in respect of each of the relevant Facilities.

(ii) Borrowers may, upon notice to the Swing Line Lender (with a copy to Administrative Agent) from Borrower Agent, at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty (without a reduction of the Swing Line Sublimit); provided that (A) such notice must be received by the Swing Line Lender and Administrative Agent not later than 3:00 p.m. on the date of the prepayment, and (B) any such prepayment shall be in a minimum principal amount of $10,000 or, if less, the entire principal amount thereof outstanding. Each such notice shall specify the date and amount of such prepayment. If such notice is given by Borrower Agent, Borrowers shall make such prepayment

and the payment amount specified in such notice shall be due and payable on the date specified therein.

(b) Mandatory.

(i) Excess Cash Flow. Within ten Business Days after financial statements have been delivered or should have been delivered pursuant to Section 6.01(a) and the related Compliance Certificate has been delivered or should have been delivered pursuant to Section 6.02(a) for any Fiscal Year (commencing with the Fiscal Year ending March 31, 2022), Borrowers shall prepay an aggregate principal amount of Loans equal to (x) 50% of Excess Cash Flow for the Fiscal Year covered by such financial statements; provided that if the Consolidated Total Net Leverage Ratio (determined as of the last day of such Fiscal Year by reference to the Compliance Certificate delivered together with the financial statements delivered pursuant to Section 6.01(a) for such Fiscal Year) shall be less than or equal to 3.00 to 1.00, Borrowers shall prepay an aggregate principal amount of Loans equal to 0% of Excess Cash Flow for such Fiscal Year, less (y) the aggregate amount of voluntary prepayments of the Term Loans (and in the case of any Discounted Voluntary Prepayments solely to the extent of the actual Cash amount paid by Borrowers in such Discounted Voluntary Prepayment) and voluntary prepayments of the Revolving Loans (to the extent accompanied by a permanent reduction in the Revolving Credit Commitment) made (i) during such Fiscal Year (other than any voluntary prepayments made during the first 120 days of such Fiscal Year to the extent such voluntary prepayments were credited in the calculation of the Excess Cash Flow prepayment for the prior Fiscal Year) or (ii) within 120 days after the end of the Fiscal Year for which such Excess Cash Flow is being calculated that are applied in the manner set forth in Section 2.06(b)(v), in each case, to the extent not financed with proceeds equity proceeds or from the incurrence of long-term Indebtedness (other than Revolving Loans).

(ii) Asset Dispositions. If any Loan Party or any of its Subsidiaries Disposes of, or suffers an Event of Loss of, any property (other than any Disposition of any property permitted by Sections 7.05(a), (b)(i), (c), (e), (f), (g), (h), (i), (j), (k) or (l)) which results in Net Cash Proceeds in connection with such Disposition or Event of Loss occurring during the Fiscal Year in excess of $2,500,000 in the aggregate for all such Dispositions and Events of Loss, Borrowers shall prepay an aggregate principal amount of Loans equal to such excess Net Cash Proceeds promptly after receipt thereof by such Person; provided that so long as no Event of Default shall have occurred and be continuing (or, to the extent the only Event of Default that has occurred and is continuing is an Event of Default arising under Section 8.01(a), so long as the Borrowers have paid in full the unpaid amount giving rise to such Event of Default with such Net Cash Proceeds (such payment, the "Monetary Default Payment")), the recipient of any such Net Cash Proceeds realized in a Disposition or Event of Loss described in this Section 2.06(b)(ii) may (x) reinvest the amount of any such Net Cash Proceeds (or, to the extent such Net Cash Proceeds were used to pay the Monetary Default Payment, the remaining amount of such Net Cash Proceeds) within three hundred sixty-five (365) days of the receipt thereof, in replacement assets of a kind then used or usable in the business of such recipient or (y) enter into a binding commitment thereof within said three hundred sixty-five (365) day period and actually reinvests such Net Cash Proceeds within one hundred eighty (180) days after the last day of said three hundred sixty-five (365) day period; provided that if the recipient does not intend to fully reinvest such Net Cash Proceeds, or if the time period set forth in this sentence expires without such recipient having reinvested such Net Cash Proceeds, Borrowers shall prepay the Loans in an amount equal to such Net Cash Proceeds (to the extent not reinvested or intended to be reinvested within such time period).

(iii) Debt Incurrence. Upon the incurrence or issuance by any Loan Party or any of its Subsidiaries of any Indebtedness (other than Indebtedness expressly permitted to be incurred or issued pursuant to Section 7.01), Borrowers shall prepay an aggregate principal amount of Loans

equal to all Net Cash Proceeds received therefrom promptly after receipt thereof by such Loan Party or such Subsidiary.

(iv) If at any time the outstandings under the Revolving Credit Facility (including Letters of Credit outstanding and Swing Line Loans) exceed the Aggregate Revolving Credit Commitments, prepayments of Revolving Loans (and/or the Cash Collateralization of Letters of Credit) shall be required in an amount equal to such excess within one (1) Business Day of notice by Administrative Agent to Borrower Agent.

(v) Application of Mandatory Prepayments.

(A) Each prepayment of Loans pursuant to the foregoing provisions of this Section 2.06(b) shall be applied, first, to prepay the next four (4) principal installments of the Term Loans (pro rata between the Term Loans (including any Increase of the Term Loan only if the Lenders providing such Increase so require)) in direct order of maturity, then pro rata to the remaining principal installments (excluding the principal installment payable at maturity) of the Term Loans and then to the principal installment payable at maturity, second, to the Revolving Credit Facility (without a corresponding permanent reduction in the Revolving Credit Commitment) in the manner set forth in clause (B) of this Section 2.06(b)(v), and third, shall be used to Cash Collateralize the remaining L/C Obligations. Subject to Section 2.17, such prepayments shall be paid to the Lenders in accordance with their respective Applicable Percentage in respect of the relevant Facilities.

(B) Except as otherwise provided in Section 2.17, prepayments of the Revolving Credit Facility made pursuant to this Section 2.06(b), first, shall be applied ratably to the L/C Borrowings and the Swing Line Loans, second, shall be applied ratably to the outstanding Revolving Loans, third, shall be used to Cash Collateralize the remaining L/C Obligations. Upon the drawing of any Letter of Credit that has been Cash Collateralized, the funds held as Cash Collateral shall be applied (without any further action by or notice to or from Borrowers or any other Loan Party or any Defaulting Lender that has provided Cash Collateral) to reimburse the L/C Issuer or the Revolving Lenders, as applicable.

(vi) Notwithstanding the foregoing, any Lender may elect to decline, by notice to Administrative Agent and the Borrower Agent on or prior to the date of any prepayment of Term Loans required or permitted to be made by the Borrowers for the account of such Lender pursuant to Section 2.06(b)(i) or 2.06(b)(ii), all or a portion of such prepayment, in which case such prepayment (or portion thereof) shall be retained by the Borrowers.

(vii) Notwithstanding the foregoing, to the extent any or all of the Net Cash Proceeds of any Disposition by, or Event of Loss of, a Foreign Subsidiary otherwise giving rise to a prepayment pursuant to Section 2.06(b)(ii) or Excess Cash Flow attributable to Foreign Subsidiaries, is prohibited, restricted or delayed by any applicable local requirements of Law (including but not limited to financial assistance, corporate benefit restrictions and restrictions on upstreaming of cash intra-group and the fiduciary and statutory duties of the directors of the relevant Foreign Subsidiaries) from being repatriated or passed on or distributed to or used for the benefit of any of the Borrowers or any Domestic Subsidiary (each, a "**Repatriation**"; with "**Repatriated**" having a correlative meaning), or if the Borrowers have determined in good faith that Repatriation of any such amount would reasonably be expected to have adverse tax consequences with respect to Holdings or its Subsidiaries (including, without limitation, a deemed dividend pursuant to Section 956 of the Code), the receipt or realization of the portion of such Net Cash Proceeds or Excess Cash Flow so affected (solely in the case of Excess Cash Flow, to the extent not exceeding 20% of the aggregate Excess Cash Flow payment otherwise required to be made pursuant to Section 2.06(b)(i) without giving effect to this clause (vii)), will not be taken into account in measuring the Borrowers' obligation to prepay Term Loans or

Revolving Loans at the times provided in this Section 2.06; provided, that if any such Repatriation ceases to be prohibited, restricted or delayed by applicable local requirements of Law at any time during the one (1) year period immediately following the date on which the applicable mandatory prepayment pursuant to Section 2.06 was required to be made, the Loan Parties shall reasonably promptly Repatriate, or cause to be Repatriated, an amount equal to that portion of the applicable mandatory prepayment amount previously not taken into account in measuring the Borrowers' obligation to make such mandatory prepayment under Section 2.06 (such amount, the "**Excluded Prepayment Amount**"), and the Loan Parties shall reasonably promptly pay the Excluded Prepayment Amount to the Lenders, which payment shall be applied in accordance with Section 2.06(b)(v). For the avoidance of doubt, the non-application of any such portion of the mandatory prepayment amount pursuant to this Section 2.06(b)(vii) shall not constitute a Default or an Event of Default and such portion of the mandatory prepayment amount shall be available for working capital purposes of such Foreign Subsidiaries.

1.07. Termination or Reduction of Commitments.

(a) Revolving Credit Commitment. Borrowers may, upon revocable notice which may be conditioned to Administrative Agent from Borrower Agent, from time to time permanently reduce the Aggregate Revolving Credit Commitments; provided that (i) any such notice shall be received by Administrative Agent not later than 2:00 p.m. three Business Days prior to the date of reduction, (ii) any such reduction shall be in an aggregate amount of $500,000 or any whole multiple of $100,000 in excess thereof, (iii) Borrowers shall not reduce the Aggregate Revolving Credit Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Revolving Credit Outstandings would exceed the Aggregate Revolving Credit Commitments, and (iv) if, after giving effect to any reduction, the Letter of Credit Sublimit or the Swing Line Sublimit exceeds the amount of the Aggregate Revolving Credit Commitments, such Sublimit shall be automatically reduced by the amount of such excess. Administrative Agent will promptly notify the Lenders of any such notice of reduction of the Aggregate Revolving Credit Commitments. Any reduction of the Aggregate Revolving Credit Commitments shall be applied to the Revolving Credit Commitment of each Revolving Lender according to its Applicable Percentage.

(b) Term Loan Commitment. The aggregate Term Loan Commitments shall be automatically and permanently reduced to zero on the date of the Term Borrowing (after giving effect thereto).

1.08. Interest.

(a) Subject to the provisions of Section 2.10 and subsection (b) below, (i) each SOFR Loan made or maintained by a Lender shall bear interest during each Interest Period it is outstanding on the unpaid principal amount thereof from the date such Loan is advanced or continued, or created by conversion from a Base Rate Loan, until maturity (whether by acceleration or otherwise) at a rate per annum equal to the sum of the Applicable Margin *plus* the Adjusted Term SOFR applicable to such Interest Period,; (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Margin; and (iii) subject to the Swing Line Lender and Borrower Agent agreeing that interest shall be paid at the Swing Line Lender's Quoted Rate, each Swing Line Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Margin for Revolving Loans.

(b) (i) If any amount payable by Borrowers under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration

or otherwise, then such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(i) If any Event of Default exists, then upon the written request of the Required Lenders (which Administrative Agent shall notify Borrowers thereof) (or automatically if an Event of Default under Section 8.01(a) or 8.01(f) exists), all outstanding Loan Obligations shall bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate.

(ii) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

(d) All accrued and unpaid interest under the Original Credit Agreement shall be repaid on the Restatement Effective Date.

1.09. Fees.

(a) Unused Fee. Borrowers shall pay to Administrative Agent for the account of each Revolving Lender in accordance with its Applicable Percentage, a fee (the "***Unused Fee***") equal to (x) for the period commencing on the Restatement Effective Date through the first Adjustment Date, 0.15% times the average daily amount by which the Aggregate Revolving Credit Commitments (other than those of Defaulting Lenders) exceeds the sum of (i) the Outstanding Amount of Revolving Loans (other than those of Defaulting Lenders) and (ii) the Outstanding Amount of L/C Obligations, subject to adjustment as provided in Section 2.17 and (y) thereafter, the Unused Fee shall equal the unused fee in effect from time to time determined as set forth below based upon the applicable Consolidated Total Leverage Ratio then in effect pursuant to the appropriate column under the table below and any increase or decrease in the Unused Fee resulting from a change in the Consolidated Total Leverage Ratio shall become effective as of each Adjustment Date based upon the Consolidated Total Leverage Ratio for the immediately preceding Fiscal Quarter for which financial statements were delivered or were required to be delivered pursuant to Section 6.01(a) or (b). The Unused Fee shall accrue at all times until the Revolving Credit Termination Date, including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable quarterly in arrears on the last Business Day of each Fiscal Quarter, commencing September 30, 2021, and on the Revolving Credit Termination Date.

Level	Consolidated Total Net Leverage Ratio	Unused Fee
I	> 3.25:1.00	0.30%
II	> 2.50:1.00 but ≤ 3.25:1.00	0.25%
III	> 1.75:1.00 but ≤ 2.50:1.00	0.20%
IV	> 1.00:1.00 but ≤ 1.75:1.00	0.15%
V	≤ 1.00:1.00	0.10%

If any Compliance Certificate (including any required financial information in support thereof) of the Borrowers is not received by Administrative Agent by the date required pursuant to Section 6.02(a), then, at Administrative Agent's election, the Unused

Fee shall be determined as if the Consolidated Total Leverage Ratio for the immediately preceding Fiscal Quarter is at Level I until such time as such Compliance Certificate and supporting information is received.

In the event either Borrower Agent or Administrative Agent determines in good faith that the calculation of the Consolidated Total Leverage Ratio on which the applicable Unused Fees for any particular period was determined is inaccurate, and as a consequence thereof, the Unused Fee was lower that it would have been, (i) Borrower Agent shall immediately deliver to Administrative Agent a correct Compliance Certificate for such period (and if such Compliance Certificate is not accurately restated and delivered within ten (10) Business Days after the first discovery of such inaccuracy or upon notice by Administrative Agent of such determination, then Level I shall apply retroactively for such period notwithstanding any subsequent restatement thereof after such ten (10) day period), (ii) Administrative Agent shall notify Borrower Agent of the amount of fees that would have been due in respect of any outstanding Obligations during such period had the applicable rate been calculated based on the correct Consolidated Total Leverage Ratio (or the Level I rate if a correct Compliance Certificate was not delivered within the ten (10) day period) and (iii) Borrowers shall promptly pay to Administrative Agent for the benefit of the applicable Lenders and other Persons that hold the Commitments and Loans at the time such payment is received (regardless of whether those Persons held the Commitments and Loans during the relevant period) the difference between the amount that would have been due and the amount actually paid in respect of such period.

(b) Letter of Credit Fees. Subject to the provisions of the last sentence of this subsection (b), Borrowers shall pay to Administrative Agent for the account of each Revolving Lender in accordance with its Applicable Percentage, (i) a Letter of Credit fee ("***Letter of Credit Fee***") for each Letter of Credit equal to the Applicable Margin for SOFR Loans that are Revolving Loans times the daily maximum amount available to be drawn under such Letter of Credit (whether or not such maximum amount is then in effect under such Letter of Credit); provided, however, any Letter of Credit Fees otherwise payable for the account of a Defaulting Lender with respect to any Letter of Credit as to which such Defaulting Lender has not provided Cash Collateral satisfactory to the L/C Issuer shall be payable, to the maximum extent permitted by applicable Law, to the other Revolving Lenders in accordance with the upward adjustments in their respective Applicable Percentages allocable to such Letter of Credit pursuant to Section 2.17(a)(iv), with the balance of such fee, if any, payable to the L/C Issuer for its own account. The Letter of Credit Fee with respect to each Letter of Credit shall accrue at all times until the Revolving Credit Termination Date and shall be due and payable quarterly in arrears on the last Business Day of each Fiscal Quarter, commencing September 30, 2021, and on the Revolving Credit Termination Date. If there is any change in the Applicable Margin for SOFR Loans that are Revolving Loans during any quarter, the daily maximum amount of each Letter of Credit shall be computed and multiplied by the Applicable Margin for SOFR Loans that are Revolving Loans separately for each period during such quarter that such Applicable Margin was in effect. At all times that the Default Rate shall be applicable to any Loans pursuant to Section 2.08(b), the Letter of Credit Fees payable under this subsection (i) shall accrue and be payable at the Default Rate.

(c) Fee Letter. Borrowers agree to pay the fees payable in the amounts and at the times set forth in the Fee Letter.

(d) Generally. All fees payable hereunder shall be paid on the dates due, in immediately available funds, to (i) Administrative Agent for distribution, in the case of commitment fees and participation fees, to the Revolving Lenders, and otherwise, to the Lenders entitled thereto or (ii) the L/C Issuer, in the case of fees payable to it. Fees paid shall not be refundable under any

circumstances. All accrued and unpaid fees under the Original Credit Agreement shall be repaid on the Restatement Effective Date.

1.10. Computation of Interest and Fees. All computations of interest for Base Rate Loans shall be made on the basis of the actual days elapsed over a year of 365 or 366 days, as the case may be. All other computations of fees and interest shall be made on the basis of the actual days elapsed over a 360-day year (i.e., the 365/360 day method of interest computation, which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one day. Each determination by Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error. In connection with the use or administration of Term SOFR, the Administrative Agent (in consultation with Borrower 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 Administrative Agent will promptly notify the Borrower Agent and the Lenders of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR.

1.11. Evidence of Debt.

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by Administrative Agent (the "***Loan Account***") in the Register; provided that any failure to so record or any error in doing so shall not limit or otherwise affect the obligation of Borrowers hereunder to pay any amount owing with respect to the Obligations. The accounts or records maintained by Administrative Agent (and any Lender) shall be conclusive absent manifest error; provided that in the event of any conflict between the accounts and records maintained by any Lender and the Register, the Register shall control in the absence of manifest error. Upon the request of any Lender made through Administrative Agent, Borrowers shall execute and deliver to such Lender (through Administrative Agent) a Note, which shall evidence such Lender's Loans in addition to such accounts or records.

(b) In addition to the accounts and records referred to in (a) above, each Lender and Administrative Agent shall maintain in accordance with its usual practice accounts or records and, in the case of the Administrative Agent, entries in the Register, evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by Administrative Agent and the accounts and records of any Lender in respect of such matters, the Register shall control in the absence of manifest error.

1.12. Payments Generally; Administrative Agent's Clawback.

(a) General. All payments to be made by Borrowers shall be made without deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by Borrowers hereunder shall be made to Administrative Agent, for the account of the respective Lenders to which such payment is owed, at Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. Subject to Section 2.14, Administrative Agent will promptly distribute to each Lender its Applicable Percentage in respect of the relevant Facility (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by Administrative Agent after 2:00 p.m. shall be deemed received on the next

succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by Borrowers shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected when computing interest or fees, as the case may be.

(b) Presumptions by Administrative Agent.

(i) Funding by Lenders. Unless Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of SOFR Loans (or, in the case of any Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Borrowing) that such Lender will not make available to Administrative Agent such Lender's share of such Borrowing, Administrative Agent may assume that such Lender has made such share available in accordance with Section 2.02 and may, in reliance upon such assumption, make available to Borrowers a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to Administrative Agent, then the applicable Lender and Borrowers severally agree to pay to Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to Borrowers to but excluding the date of payment to Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by Administrative Agent in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by Administrative Agent in connection with the foregoing, and (B) in the case of a payment to be made by Borrowers, the interest rate applicable to Base Rate Loans. If Borrowers and such Lender shall pay such interest to Administrative Agent for the same or an overlapping period, Administrative Agent shall promptly remit to Borrowers the amount of such interest paid by Borrowers for such period. If such Lender pays its share of the applicable Borrowing to Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by Borrowers shall be without prejudice to any claim Borrowers may have against a Lender that shall have failed to make such payment to Administrative Agent.

(ii) Payments by Borrowers. Unless Administrative Agent shall have received notice from Borrower Agent prior to the time at which any payment is due to Administrative Agent for the account of the Lenders or the L/C Issuer hereunder that Borrowers will not make such payment, Administrative Agent may assume that Borrowers have made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the L/C Issuer, as the case may be, the amount due. With respect to any payment that Administrative Agent makes to any Lender or L/C Issuer as to which Administrative Agent determines (in its sole and absolute discretion) that any of the following applies (such payment referred to as the "Rescindable Amount"): (1) Borrowers have not in fact made the corresponding payment to Administrative Agent; (2) Administrative Agent has made a payment in excess of the amount(s) received by it from Borrowers either individually or in the aggregate (whether or not then owed); or (3) Administrative Agent has for any reason otherwise erroneously made such payment; then each of the Secured Parties severally agrees to repay to Administrative Agent forthwith on demand the Rescindable Amount so distributed to such Lender or the L/C Issuer, in immediately available funds 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 Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of Administrative Agent to any Lender or any Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to Borrowers by Administrative Agent because the conditions to the applicable Credit Extension set forth in Article IV are not satisfied or waived in accordance with the terms hereof, Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Loans, to fund participations in Letters of Credit and Swing Line Loans and to make payments pursuant to Section 10.04(c) are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under Section 10.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 10.04(c).

(e) Insufficient Funds. If at any time insufficient funds are received by and available to Administrative Agent to pay fully all amounts of principal, L/C Borrowings, interest and fees then due hereunder, such funds shall be applied as provided in Section 8.03.

1.13. Sharing of Payments by Lenders. Except as otherwise provided herein, if any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of (a) Obligations in respect of any of the Facilities due and payable to such Lender hereunder and under the other Loan Documents at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations due and payable to such Lender at such time to (ii) the aggregate amount of the Obligations in respect of the Facilities due and payable to all Lenders hereunder and under the other Loan Documents at such time) of payments on account of the Obligations in respect of the Facilities due and payable to all Lenders hereunder and under the other Loan Documents at such time obtained by all the Lenders at such time or (b) Obligations in respect of any of the Facilities owing (but not due and payable) to such Lender hereunder and under the other Loan Documents at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations owing (but not due and payable) to such Lender at such time to (ii) the aggregate amount of the Obligations in respect of the Facilities owing (but not due and payable) to all Lenders hereunder and under the other Loan Documents at such time) of payments on account of the Obligations in respect of the Facilities owing (but not due and payable) to all Lenders hereunder and under the other Loan Documents at such time obtained by all of the Lenders at such time, then, in each case under clauses (a) and (b) above, the Lender receiving such greater proportion shall (A) notify Administrative Agent of such fact, and (B) purchase (for cash at face value) participations in the Loans and subparticipations in L/C Obligations and Swing Line Loans 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 Obligations in respect of the Facilities then due and payable to the Lenders or owing (but not due and payable) to the Lenders, as the case may be, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (A) any payment made by or on behalf of any Loan Party 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 payments under Section 2.19), (B) the application of Cash Collateral provided for in Section 2.16, or (C) any payment obtained by a Lender as consideration for the assignment of or

sale of a participation in any of its Loans or subparticipations in L/C Obligations or Swing Line Loans to any assignee or participant.

1.14. Settlement Among Lenders.

(a) The amount of each Revolving Lender's Applicable Percentage of outstanding Revolving Loans shall be computed on each Business Day (or less frequently in Administrative Agent's discretion but no less frequently than weekly) and shall be adjusted upward or downward based on all Revolving Loans and repayments of Revolving Loans received by Administrative Agent as of 3:00 p.m. on such Business Day (or the first Business Day (such date, the "***Settlement Date***") following the end of the period specified by Administrative Agent).

(b) Each Business Day, or on each Settlement Date, as applicable, (i) Administrative Agent shall transfer to each Revolving Lender its Applicable Percentage of repayments, and (ii) each Revolving Lender shall transfer to Administrative Agent (as provided below) or Administrative Agent shall transfer to each Revolving Lender, such amounts as are necessary to insure that, after giving effect to all such transfers, the Revolving Credit Outstandings of each Revolving Lender shall be equal to such Revolving Lender's Applicable Percentage of all the Total Revolving Credit Outstandings as of such Business Day or Settlement Date. If the applicable Revolving Lender is notified of a transfer to be made to Administrative Agent prior to 1:00 p.m. on a Business Day, such transfer shall be made in immediately available funds no later than 3:00 p.m. that day; and, if received after 1:00 p.m., then no later than 3:00 p.m. on the next Business Day. The obligation of each Revolving Lender to transfer such funds is irrevocable, unconditional and without recourse to or warranty by Administrative Agent. If and to the extent any Revolving Lender shall not have so made its transfer to Administrative Agent, such Lender agrees to pay to Administrative Agent, forthwith on demand such amount, together with interest thereon, for each day from such date until the date such amount is paid to Administrative Agent, equal to the greater of the Federal Funds Rate and a rate determined by Administrative Agent in accordance with banking industry rules on interbank compensation plus any reasonable administrative, processing, or similar fees customarily charged by Administrative Agent in connection with the foregoing.

1.15. Nature and Extent of Each Borrower's Liability.

(a) Joint and Several Liability. Each Borrower agrees that it is jointly and severally liable for all Obligations and all agreements under the Loan Documents. As such, each Borrower agrees that it is a guarantor of each other Borrower's obligations and liabilities hereunder and under the other Loan Documents.

(b) Direct Liability. Nothing contained in this Section 2.15 or Article XI shall limit the liability of any Borrower to pay Loans made directly or indirectly to that Borrower (including Loans advanced to any other Borrower and then re-loaned or otherwise transferred to, or for the benefit of, such Borrower), L/C Obligations relating to Letters of Credit issued to support such Borrower's business, and all accrued interest, fees, expenses and other related Obligations with respect thereto, for which such Borrower shall be primarily liable for all purposes hereunder.

(c) Joint Enterprise. Each Borrower has requested that Administrative Agent and Lenders make this credit facility available to Borrowers on a combined basis, in order to finance Borrowers' business most efficiently and economically. Borrowers' business is a mutual and collective enterprise, and the successful operation of each Borrower is dependent upon the successful performance of the integrated group. Borrowers believe that consolidation of their credit facility will enhance the borrowing power of each Borrower and ease administration of the facility, all to their mutual advantage. Borrowers acknowledge that Administrative Agent's and

Lenders' willingness to extend credit and to administer the Collateral on a combined basis hereunder is done solely as an accommodation to Borrowers and at Borrowers' request.

(d) Borrower Agent.

(i) Each Borrower hereby irrevocably appoints and designates elf Cosmetics ("***Borrower Agent***") as its representative and agent and attorney-in-fact for all purposes under the Loan Documents, including requests for Credit Extensions, designation of interest rates, delivery or receipt of communications, preparation and delivery of financial reports, receipt and payment of Obligations, requests for waivers, amendments or other accommodations, actions under the Loan Documents (including in respect of compliance with covenants), and all other dealings with Administrative Agent, L/C Issuers or any Lender.

(ii) Each other Loan Party hereby irrevocably appoints and designates Borrower Agent as its agent and attorney-in-fact to receive statements on its account and all other notices from Administrative Agent and Lenders with respect to the Obligations or otherwise under or in connection with this Agreement and the other Loan Documents.

(iii) Any notice, election, representation, warranty, agreement or undertaking by or on behalf of any Loan Party by Borrower Agent shall be deemed for all purposes to have been made by such Loan Party and shall be binding upon and enforceable against such Loan Party to the same extent as if made directly by such Loan Party.

(iv) Borrower Agent hereby accepts the appointment by each Loan Party hereunder to act as its agent and attorney-in-fact.

(v) Administrative Agent and Lenders shall be entitled to rely upon, and shall be fully protected in relying upon, any notice or communication (including any notice of borrowing) delivered by Borrower Agent on behalf of any Borrower or other Loan Party. Administrative Agent and Lenders may give any notice or communication with a Borrower or other Loan Party hereunder to Borrower Agent on behalf of such Borrower or Loan Party. Each of Administrative Agent, L/C Issuers and Lenders shall have the right, in its discretion, to deal exclusively with Borrower Agent for any or all purposes under the Loan Documents. Each Borrower and each other Loan Party agrees that any notice, election, communication, representation, agreement or undertaking made on its behalf by Borrower Agent shall be binding upon and enforceable against it.

1.16. Cash Collateral.

(a) Certain Credit Support Events. If (i) the L/C Issuer has honored any full or partial drawing request under any Letter of Credit upon presentation and such drawing has resulted in an L/C Borrowing, (ii) as of the date that is 5 Business Days prior to the earlier of the Letter of Credit Expiration Date and the Revolving Credit Termination Date, any L/C Obligation for any reason remains outstanding, or (iii) there shall exist a Defaulting Lender, Borrowers shall immediately (in the case of clause (iii) above) or within one Business Day (in all other cases) following any request by Administrative Agent or the L/C Issuer, provide Cash Collateral in an amount not less than the Minimum Collateral Amount (determined in the case of Cash Collateral provided pursuant to clause (iii) above, after giving effect to Section 2.17(a)(iv) and any Cash Collateral provided by the Defaulting Lender).

(b) Grant of Security Interest. Borrowers, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to (and subjects to the control of) Administrative Agent, for the benefit of Administrative Agent, the L/C Issuer and the Lenders, and agrees to maintain, a first priority security interest in all such cash, Deposit Accounts and all balances

therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 2.16(c). If at any time Administrative Agent determines that Cash Collateral is less than the Minimum Collateral Amount or otherwise deficient for any reason, Borrowers will, promptly upon written demand by Administrative Agent, pay or provide to Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in one or more blocked, non-interest bearing Deposit Accounts at BMO.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided in respect of Letters of Credit or Swing Line Loans, shall be held and applied to the satisfaction of the specific L/C Obligations, Swing Line Loans, obligations to fund participations therein (including, as to Cash Collateral provided by a Revolving Lender that is a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may be provided for herein.

(d) Release. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or to secure other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Revolving Lender (or, as appropriate, its assignee following compliance with Section 10.06(b)(v)) or (ii) the determination by Administrative Agent and the L/C Issuer that there exists excess Cash Collateral.

1.17. Defaulting Lenders.

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

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders," or any comparable definition and Section 10.01.

(ii) Reallocation of Payments. Any payment of principal, interest, fees or other amounts received by Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise) or received by Administrative Agent from a Defaulting Lender pursuant to Section 10.08 shall be applied at such time or times as may be determined by Administrative Agent, provided that if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which that Defaulting Lender has not fully funded its appropriate share and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.02 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 under the applicable Facility on a pro rata basis (and ratably among all applicable Facilities computed in accordance with the Defaulting Lenders' respective funding deficiencies) prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender under the applicable Facility until such time as all Loans and funded and unfunded participations in L/C Obligations and Swing Line Loans are held by the Lenders pro rata in accordance with the Commitments hereunder without giving effect to Section 2.17(a)(iv). It is agreed and understood that Administrative Agent shall be entitled to set off any funding shortfall of such Defaulting Lender against such Defaulting Lender's respective share of any payments received from Borrowers. 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 2.16(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees. No Defaulting Lender shall be entitled to receive any Unused Fee payable pursuant to Section 2.09(a) for any period during which that Lender is a Defaulting Lender (and Borrowers shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender). Each Defaulting Lender which is a Revolving Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.16.

(iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations and Swing Line Loans shall be reallocated among the Non-Defaulting Lenders which are Revolving Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Revolving Credit Commitment) but only to the extent that (x) the conditions set forth in Section 4.02 are satisfied at the time of such reallocation (and, unless Borrower Agent shall have otherwise notified Administrative Agent at such time, 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 Credit Outstandings of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Credit Commitment. 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.

(b) Defaulting Lender Cure. If Borrower Agent, Administrative Agent and, in the case that a Defaulting Lender is a Revolving Lender, the Swing Line Lender and the L/C Issuer, agree in writing that a Lender is no longer a Defaulting Lender, Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Revolving Loans of the other Lenders or take such other actions as Administrative Agent may determine to be necessary to cause the Revolving Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages (without giving effect to Section 2.17(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 Borrowers 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.

1.18. Increase in Revolving Credit Commitments or Term Loan Facility.

(a) Request for Increase. Upon notice to Administrative Agent (who shall promptly notify the applicable Revolving Lenders and Term Lenders), Borrower Agent may from time to time prior to the Maturity Date request to add one or more incremental term facilities and/or request an increase in the Aggregate Revolving Credit Commitments or Term Loan Facility by an amount (for all such requests) not exceeding, in the aggregate, the greater of (x) 1.0x of Adjusted Consolidated EBITDA on a Pro Forma Basis for the four Fiscal Quarter period most recently ended as determined based on the financial statements for the most recently ended fiscal period that were required to be delivered pursuant to this Agreement and (y) $100,000,000, all of which may be used to increase the Term Loan Facility or add one or more incremental term facilities

(each such increase or addition of incremental facilities, an "***Increase***"); provided that any such request for an Increase shall be in a minimum amount of $5,000,000 in the aggregate (or $2,500,000 with respect to an Increase in the Aggregate Revolving Credit Commitments) or, if less, the entire unutilized amount of the maximum amount of all such requests set forth above. Each notice from the Borrower Agent pursuant to this Section shall set forth the requested amount and proposed terms of the relevant Increase, as applicable.

(b) Reserved.

(c) Notification by Administrative Agent; Additional Lenders. Each Increase may be made by any existing Lender or by any other Person reasonably acceptable to Borrowers, subject to the approval of Administrative Agent to the extent such approval would be required for an assignment to such Person pursuant to Section 10.06 and, solely in the case of any Increase in respect of the Revolving Credit Facility, subject to the approval of Administrative Agent, the Swing Line Lender and each L/C Issuer (which approval shall not be unreasonably withheld) to the extent such approval would be required for an assignment under the Revolving Credit Facility to such Person pursuant to Section 10.06, who becomes a Lender pursuant to a joinder agreement in form and substance satisfactory to Administrative Agent and its counsel (each such assignee issuing a commitment, executing and delivering such joinder agreement and becoming a Lender, an "***Additional Lender***"). No existing Lender shall have any obligation to participate in any Increase.

(d) Effective Date and Allocations. If the Aggregate Revolving Credit Commitments or the Term Loan Facility are increased or an incremental term facility is provided in accordance with this Section 2.18, Administrative Agent and Borrower Agent shall determine the effective date (the "***Increase Effective Date***") and the final allocation of such Increase or incremental term facility. Administrative Agent shall promptly notify Borrower Agent and the Revolving Lenders or Term Lenders, as applicable, of the final allocation of such Increase or incremental term facility and the Increase Effective Date.

(e) Conditions to Effectiveness of Increase. As a condition precedent to each Increase, (i) Borrower Agent shall have delivered to Administrative Agent a certificate dated as of the Increase Effective Date signed by a Responsible Officer of Borrower Agent (A) certifying and attaching the resolutions adopted by the Loan Parties approving or consenting to such Increase, and (B) certifying that, no Event of Default exists or would immediately exist after giving effect to the Increase; provided, that solely with respect to an Increase in the Term Loan Facility or an incremental term facility, as applicable, the proceeds of which are intended to and shall be used to finance a substantially contemporaneous consummation of a Limited Condition Acquisition (such Increase or incremental term facility, as applicable, a "Limited Condition Incremental Facility"), the Persons providing such Limited Condition Incremental Facility may agree to a "Funds Certain Provision" that does not condition the funding of such Limited Condition Incremental Facility on the absence of any Default or Event of Default, in which case the conditions shall be that (x) no Event of Default shall exist on the execution date of the applicable acquisition agreement for such Limited Condition Acquisition, and (y) no Event of Default under Section 8.01(a) or 8.01(f) shall exist on the date the related Limited Condition Incremental Facility is funded, (ii) Borrowers, Administrative Agent, and any Additional Lender shall have executed and delivered a joinder to the Loan Documents in such form as Administrative Agent shall reasonably require; (iii) Borrowers shall have paid such fees and other compensation to the Lenders increasing their Revolving Credit Commitments, the Lenders increasing their Term Loan Commitments or providing any incremental term loan and the Additional Lenders, as Borrowers, such Lenders and such Additional Lenders shall agree; (iv) Borrower Agent shall have delivered to Administrative Agent a certificate dated as of the Increase Effective Date evidencing that on a Pro Forma Basis after giving effect to the applicable Increase (but without "netting" the Cash proceeds of such Increase), and, in the case of an Increase of the Aggregate

Revolving Credit Commitments, assuming such incremental Revolving Loans are fully drawn on the Increase Effective Date, any permitted acquisitions, dispositions or prepayments of indebtedness and other appropriate pro forma adjustments to be mutually agreed by Administrative Agent and Borrowers, (A) the Consolidated Total Net Leverage Ratio of Holdings and its Subsidiaries as of the end of the Fiscal Quarter most recently ended as determined based on the financial statements for the most recently ended fiscal period that were required to be delivered pursuant to this Agreement was equal to or less than the covenant set forth in Section 7.12(a) required to be maintained at such time for the Fiscal Quarter most recently ended computed as of the last day of the most recently ended fiscal period for which financial statements have been delivered or were required to be delivered pursuant to Section 6.01(a) or (b), less 0.25x and (B) Holdings and its Subsidiaries are in compliance on a Pro Forma Basis with the covenants set forth in Sections 7.12(a) and (b) for the Fiscal Quarter most recently ended computed as of the last day of the most recently ended fiscal period for which financial statements have been delivered or were required to be delivered pursuant to Section 6.01(a) or (b); provided, that in connection with a Limited Condition Acquisition, each of the requirements set forth in clauses (A) and (B) above may, at the election of the Borrower Agent, be tested (and assuming for purposes of such calculations that (x) in the case of any Limited Condition Incremental Facility being incurred in connection therewith, such Limited Condition Incremental Facility is fully drawn as of such date but without "netting" the Cash proceeds of such Limited Condition Incremental Facility and (y) the proposed Limited Condition Acquisition, and all transactions to occur in connection therewith, have been effected) on the execution date of the applicable acquisition agreement for such Limited Condition Acquisition; (v) Borrowers, the Lenders increasing their Commitments and each Additional Lender shall have delivered such other instruments, documents and agreements as Administrative Agent may reasonably have requested to effectuate such Increase; (vi) the representations and warranties of the Loan Parties contained in Article V or any other Loan Document, shall be true and correct in all material respects (or in all respects for such representations and warranties that are by their terms already qualified as to materiality), except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (or in all respects for such representations and warranties that are by their terms already qualified as to materiality) as of such earlier date; provided, that with respect to a Limited Condition Incremental Facility, the Persons providing such Limited Condition Incremental Facility may agree to a "Funds Certain provision" that does not impose as a condition to funding thereof that such representations and warranties are true and correct at the time the Limited Condition Incremental Facility is funded; and (vii) solely to the extent all or any portion of an Increase to the Term Loan or an incremental term loan is provided by any Affiliated Lender (other than Holdings and its Subsidiaries), after giving effect to such Increase or incremental term loan, as applicable, (x) the aggregate principal amount of the Term Loans and incremental term loans held by the Affiliated Lenders (other than Holdings and its Subsidiaries) shall not at any time, in the aggregate for all such Persons, exceed 25% of the aggregate principal amount of the Term Loans and incremental term loans then outstanding, and (y) the Affiliated Lenders (other than Holdings and its Subsidiaries) holding the Term Loans and incremental term loans shall not constitute 50% or more of the aggregate number of Lenders holding a portion of the Term Loans and incremental term loans (in the aggregate) at the time of such Increase or incremental term loan, as applicable. In the case of an Increase in respect of the Revolving Credit Facility, the Revolving Loans outstanding on the Increase Effective Date shall be reallocated and adjusted between and among the applicable Lenders, and Borrowers shall pay any additional amounts required pursuant to Section 3.05 resulting therefrom, to the extent necessary to keep the outstanding applicable Revolving Loans ratable among the applicable Lenders with any revised Applicable Percentages, as applicable, arising from any nonratable increase in the applicable Revolving Loans under this Section 2.18.

(f) Interest Margins. Borrower Agent shall have reached agreement with the Lenders (or Additional Lenders) agreeing to the respective Increase with respect to the interest margins

applicable to Revolving Loans, Term Loans or incremental term loans to be made pursuant such Increase (which interest margins may be (A) with respect to Revolving Loans made pursuant to the increased Revolving Credit Commitments, higher than or equal to the interest margins applicable to Revolving Loans set forth in this Agreement immediately prior to the Increase Effective Date, and (B) with respect to any Increase of the Term Loans or any Increase pursuant to which any incremental term facilities are provided, higher than, equal to, or lower than the interest margins applicable to the applicable Term Loan set forth in this Agreement immediately prior to the Increase Effective Date, as applicable) and shall have communicated the amount of such interest margins to Administrative Agent. The Administrative Agent and Borrowers (with the consent of the Lenders or Additional Lenders providing such Increase (and, for the avoidance of doubt, without the consent of any existing Lenders not providing such Increase)) may effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate to effectuate the provisions of this Section 2.18 (including any amendment necessary to effectuate the interest margins for the Revolving Loans, Term Loans or incremental term loans to be made pursuant to such Increase). Anything to the contrary contained herein notwithstanding, (1) as of the date of the incurrence of such Increase, the Weighted Average Life to Maturity of such incremental term facility shall not be shorter than that of the original existing Term Loan (without giving effect to any prepayments thereof) and (2) the All-In Yield applicable to any Increase will be determined by the Borrowers and the lenders providing such Increase but in the event that the All-In Yield applicable to such Increase exceeds the All-In Yield of the original existing Term Loans and/or Revolving Loans, as applicable, by more than 50 basis points then in the event that the All-In Yield applicable to such Increase to the Term Loan or incremental term facility exceeds the All-In Yield of the original existing Term Loans and/or Revolving Loans by more than 50 basis points (for the avoidance of doubt, including as a result of any Adjusted Term SOFR floor, Base Rate floor or, as applicable, exceeding the applicable Existing Floor), the interest rate margins for the original existing Term Loans and/or Revolving Loans existing at such time shall be increased to the extent necessary so that the All-In Yield of such original existing Term Loans and/or Revolving Loans, as applicable, is equal to the All-In Yield of the applicable Increase minus 50 basis points; provided, that any increase to the All-In Yield of the existing Term Loans or Revolving Loans existing at such time due solely to the Adjusted Term SOFR or Base Rate floor applicable to such Increase exceeding the applicable Existing Floor, such increase shall be effected as an increase to the Existing Floor or the interest rate margin of the existing Term Loans or Revolving Loans (or a combination thereof) at the option of the Borrower Agent; provided further that the provisions of this subclause (2) shall not apply to any Increase of the Term Loans made or any Increase pursuant to which any incremental term facilities are provided, in each case, after the first twelve (12) months following the Restatement Effective Date.

(g) Each Increase shall rank pari passu in right of payment in respect of Collateral and with the Obligations in respect of the Revolving Credit Commitments and Term Loans available to Borrowers. In addition thereto (i) Increases to the Term Loans or any incremental term loans shall not have a final maturity date earlier than the latest maturity date applicable to the original Term Loan or previously established incremental term loan, (ii) other than pricing, amortization or maturity date, Increases of the Term Loans and establishment of incremental term loans shall be on terms and pursuant to documentation consistent with the terms and documentation of the Term Loans or reflect market terms and conditions at the time of incurrence or issuance thereof as determined by the Borrower Agent and the Administrative Agent (it being understood that terms differing from those with respect to the initial Term Loans applicable only after the maturity date of the initial Term Loans are acceptable) or as otherwise reasonably acceptable to the Administrative Agent, (iii) each Increase of the Revolving Credit Commitments and Revolving Borrowing thereunder shall be under the same terms (excluding original issue discount and upfront fees and arrangement, structuring, underwriting, ticking, consent and amendment fees and other upfront fee compensation payable in connection therewith) as Revolving Loans in respect of Revolving Loan Commitments and (iv) subject to the foregoing,

(A) the amortization schedule applicable to any Increase of the Term Loans or any Increase pursuant to which any incremental term facilities are provided shall be determined by the Borrowers and the lenders providing such Increase, and (B) the applicable lenders providing any Increase of the Term Loans or any Increase pursuant to which any incremental term facilities are provided may agree to participate on a pro rata basis or less than a pro rata basis (but not on a greater than pro rata basis) in any voluntary or mandatory prepayments as the original existing Term Loans.

(h) Conflicting Provisions. This Section 2.18 shall supersede any provisions in Section 2.13 or 10.01 to the contrary.

1.19. Prepayments Below Par.

(a) Borrowers' Right to Prepay. Each Borrower shall have the right at any time and from time to time to prepay the Term Loan to the Lenders at a discount to the par value of such Loan and on a non-pro rata basis (but, in the case of a prepayment pursuant to clause (x) below, which offer of prepayment shall be on a pro rata basis as to all Lenders with a portion of the Term Loan) pursuant to (x) the procedures described in this Section 2.19 or (y) open market purchases (any prepayment pursuant to the foregoing clauses (x) or (y) each, a "***Discounted Voluntary Prepayment***"), provided that (i) no proceeds of Revolving Loans or Swing Line Loans shall be used to consummate any Discounted Voluntary Prepayment, (ii) no Default or Event of Default shall have occurred and be continuing or would result from the Discounted Voluntary Prepayment, (iii) the relevant Borrower shall deliver to Administrative Agent, together with each Discounted Prepayment Option Notice (if applicable), a certificate of a Responsible Officer of the relevant Borrower (1) stating that each of the conditions to such Discounted Voluntary Prepayment contained in this Section 2.19 has been satisfied and (2) specifying the aggregate principal amount of the Term Loan to be prepaid pursuant to such Discounted Voluntary Prepayment, (iv) the Term Loan prepaid is immediately cancelled and may not be reborrowed, and (v) neither the Borrowers or any of their respective Affiliates shall be required to make a representation that it is not in possession of material non-public information with respect to the Borrowers, their Subsidiaries or their respective securities and customary "Big Boy" disclaimers from all parties shall be obtained.

(b) Notice. To the extent any Borrower seeks to make a Discounted Voluntary Prepayment pursuant to clause (x) of the definition thereof, such Borrower will provide written notice to the Administrative Agent (each, a "***Discounted Prepayment Option Notice***") that such Borrower desires to prepay a portion of the Term Loan in an aggregate principal amount specified therein by such Borrower (each, a "***Proposed Discounted Prepayment Amount***"), in each case at a discount to the par value of the Term Loan as specified below. The Proposed Discounted Prepayment Amount shall not be less than $1,000,000 (unless otherwise agreed by the Administrative Agent). The Discounted Prepayment Option Notice shall further specify with respect to the proposed Discounted Voluntary Prepayment (i) the Proposed Discounted Prepayment Amount, (ii) a discount range (which may be a single percentage) selected by such Borrower with respect to such proposed Discounted Voluntary Prepayment equal to a percentage of par of the principal amount of the Term Loan to be prepaid (the "***Discount Range***"), and (iii) the date by which Lenders are required to indicate their election to participate in such proposed Discounted Voluntary Prepayment, which shall be at least 5 Business Days following the date of the Discounted Prepayment Option Notice (the "***Acceptance Date***").

(c) Lender Acceptance. Upon receipt of a Discounted Prepayment Option Notice, the Administrative Agent shall promptly notify each applicable Lender thereof. On or prior to the Acceptance Date, each such Lender may specify by written notice (each, a "***Lender Participation Notice***" it being understood that a Lender may deliver more than one Lender Participation Notice, and that each such Lender Participation Notice of such Lender shall

constitute an independent and unconditional offer, and no such Lender Participation Notice may be contingent on the making of any prepayment with respect to the Offered Loans (defined below) in respect of any other Lender Participation Notice, or otherwise be contingent or conditional in any way) to the Administrative Agent setting forth (i) a maximum acceptable discount to par (the "***Acceptable Discount***") within the Discount Range (for example, a Lender specifying a discount to par of 20% would accept a purchase price of 80% of the par value of the portion of the Term Loan to be prepaid) and (ii) a maximum principal amount (subject to rounding requirements specified by the Administrative Agent) of the Term Loan held by such Lender with respect to which such Lender is willing to permit a Discounted Voluntary Prepayment at the Acceptable Discount ("***Offered Loans***"). Based on the Acceptable Discounts and principal amounts of the Offered Loans, the Administrative Agent, in consultation with the relevant Borrower, shall determine the applicable discount for the portion of the Term Loan to be prepaid (the "***Applicable Discount***"), which Applicable Discount shall be (y) the percentage specified by the relevant Borrower if such Borrower has selected a single percentage pursuant to Section 2.19(b) for the applicable Discounted Voluntary Prepayment or (z) otherwise, the highest Acceptable Discount at which such Borrower can pay the Proposed Discounted Prepayment Amount in full (determined by adding the principal amounts of Offered Loans commencing with the Offered Loans with the highest Acceptable Discount); provided, however, that in the event that such Proposed Discounted Prepayment Amount cannot be paid in full at any Acceptable Discount, the Applicable Discount shall be the highest Acceptable Discount specified by the Lenders that is within that Discount Range and then the next highest until all of the Offered Loans are repurchased. The Applicable Discount shall be applicable for all Lenders who have offered to participate in the applicable Discounted Voluntary Prepayment and have Qualifying Loans (as defined below). Any Lender whose Lender Participation Notice is not received by the Administrative Agent by the Acceptance Date shall be deemed to have declined to accept a Discounted Voluntary Prepayment of its portion of the Term Loan at any discount to their par value within the Discount Range.

(d) Loans held by Affiliated Lenders. Notwithstanding anything in this Section 2.19 to the contrary, if the consummation of any Discounted Voluntary Prepayment would have the effect of causing the aggregate principal amount of the Term Loans held by Affiliated Lenders to exceed (A) 33% of the aggregate principal amount of all Term Loans then outstanding (or the number of Affiliated Lenders holding Term Loans to exceed the applicable cap on the number of Affiliated Lenders holding Term Loans in Section 10.06(g)) or (B) solely to the extent the Permitted Holders control, directly or indirectly, a majority of the Voting Equity Interests of Holdings, 25% of the aggregate principal amount of all Term Loans then outstanding (each of the foregoing clauses (A) and (B), an "***Affiliated Lender Investor Overage***"), the Affiliated Lenders and each Borrower agree that (i) the Affiliated Lenders shall be deemed to have issued Lender Participation Notices accepting the Discounted Voluntary Prepayment offer for, or offered for sale in the open market, as applicable, sufficient portions of the Term Loans held by the Affiliated Lenders so that the Affiliated Lender Investor Overage would be eliminated, (ii) the applicable Borrower shall be deemed to have accepted such Lender Participation Notices or purchased such Term Loans in the open market, as applicable, in the aggregate amount necessary to eliminate the Affiliated Lender Investor Overage and (iii) the Administrative Agent shall determine, in consultation with the applicable Borrower, how to allocate the applicable Discounted Voluntary Prepayment among the Affiliated Lenders; provided, that in lieu of taking such action set forth in this Section 2.19(d), the Affiliated Lenders may, in accordance with and to the extent permitted by Section 10.06(g)(C) hereof, contribute or assign Term Loans to the Borrowers (which Term Loans shall for all purposes, including under this Agreement, be disregarded for purposes of calculating each of Adjusted Consolidated EBITDA and Excess Cash Flow for any applicable period of calculation and such portion of the Term Loan and all rights and obligations as a Lender related thereto shall for all purposes (including under this Agreement, the other Loan Documents and otherwise) be deemed to be irrevocably prepaid, terminated, extinguished, cancelled and of no further force and effect and such Borrower or such

Borrower's Subsidiary shall neither obtain nor have any rights as a Lender hereunder or under the other Loan Documents by virtue of such capital contribution or assignment) in an amount sufficient to eliminate any Affiliated Lender Investor Overage prior to taking actions required by this Section 2.19(d).

(e) Allocation. The relevant Borrower shall make a Discounted Voluntary Prepayment pursuant to clause (x) of the definition thereof by prepaying the portion of the Term Loan to be prepaid (or the respective portions thereof) offered by the Lenders ("***Qualifying Lenders***") that specify an Acceptable Discount that is equal to or greater than the Applicable Discount ("***Qualifying Loans***") at the Applicable Discount, provided that if the aggregate proceeds required to prepay all Qualifying Loans (disregarding any interest payable at such time) would exceed the amount of aggregate proceeds required to prepay the Proposed Discounted Prepayment Amount, such amounts in each case calculated by applying the Applicable Discount, such Borrower shall prepay such Qualifying Loans ratably among the Qualifying Lenders based on their respective principal amounts of such Qualifying Loans (subject to rounding requirements specified by the Administrative Agent). If the aggregate proceeds required to prepay all Qualifying Loans (disregarding any interest payable at such time) would be less than the amount of aggregate proceeds required to prepay the Proposed Discounted Prepayment Amount, such amounts in each case calculated by applying the Applicable Discount, the relevant Borrower shall prepay all Qualifying Loans. The relevant Borrower shall make a Discounted Prepayment pursuant to clause (y) of the definition thereof by paying the applicable Lender offering the applicable Term Loan for sale in the open market the applicable purchase price therefor.

(f) Payment Mechanics. Each Discounted Voluntary Prepayment pursuant to clause (x) of the definition thereof shall be made within 5 Business Days of the Acceptance Date (or such later date as the Administrative Agent shall reasonably agree, given the time required to calculate the Applicable Discount and determine the amount and holders of Qualifying Loans), without premium or penalty, upon irrevocable notice (each a "***Discounted Voluntary Prepayment Notice***"), delivered to the Administrative Agent no later than 1:00 p.m. New York City Time, 3 Business Days prior to the date of such Discounted Voluntary Prepayment, which notice shall specify the date and amount of the Discounted Voluntary Prepayment and the Applicable Discount determined by the Administrative Agent. Upon receipt of any Discounted Voluntary Prepayment Notice, the Administrative Agent shall promptly notify each relevant Lender thereof. If any Discounted Voluntary Prepayment Notice is given, the amount specified in such notice shall be due and payable to the applicable Lenders, subject to the Applicable Discount on the applicable portion of the Term Loan, on the date specified therein together with accrued interest (on the par principal amount) to but not including such date on the amount prepaid. Each Discounted Voluntary Prepayment pursuant to clause (y) of the definition thereof shall be made within the time period mutually agreed by the relevant Borrower and the applicable Lender or as required by the applicable market platform on or in which such purchase is to be consummated. The par principal amount of each Discounted Voluntary Prepayment of the Term Loan shall be applied ratably to reduce the remaining installments of the Term Loan.

(g) Additional Procedures. To the extent not expressly provided for herein, (i) each Discounted Voluntary Prepayment pursuant to clause (x) of the definition thereof shall be consummated pursuant to reasonable procedures (including as to timing, rounding, minimum amounts, Type and Interest Periods and calculation of Applicable Discount in accordance with Section 2.19(b) above) established by the Administrative Agent and the relevant Borrower and (ii) each Discounted Voluntary Prepayment pursuant to clause (y) of the definition thereof shall be consummated pursuant to reasonable procedures established by the relevant Borrower, the

applicable Lender and/or the market platform on or in which such purchase is to be consummated.

ARTICLE III
TAXES, YIELD PROTECTION AND ILLEGALITY

1.01. Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of the Loan Parties hereunder or under any other Loan Document shall to the extent permitted by applicable Laws be made free and clear of and without reduction or withholding for any Taxes. If, however, applicable Law requires the withholding or deduction of any Tax, such Tax shall be withheld or deducted in accordance with such Laws as determined in good faith by Borrower Agent or Administrative Agent, as the case may be, taking into account the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If applicable Law requires the withholding or deduction of any Taxes from any payment under any Loan Document, then (A) the applicable Loan Party shall withhold or make such deductions as are required taking into account the information and documentation it has received pursuant to subsection (e) below, (B) such Loan Party shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the applicable Law, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the Loan Parties shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions 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 withholding or deduction been made.

(b) Payment of Other Taxes by Loan Parties. Without limiting the provisions of subsection (a) above but without duplication of amounts payable under this Section, the Loan Parties shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Law.

(c) Tax Indemnification.

(i) Without limiting the provisions of subsection (a) or (b) above but without duplication of amounts payable under this Section, each Loan Party shall, and does hereby, on a joint and several basis indemnify each Recipient (and its respective directors, officers, employees, affiliates and agents) and shall make payment in respect thereof within 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) withheld or deducted on payments to, or paid by, such Recipient (or its respective directors, officers, employees, affiliates and agents), as the case may be, and any penalties, interest and related expenses and losses arising therefrom or with respect thereto (including the fees, charges and disbursements of any counsel or other tax advisor for the Recipient (or its respective directors, officers, employees, affiliates, and agents)), whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of any such payment or liability delivered to Borrower Agent by a Lender or the L/C Issuer (with a copy to Administrative Agent), or by Administrative Agent on its own behalf or on behalf of a Lender or the L/C Issuer, shall be conclusive absent manifest error.

(ii) Without limiting the provisions of subsection (a) or (b) above, each Lender and the L/C Issuer shall, and does hereby, indemnify Administrative Agent, and shall make payment in

respect thereof within 10 days after demand therefor, against (i) any Indemnified Taxes attributable to such Lender, (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.06(d) relating to the maintenance of a Participation and SPV Register and (iii) any Taxes (other than Indemnified Taxes) attributable to such Lender, in each case, that are payable or paid by the Administrative 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 or L/C Issuer by the Administrative Agent shall be conclusive absent manifest error. Each Lender and the L/C Issuer hereby authorizes Administrative Agent to set off and apply any and all amounts at any time owing to such Lender or the L/C Issuer, as the case may be, under this Agreement or any other Loan Document against any amount due to Administrative Agent under this clause (ii). The agreements in this clause (ii) shall survive the resignation and/or replacement of Administrative Agent, any assignment of rights by, or the replacement of, a Lender or the L/C Issuer and the occurrence of the Facility Termination Date.

(d) Evidence of Payments. Upon request by Borrower Agent or Administrative Agent, as the case may be, after any payment of Taxes by the Loan Parties or by Administrative Agent to a Governmental Authority as provided in this Section 3.01, Borrower Agent shall deliver to Administrative Agent or Administrative Agent shall deliver to Borrower Agent, as the case may be, the original or a copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to Borrower Agent or Administrative Agent, as the case may be.

(e) Status of Lenders; Tax Documentation.

(i) Each Recipient shall deliver to Borrower Agent and to Administrative Agent, at the time or times prescribed by applicable Laws or when reasonably requested by Borrower Agent or Administrative Agent, such properly completed and executed documentation prescribed by applicable Laws or by the taxing authorities of any jurisdiction and such other reasonably requested information as will permit Borrower Agent or Administrative Agent, as the case may be, to determine (A) whether or not payments made hereunder or under any other Loan Document are subject to Taxes, (B) if applicable, the required rate of withholding or deduction, and (C) such Recipient's entitlement to any available exemption from, or reduction of, applicable Taxes in respect of all payments to be made to such Recipient by the Loan Parties pursuant to this Agreement or otherwise to establish such Recipient's status for withholding tax purposes in the applicable jurisdiction; provided each Recipient shall only be required to deliver such documentation as it may legally provide.

(ii) Without limiting the generality of the foregoing:

(A) any Recipient that is a "United States person" within the meaning of Section 7701(a)(30) of the Code shall deliver to Borrower Agent and Administrative Agent executed originals of Internal Revenue Service Form W-9 or such other documentation or information prescribed by applicable Laws or reasonably requested by Borrower Agent or Administrative Agent as will enable Borrower Agent or Administrative Agent, as the case may be, to determine whether or not such Recipient is subject to backup withholding or information reporting requirements; and

(B) each Foreign Lender shall deliver to Borrower Agent and Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of Borrower Agent or Administrative Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(I) executed originals of Internal Revenue Service Form W-8BEN or W-8BEN-E, as applicable, claiming eligibility for benefits of an income tax treaty to which the United States is a party, if any,

(II) executed originals of Internal Revenue Service Form W-8ECI,

(III) executed originals of Internal Revenue Service Form W-8IMY and all required supporting documentation, or

(IV) 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 to the effect that such Foreign Lender is not (A) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of any Borrower within the meaning of section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code and (y) executed originals of Internal Revenue Service Form W-8BEN or W-8BEN-E, as applicable.

(iii) If a payment made to a Recipient under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Recipient 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 Recipient shall deliver to Borrower Agent and Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by Borrower Agent or Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Borrower Agent or Administrative Agent as may be necessary for Borrower and Administrative Agent to comply with their obligations under FATCA and to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (iii), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iv) Each Recipient shall promptly notify Borrower Agent and Administrative Agent of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

(f) Treatment of Certain Refunds. Unless required by applicable Laws, at no time shall Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender or the L/C Issuer, or have any obligation to pay to any Lender or the L/C Issuer, any refund of Taxes withheld or deducted from funds paid for the account of such Lender or the L/C Issuer, as the case may be. So long as no Event of Default is occurring, if Administrative Agent, any Lender or the L/C Issuer determines, in its sole discretion acting in good faith, that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by any Loan Party or with respect to which any Loan Party has paid additional amounts pursuant to this Section, it shall pay to such Loan Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by any Loan Party under this Section with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses (including Taxes) incurred by Administrative Agent, such Lender or the L/C Issuer, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that each Loan Party, upon the request of Administrative Agent, such Lender or the L/C Issuer, agrees to repay the amount paid over to any Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to Administrative Agent, such Lender or the L/C Issuer in the event Administrative Agent, such Lender or the L/C Issuer is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (f), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (f) to the extent 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 Administrative Agent, any Lender or the L/C Issuer to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Loan Party or any other Person.

1.02. Illegality. Notwithstanding any other provisions of this Agreement or any other Loan Document, if at any time any Change in Law or regulation or in the interpretation thereof makes it unlawful for any Lender to make or continue to maintain any SOFR Loans or to perform its obligations as contemplated hereby, such Lender shall promptly give notice thereof to Borrower Agent and such Lender's obligations to make or maintain SOFR Loans under this Agreement shall be suspended until it is no longer unlawful for such Lender to make or maintain SOFR Loans. Borrowers shall prepay on demand the outstanding principal amount of any such affected SOFR Loans, together with all interest accrued thereon and all other amounts then due and payable to such Lender under this Agreement; provided, that, subject to all of the terms and conditions of this Agreement, Borrower Agent may then elect to borrow the principal amount of the affected SOFR Loans 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 and which shall be determined without reference to clause (c) of the definition of "Base Rate". Upon any such repayment, the Borrower shall also pay any additional amounts required, if any, pursuant to this Agreement.

1.03. Inability to Determine Rates. Subject to Section 3.10, if, on or prior to the first day of any Interest Period for any SOFR Loan:

(a) the Administrative Agent determines (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 determine that for any reason 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 such Loan, and the Required Lenders have provided notice of such determination to the Administrative Agent,

then the Administrative Agent will promptly so notify the Borrower Agent and each Lender. Upon notice thereof by the Administrative Agent to the Borrower Agent, 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 Administrative Agent revokes such notice. Upon receipt of such notice, (i) the Borrower Agent 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 Loans, the affected Interest Periods) or, failing that, the Borrower Agent 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 immediately or, in the case of a SOFR Loans, at the end of the applicable Interest Period. Upon any such conversion, the Borrowers shall also pay any additional amounts, if any, required pursuant to this Agreement.

1.04. Increased Costs; Reserves on SOFR Loans.

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

(i) subject any Lender (or its Lending Office) or the L/C Issuer to any tax, duty or other charge with respect to its SOFR Loans, its Notes, its Letter(s) of Credit, or its participation in any thereof, any Reimbursement Obligations owed to it or its obligation to make SOFR Loans, issue a Letter of Credit, or to participate therein, or shall change the basis of taxation of payments to any Lender (or its Lending Office) or the L/C Issuer of the principal of or interest on its SOFR Loans, Letter(s) of Credit, or participations therein or any other amounts due under this Agreement or any other Loan Document in respect of its SOFR Loans, Letter(s) of Credit, any participation therein, any Reimbursement Obligations owed to it, or its obligation to make SOFR Loans, or issue a Letter of Credit, or acquire participations therein (except for changes in the rate of tax on the overall net income of such Lender or its Lending Office or the L/C Issuer imposed by the jurisdiction in which such Lender's or the L/C Issuer's principal executive office or Lending Office is located); or

(ii) impose, modify or deem applicable any reserve, special deposit or similar requirement (including any such requirement imposed by the FRB) or shall impose on any Lender (or its Lending Office) or the L/C Issuer or on the interbank market any other condition affecting its SOFR Loans, its Notes, its Letter(s) of Credit, or its participation in any thereof, any Reimbursement Obligation owed to it, or its obligation to make SOFR Loans, or to issue a Letter of Credit, or to participate therein;

and the result of any of the foregoing is to increase the cost to such Lender (or its Lending Office) or the L/C Issuer of making or maintaining any SOFR Loan, issuing or maintaining a Letter of Credit, or participating therein, or to reduce the amount of any sum received or receivable by such Lender (or its Lending Office) or the L/C Issuer under this Agreement or under any other Loan Document with respect thereto, by an amount deemed by such Lender or L/C Issuer to be material, then, within 15 days after demand by such Lender or L/C Issuer (with a copy to Administrative Agent), Borrowers shall be obligated to pay to such Lender or L/C Issuer such additional amount or amounts as will compensate such Lender or L/C Issuer for such increased cost or reduction.

(b) Capital Requirements. If any Lender or the L/C Issuer determines that any Change in Law affecting such Lender or L/C Issuer or any lending office of such Lender or such Lender's or L/C 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 L/C Issuer capital or on the capital of such Lender's or L/C 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 Line Loans held by, such Lender, or the Letters of Credit issued by the L/C Issuer, to a level below that which such Lender or L/C Issuer or such Lender's or L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or L/C Issuer's policies and the policies of such Lender's or L/C Issuer's holding company with respect to capital adequacy), then from time to time the Borrowers will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or L/C Issuer or such Lender's or L/C Issuer's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or L/C Issuer or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Borrower Agent, shall be conclusive absent manifest error. The Borrower shall pay such Lender

or L/C Issuer, as the case may be, the amount shown as due on any such certificate within 10 Business Days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or the L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's or the L/C Issuer's right to demand such compensation, provided that the Loan Parties shall not be required to compensate a Lender or the L/C Issuer pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or the L/C Issuer, as the case may be, notifies the Loan Parties of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the L/C 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 nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

1.05. Compensation for Losses. Upon demand of any Lender (with a copy to Administrative Agent) from time to time, Borrowers shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense (excluding, for the avoidance of doubt, loss of profits) incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by Borrowers (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by Borrower Agent; or

(c) any assignment of a SOFR Loan on a day other than the last day of the Interest Period therefor as a result of a request by Borrower Agent pursuant to Section 10.13;

including any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. Borrowers shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

1.06. Reimbursement

No Loan Party shall be required to compensate a Lender or the L/C Issuer pursuant to this Article III for any increased costs or reductions incurred more than one hundred eighty (180) days prior to the date that such Lender notifies the Borrower Agent of the change in law giving rise to such increased costs or reductions and of such Lender's or the L/C Issuer's intention to claim compensation therefore, provided further that, if the change in law giving rise to such increases costs or reduction is retroactive then the 180 day period referred to above shall be extended to include the period of retroactive effect hereof. Upon the receipt by Borrower Agent of such demand, the Borrower Agent shall have the option to immediately repay such SOFR Loan or convert such SOFR Loan to a Base Rate Loan, or cause the beneficiary of any such Letter of Credit to terminate such Letter of Credit, in each case in order to minimize or eliminate such increased cost or reduction.

1.07. Mitigation Obligations. If any Lender requests compensation under Section 3.04, or Borrowers are required to indemnify or pay any additional amount to any Lender, the L/C Issuer or any Governmental Authority for the account of any Lender or the L/C Issuer pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then such Lender or the L/C Issuer, as applicable, shall use reasonable efforts to designate a different Lending Office for

funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender or the L/C Issuer, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender or the L/C Issuer, as the case may be, to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or the L/C Issuer, as the case may be. Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender or the L/C Issuer in connection with any such designation or assignment.

1.08. Survival. All of the obligations under this Article III shall survive the resignation of Administrative Agent, the L/C Issuer and the Swing Line Lender, the replacement of any Lender and the occurrence of the Facility Termination Date.

1.09. Acknowledgment and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by: (a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder that may be payable to it by any party hereto that is an Affected Financial Institution, and (b) the effects of any Bail-In Action on any such liability, including, if applicable: (i) a reduction in full or in part or cancellation of any such liability, (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document, or (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

1.10. Effect of Benchmark Transition Event. Notwithstanding anything to the contrary herein or in any other Loan Document:

(a) Benchmark Replacement. If a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (a) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date and the related Benchmark Replacement Adjustment in subsection (ii) of clause (a) is equal to or greater than 0.10% (10 basis points), such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document, (y) if a Benchmark Replacement is determined in accordance with clause (a) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date and the related Benchmark Replacement Adjustment in subsection (ii) of clause (a) is less than 0.10% (10 basis points), such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders and (z) if a Benchmark Replacement is determined in accordance with clause (b) of the

definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(b) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative 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.

(c) Notice; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower Agent and the Lenders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will promptly notify the Borrower Agent of the removal or reinstatement of any tenor of a Benchmark pursuant to this Section 3.10. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 3.10, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 3.10.

(d) 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 Administrative 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 Administrative 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 and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may 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.

(e) Benchmark Unavailability Period. Upon the Borrower Agent's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower Agent may revoke any pending request for a SOFR Borrowing of, conversion to or continuation of SOFR 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 a Benchmark Unavailability Period or at any time that

a tenor for the then-current Benchmark is not an Available Tenor, the component of Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of Base Rate.

ARTICLE IV
CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

1.01. Conditions of Initial Credit Extension. The obligation of each Lender and the L/C Issuer to make any initial Credit Extension hereunder is subject to satisfaction or waiver by the applicable party of the following conditions precedent:

(a) Administrative Agent's receipt of the following items, each properly executed by a Responsible Officer of applicable Loan Party, each dated as of the Restatement Effective Date (or, in the case of certificates of governmental officials, a recent date before the Restatement Effective Date) and each in form and substance reasonably satisfactory to Administrative Agent and its legal counsel:

(i) a legal opinion from Kirkland and Ellis LLP;

(ii) the secretary's certificates, borrowing request and closing certificates set forth on the closing checklist attached hereto as Exhibit G;

(iii) a solvency certificate in the form of Exhibit I; and

(iv) the Loan Documents, except for those items that are specifically permitted herein to be delivered after the Restatement Effective Date.

(b) The representations and warranties of the Loan Parties contained in Article V or any other Loan Document, shall be true and correct in all material respects (or in all respects for such representations and warranties that are by their terms already qualified as to materiality) on and as of the date of such initial Credit Extension, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (or in all respects for such representations and warranties that are by their terms already qualified as to materiality) as of such earlier date;

(c) No Default or Event of Default shall have occurred and be continuing, or would immediately result from such initial Credit Extension and the consummation of the Transaction and the Loan Documents;

(d) All accrued costs, fees and expenses (including all reasonable and documented out-of-pocket fees, charges and disbursements of counsel to Administrative Agent, plus such additional amounts of such reasonable out-of-pocket fees, charges and disbursements as shall constitute its reasonable estimate of such reasonable out-of-pocket fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between Borrowers and Administrative Agent) and the fees and expenses of any other advisors) and other compensation due and payable to Administrative Agent, the Arrangers and the Lenders on or before the Restatement Effective Date shall have been paid (or deducted from the initial funding of the Loans hereunder), to the

extent set forth in the Fee Letter or otherwise invoiced at least two (2) Business Days prior to the Restatement Effective Date (except as otherwise reasonably agreed by the Borrower Agent).

(e) Reserved.

(f) The Administrative Agent shall have received an unaudited pro forma consolidated balance sheet of the Borrowers and their Subsidiaries as of the date of the most recent consolidated balance sheet delivered pursuant to clause (e) above adjusted to give effect to the Transactions as if the Transactions had occurred as of such date (in the case of such pro forma balance sheet) or at the beginning of such period (in the case of the pro forma statement of income) (it being understood that no valuation of assets or purchase price accounting shall be required).

(g) The Borrowers and the other Loan Parties shall have provided the documentation and other information to the Administrative Agent (to the extent reasonably requested by the Administrative Agent in writing at least ten (10) Business Days prior to the Restatement Effective Date) that are required by regulatory authorities under the applicable "know-your-customer" rules and regulations, including the PATRIOT Act, in each case at least three (3) days prior to the Restatement Effective Date.

(h) Reserved.

(i) After giving effect to the initial Credit Extension hereunder and consummation of the Transactions and payment of all fees and expenses in connection therewith, availability under the Revolving Credit Facility shall be at least $10,000,000 on the Restatement Effective Date.

Notwithstanding anything herein to the contrary, the terms of the Loan Documents shall be in a form such that they do not impair availability of the Loans on the Restatement Effective Date if the conditions set forth in Section 4.01 are satisfied or waived (it being understood that to the extent any security interest in Collateral (including the creation or perfection of any security interest) (other than (x) grants of security interests in Collateral subject to the Uniform Commercial Code that may be perfected by the filing of Uniform Commercial Code financing statements and (y) the delivery of equity certificates for certificated Equity Interests of Holdings' Domestic Subsidiaries that are part of the Collateral) is not or cannot be provided or perfected on the Restatement Effective Date after the Borrowers' use of commercially reasonable efforts to do so, without undue burden or expense, the delivery of such Collateral (and granting and perfecting of security interests therein) shall not constitute a condition precedent to the availability of the Loans on the Restatement Effective Date but shall be required to be delivered within 90 days after the Restatement Effective Date (or such later date as may be reasonably agreed by the Administrative Agent in its sole discretion) pursuant to arrangements to be mutually agreed).

Without limiting the generality of the provisions of Section 9.04, for purposes of determining compliance with the conditions specified in this Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless Administrative Agent shall have received notice from such Lender prior to the proposed Restatement Effective Date specifying its objection thereto.

1.02. Conditions to all Credit Extensions. The obligation of each Lender to honor any Request for Credit Extension (other than the initial Credit Extension hereunder on the Restatement

Effective Date or a Committed Loan Notice requesting only a conversion of Loans to the other Type or a continuation of SOFR Loans) is subject to the following conditions precedent:

(a) The representations and warranties of the Loan Parties contained in Article V or any other Loan Document, shall be true and correct in all material respects (or in all respects for such representations and warranties that are by their terms already qualified as to materiality) on and as of the date of such Credit Extension, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (or in all respects for such representations and warranties that are by their terms already qualified as to materiality) as of such earlier date; or solely with respect to any Incremental Term Loan (including any Limited Condition Incremental Facility), the applicable conditions set forth in Section 2.18(e) have been satisfied.

(b) No Default or Event of Default shall have occurred and be continuing, or would immediately result from such proposed Credit Extension; or, solely with respect to any Incremental Term Loan (including any Limited Condition Incremental Facility), the applicable conditions set forth in Section 2.18(e) have been satisfied.

(c) Administrative Agent and, if applicable, the L/C Issuer or the Swing Line Lender shall have received a Request for Credit Extension in accordance with the requirements hereof.

Each Request for Credit Extension (other than the initial Credit Extension hereunder on the Restatement Effective Date or a Committed Loan Notice requesting only a conversion of Loans to the other Type or a continuation of SOFR Loans) submitted by Borrower Agent shall be deemed to be a representation and warranty that the conditions specified in Sections 4.02(a) and 4.02(b) have been satisfied on and as of the date of the applicable Credit Extension.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

To induce Administrative Agent and the Lenders to enter into this Agreement and to make Loans and to issue Letters of Credit hereunder, each Loan Party represents and warrants to Administrative Agent and the Lenders, that:

1.01. Existence, Qualification and Power. Each Loan Party and each Subsidiary (a) is duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business as is now being conducted and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and in good standing under the Laws of each jurisdiction where its operation or properties requires such qualification, except, in the case of clauses (b)(i) and (c), to the extent that failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

1.02. Authorization; No Contravention; Consents. The execution, delivery and performance by each Loan Party of each Loan Document to which it is a party, and the consummation of the Transactions, have been duly authorized by all necessary organizational action, and (a) do not and will not (i) contravene the terms of its Organization Documents, (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under (other than as permitted by Section 7.02) (x) any Contractual Obligation to which such Person is a party or (y) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject, (iii) violate any Law material to any Loan Party or Subsidiary in any material respect, except with respect to any conflict, breach, or contravention referred to in clause (a)(ii), to the extent that such conflict, breach or contravention would not, individually or

in the aggregate, reasonably be expected to have a Material Adverse Effect or (b) do not or will not require any approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person, except for (i) filings necessary to perfect Liens on the Collateral granted by the Loan Parties in favor of the Administrative Agent for the benefit of the Lender Parties, (ii) the approvals, consents, exemptions, authorizations, actions, notices, and filings which have been duly obtained, taken, given or made and are in full force and effect or (iii) if the failure to obtain the same, take such action or give such notice could reasonably be expected to result in a Material Adverse Effect.

1.03. Binding Effect. This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms, except as the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar Laws relating to or affecting the rights and remedies of creditors or by general equitable principles.

1.04. Financial Statements; No Material Adverse Effect.

(a) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as expressly noted therein; and (ii) fairly present, in all material respects, the financial condition of the Target and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein.

(b) The unaudited consolidated balance sheet of Holdings and its Subsidiaries dated as of December 31, 2020, and the related consolidated statements of income or operations and cash flows for the fiscal quarter then ended fairly present in all material respects the financial condition of Holdings and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject to the absence of footnotes and to year-end audit adjustments.

(c) Since the Restatement Effective Date, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

(d) On the Restatement Effective Date, immediately after giving effect to the Transactions, the Loan Parties and their Subsidiaries, on a Consolidated basis, are Solvent.

1.05. Litigation. As of the Restatement Effective Date, there are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of any Loan Party, threatened in writing or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or any Subsidiary or against any of their properties that (a) purport to affect or pertain to this Agreement or any other Loan Document or any of the Transactions or (b) except as specifically disclosed in Schedule 5.05, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

1.06. No Default. No Default or Event of Default has occurred and is continuing.

1.07. Ownership of Property; Liens.

(a) Each Loan Party and each of its Subsidiaries has good, and in the case of Real Estate, defensible title to all property (tangible and intangible) necessary to, or used in the ordinary conduct of, its business, subject to Permitted Liens and except (i) for any such properties which

are immaterial to the operations of such Loan Party's or such Subsidiary's respective business, (ii) as may have been disposed of in compliance with the terms of this Agreement, (iii) minor defects in title that do not materially interfere with such Loan Party's ability to conduct its business or to utilize such assets for their intended purpose and/or (iv) where the failure to have such title or other interest would not reasonably be expected to have, individually, or in the aggregate, a Material Adverse Effect.

(b) Schedule 5.07(b)(1) sets forth the address (including street address, county and state) of all Real Estate that is owned by any Loan Party as of the Restatement Effective Date. Schedule 5.07(b)(2) sets forth the address (including street address, county and state) of all leased real property of the Loan Parties, with respect to each such lease as of the Restatement Effective Date.

1.08. Environmental Compliance.

(a) No Loan Party or any Subsidiary (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law with respect to such Loan Party's or Subsidiary's operations, (ii) has become subject to a pending claim with respect to any Environmental Liability or (iii) has received written notice of any claim with respect to any Environmental Liability except, in each case of clauses (i) – (iii) above, as has not resulted, and could not, individually or in the aggregate, reasonably be expected to result, in a Material Adverse Effect.

(b) As of the Restatement Effective Date, (i) none of the properties owned or operated by any Loan Party or any Subsidiary is listed or, to the knowledge of the Loan Parties, proposed for listing on the NPL or on the CERCLIS or any analogous foreign, state or local list or is adjacent to any such property; (ii) there are no and, to the knowledge of the Loan Parties, never have been any underground or above-ground storage tanks or any surface impoundments, septic tanks, pits, sumps or lagoons in which Hazardous Materials are being or have been treated, stored or disposed on any property currently owned or operated by any Loan Party or any Subsidiary; (iii) to the knowledge of the Loan Parties, there is no asbestos or asbestos-containing material on any property currently owned or operated by any Loan Party or Subsidiary; and (iv) Hazardous Materials have not been released, discharged or disposed of by any Loan Party or Subsidiary in violation of Environmental Laws or, to the knowledge of the Loan Parties, by any other Person in violation of Environmental Laws on any property currently owned or operated by any Loan Party or any Subsidiary, except in each case of clauses (i) - (iv) above, as has not resulted and could not, individually or in the aggregate, reasonably be expected to result in, a Material Adverse Effect.

(c) Except as could not individually or in the aggregate reasonably be expected to result in a Material Adverse Effect on the part of the Loan Parties and their Subsidiaries, as of the Restatement Effective Date, no Loan Party or any Subsidiary is undertaking, and no Loan Party or any Subsidiary has completed, either individually or together with other potentially responsible parties, any investigation or assessment or remedial or response action relating to any actual or threatened release, discharge or disposal of Hazardous Materials at any site, location or operation, either voluntarily or pursuant to the order of any Governmental Authority or the requirements of any Environmental Law; and all Hazardous Materials generated, used, treated, handled or stored by any Loan Party or any Subsidiary at, or transported to or from by or on behalf of any Loan Party or any Subsidiary, any property owned or operated by any Loan Party or any Subsidiary have, to the knowledge of the Loan Parties, been disposed of in a manner not, individually or in the aggregate, reasonably expected to result in a Material Adverse Effect.

1.09. Insurance and Casualty. The Loan Parties and their Subsidiaries maintain insurance with financially sound and reputable insurance companies which are not Affiliates of the Loan Parties,

in such amounts, with such deductibles and covering such risks (including, without limitation, workmen's compensation, public liability, business interruption and property damage insurance) as are customarily carried under similar circumstances by such other Persons as reasonably determined in good faith by the Borrowers. Schedule 5.09 sets forth a description of all insurance maintained by or on behalf of the Loan Parties and their Subsidiaries as of the Restatement Effective Date. As of the Restatement Effective Date, each insurance policy listed on Schedule 5.09 is in full force and effect.

1.10. Taxes. Each Loan Party and each Subsidiary has filed all Federal income Tax returns and other material Tax returns and reports required to be filed, and has paid all Federal income and other material Taxes, assessments, fees and other governmental charges levied or imposed upon it or its properties, income or assets otherwise due and payable, except those which are being Properly Contested.

1.11. ERISA Compliance.

(a) Except as would not have a Material Adverse Effect each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other Federal or state Laws. Except as would not have a Material Adverse Effect each employee benefit plan that is not subject to United States law (a "***Foreign Plan***") is in compliance in all material respects with all provisions of applicable Laws.

(b) As of the Restatement Effective Date, there are no pending or, to the best knowledge of any Loan Party, threatened in writing, claims, actions or lawsuits, or action by any Person, with respect to any Plan that would have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or would have a Material Adverse Effect.

(c) Except as would not have a Material Adverse Effect: (i) no ERISA Event has occurred, and no Loan Party is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event and (ii) each Loan Party, each Subsidiary thereof and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained. As of the most recent valuation date preceding the Restatement Effective Date for any Pension Plan maintained by a Loan Party, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is 60% or higher and no Loan Party knows of any facts or circumstances that could reasonably be expected to cause the funding target attainment percentage for any such plan to drop below 60% as of the most recent valuation date. Except as would not have a Material Adverse Effect, no Loan Party, no Subsidiary thereof nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA.

(d) As of the Restatement Effective Date, no Loan Party maintains or contributes to, or has any unsatisfied obligation to contribute to, or liability under, any active or terminated Pension Plan other than those listed on Schedule 5.11(d) hereto.

(e) As of the Restatement Effective Date, except as set forth on Schedule 5.11(e) hereto no Loan Party maintains or contributes to any Foreign Plan.

(f) Except as would not result in a Material Adverse Effect, the fair market value of the assets of each funded Foreign Plan, the liability of each insurer for any Foreign Plan funded through insurance or the book reserve established for any Foreign Plan, together with any accrued contributions, is sufficient to procure or provide for the accrued benefit obligations, as of the date hereof, with respect to all current and former participants in such Foreign Plan according

to the actuarial assumptions and valuations most recently used to account for such obligations in accordance with applicable generally accepted accounting principles.

1.12. Subsidiaries; Equity Interests; Capitalization. As of the Restatement Effective Date, no Loan Party and no Subsidiary of any Loan Party (a) has any Subsidiaries other than those disclosed on Schedule 5.12 (which Schedule sets forth the legal name, jurisdiction of incorporation or formation and authorized Equity Interests of each such Subsidiary), or (b) has any equity Investments in any other Person other than those specifically disclosed on Schedule 5.12. All of the outstanding Equity Interests of each Loan Party and each Subsidiary (a) have been validly issued, are fully paid and non-assessable (if applicable) and (b) as of the Restatement Effective Date, are owned by the Persons and in the amounts specified on Schedule 5.12 free and clear of all Liens except for Permitted Liens.

1.13. Margin Regulations; Investment Company Act. No Loan Party and no Subsidiary of any Loan Party is engaged, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. None of the Loan Parties, nor any Subsidiary is or is required to be registered as an "investment company" under the Investment Company Act of 1940.

1.14. Disclosure. No report, financial statement, certificate or other written information furnished, in each case, in writing, by or on behalf of any Loan Party or any Subsidiary (other than any Projections (defined below), budgets, estimates or other forward looking statements) and information of a general economic or industry nature) to Administrative Agent or any Lender in connection with any Loan Documents or the transactions contemplated hereby (in each case, as modified or supplemented by other information so furnished) when taken as a whole contains any material misstatement of fact or omits to state any material fact necessary to make the statements contained therein not materially misleading in light of the circumstances under which they were made, provided that, with respect to written projected financial information ("Projections"), furnished by or on behalf of any Loan Party or any Subsidiary in connection with the transactions contemplated hereby, each Loan Party represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time such Projections were delivered by any Loan Party to Administrative Agent or any Lender, and it being recognized by the Lenders and the Administrative Agent that such projections as to future events are not to be viewed as facts or a guarantee of financial performance and no assurance can be given that Projections will be realized and actual results may differ from the Projections and such differences may be material.

1.15. Compliance with Laws; Anti-Terrorism Laws and Foreign Asset Control Regulations.

(a) Each Loan Party and each Subsidiary is in compliance with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(b) Each Loan Party and each Subsidiary is in compliance in all material respects with, and the advances of the Loans and use of the proceeds thereof will not result in a violation of, (a) the Trading With the Enemy Act (50 U.S.C. § 1 et seq., as amended) (the "***Trading With the Enemy Act***") or any of the foreign assets control regulations administered by the United States Treasury Department, Office of Foreign Assets Control ("***OFAC***") (31 C.F.R., Subtitle B, Chapter V, as amended) (the "***Foreign Assets Control Regulations***") and any other enabling legislation or executive order relating thereto (which, for the avoidance of doubt, shall include, but shall not be

limited to, Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (Sept. 25, 2001)) (the "***Executive Order***")) by any party hereto and/or (b) the Uniting and Strengthening America by Providing Appropriate Tools Required To Intercept And Obstruct Terrorism (USA PATRIOT) Act of 2001 ("***USA PATRIOT Act***"). None of the Loan Parties or any of their Subsidiaries is a "blocked person" as described in the Executive Order, the Trading With the Enemy Act or the Foreign Assets Control Regulations. None of the Loan Parties will use any part of the proceeds of the Loans for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977.

1.16. Labor Matters. Except as set forth on Schedule 5.16, as of the Restatement Effective Date no Loan Party or any Subsidiary is a party to or bound by any collective bargaining agreement. There are no strikes, lockouts, slowdowns or other labor disputes against any Loan Party or any Subsidiary pending or, to the knowledge of any Loan Party, threatened in writing, in any case which, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect. As of the Restatement Effective Date, there are no representation proceedings pending or, to any Loan Party's knowledge, threatened to be filed with the National Labor Relations Board, and no labor organization or group of employees of any Loan Party or any Subsidiary has made a pending demand for recognition. As of the Restatement Effective Date, there are no complaints, unfair labor practice charges, grievances, arbitrations, unfair employment practices charges or any other claims or complaints against any Loan Party or any Subsidiary pending or, to the knowledge of any Loan Party, threatened to be filed with any Governmental Authority or arbitrator based on, arising out of, in connection with, or otherwise relating to the employment or termination of employment of any employee of any Loan Party or any of its Subsidiaries which individually or in the aggregate would reasonably be expected to result in a Material Adverse Effect. The consummation of the transactions contemplated by the Loan Documents will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which any Loan Party or any of its Subsidiaries is bound.

1.17. [Reserved].

1.18. Intellectual Property. The Loan Parties own, possess, or have the right to use all necessary Intellectual Property to conduct their businesses, except for any such failure to so own, possess or have the right to use that could not reasonably be expected to have a Material Adverse Effect.

1.19. Senior Indebtedness**.** All Obligations including those to pay principal of and interest (including post-petition interest, whether or not allowed as a claim under bankruptcy or similar laws) on the Loans and other Obligations, and fees and expenses in connection therewith, constitute "Senior Indebtedness" or similar term relating to the Obligations.

ARTICLE VI
AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder or any Loan Obligation (other than contingent indemnification claims for which no claim has been asserted) hereunder shall remain unpaid or unsatisfied, each Loan Party shall, and shall cause each Subsidiary to:

1.01. Financial Statements. Deliver to Administrative Agent, who shall distribute to each Lender (provided, that, for the avoidance of doubt and notwithstanding anything herein to the

contrary, the Administrative Agent shall have no obligation to, and shall not, distribute the financial projections required to be delivered pursuant to clause (c) below, to any Lender that has elected to be a public side investor through the Platform. For the avoidance of doubt, any Lender that has elected to be a private side investor through the Platform will continue to receive all financial projections required to be delivered pursuant to clause (c) below and other private side information to be provided under this Agreement:

(a) (x) if Holdings is required to file a Form 10-K under the Exchange Act, a copy of the Form 10-K of Holdings within 2 Business Days after the date on which Holdings files or is required to file its Form 10-K under the Exchange Act (after giving effect to any extension pursuant to Rule 12b-25 under the Exchange Act (or any successor rule)) and, unless the audit report and opinion of an Auditor (as defined below) in such Form 10-K satisfies the requirements of clauses (A) and (B) of Section 6.01(a)(y) below, a report and opinion of an Auditor which satisfies such requirements, or (y) if Holdings is not required to file a Form 10-K under the Exchange Act, within 120 days after the end of each Fiscal Year as of the end of such Fiscal Year, and the related consolidated statements of income or operations, and cash flows for such Fiscal Year, setting forth in each case in comparative form the figure for the previous Fiscal Year, all in reasonable detail and prepared in accordance with GAAP, audited and accompanied by a report and opinion of an accounting firm of nationally recognized standing or otherwise reasonably acceptable to the Administrative Agent (the "***Auditor***"), which report and opinion shall (A) not be subject to any "going concern" qualification or other qualification or exception or any qualification or exception as to the scope of such audit (except for qualifications relating to changes in accounting principles practice reflecting changes in GAAP and required or approved by such Auditor or relating to the financial statements for the fiscal year ending immediately prior to the final stated maturity of the Loans (including, for the avoidance of doubt, any Increases) and (B) shall state that such financial statements fairly present in all material respects the financial condition of Holdings and its Subsidiaries as of the dates indicated and the results of their operations and cash flow for the periods indicated in conformity with GAAP;

(b) (x) if Holdings is required to file a Form 10-Q "(including, for the avoidance of doubt, a Form 10-QT) under the Exchange Act, a copy of the Form 10-Q (including, for the avoidance of doubt, a Form 10-QT) of Holdings, within 2 Business Days after the date on which Holdings files or is required to file its Form 10-Q (including, for the avoidance of doubt, a Form 10-QT) under the Exchange Act (after giving effect to any extension pursuant to Rule 12b-25 under the Exchange Act (or any successor rule)) and, unless otherwise included in such Form 10-Q (including, for the avoidance of doubt, a Form 10-QT), comparative form figures for the preceding Fiscal Year or (y) if Holdings is not required to file a Form 10-Q (including, for the avoidance of doubt, a Form 10-QT) under the Exchange Act, within 45 days after the end of each of the first three Fiscal Quarters of each Fiscal Year, commencing with the Fiscal Quarter ending March 31, 2021, (i) unaudited consolidated balance sheet of Holdings and its Subsidiaries as of the end of such Fiscal Quarter and the related consolidated statements of income or operations and cash flows for such Fiscal Quarter and for the portion of the Fiscal Year then elapsed, setting forth in each case in comparative form figures for the preceding Fiscal Year, certified by a Responsible Officer of Borrower Agent to the effect that such statements fairly present in all material respects in accordance with GAAP the financial condition of Holdings and its Subsidiaries as of the dates indicated and the results of their operations for the periods indicated, subject to year-end adjustments and the absence of footnotes and (ii) a flash report of cash balances of Foreign Subsidiaries as of the last day of such Fiscal Quarter; and

(c) within 60 days after the end of each Fiscal Year, commencing with the Fiscal Year ending March 31, 2021, annual financial projections of Holdings and its Subsidiaries on a

consolidated basis, the contents of which shall be limited to items that have been previously publicly disclosed in accordance with Holdings' standard guidance practices.

1.02. Other Information. Deliver to Administrative Agent who shall distribute to each Lender:

(a) concurrently with delivery of financial statements under Section 6.01(a) and with the financial statements under Section 6.01(b), a Compliance Certificate executed by a Responsible Officer of Borrower Agent which certifies compliance with Section 7.12 and, solely with respect to the financial statements delivered under Section 6.01(b), (i) a management report (x) describing the operations and financial condition of Holdings and its Subsidiaries for the fiscal period covered by such financial statements and the portion of the current Fiscal Year then elapsed and (y) discussing the reasons for any significant variations as between the fiscal period covered and the portion of the Fiscal Year then elapsed and the same periods during the immediately preceding Fiscal Year, and as between such periods and the same periods included in the financial projections delivered pursuant to Section 6.01(c), and (ii) a description of any material change in accounting policies or financial reporting practices by any Loan Party or any Subsidiary (if any), all such information in the preceding clauses (i) and (ii) to be presented in reasonable detail;

(b) within ten (10) Business Days of delivery of financial statements under Section 6.01(a), an Excess Cash Flow Certificate executed by a Responsible Officer of Borrower Agent for such Fiscal Year (other than with respect to the Fiscal Year ending March 31, 2021);

(c) promptly after the public filing thereof, copies of all annual, regular, periodic and special reports and registration statements which Holdings, any Borrower or any Subsidiary may file or be required to file with the SEC under Section 13 or 15(d) of the Exchange Act, and not otherwise required to be delivered to Administrative Agent pursuant hereto; and

(d) promptly, such additional information regarding the business, financial or organizational affairs of any Loan Party or any Subsidiary, or compliance with the terms of the Loan Documents (excluding information subject to confidentiality obligations in favor of third parties which are not entered into in contemplation of this clause (d) or attorney-client privilege, constituting attorney work product or trade secrets or proprietary information or otherwise prohibited by law from disclosure), including, without limitation, flood zone information with respect to any fee owned Real Estate, as Administrative Agent or any Lender through the Administrative Agent may from time to time reasonably request.

1.03. Notices. Promptly after a Responsible Officer of any Loan Party becomes aware thereof notify Administrative Agent:

(a) of the occurrence of any Default or Event of Default;

(b) after the receipt thereof, a copy of any notice of any non-compliance with any applicable law, regulation or guideline relating to Holdings or any Subsidiary, or its business, including, without limitation, the FDA's applicable Good Manufacturing Practice regulations, complaint handling regulations and requirements for cosmetic or "over the counter" drug products, which non-compliance would reasonably be expected to have a Material Adverse Effect;

(c) the occurrence of any ERISA Event that would reasonably be expected to have a Material Adverse Effect;

(d) after the receipt thereof, a copy of (i) any notice, complaint or inquiry from the FDA or any other Government Authority relating to Holdings or any Subsidiary, or its business, asserting that the manufacture, distribution, marketing or sale of the products of any Loan Party or any of

its Subsidiaries is not in compliance with any applicable requirements of law, (ii) any notice from the FDA or any other Governmental Authority limiting, suspending or revoking any registration of the Loan Parties or their Subsidiaries, or (iii) any written notice asserting that a product of any Loan Party or any of its Subsidiaries has been or is being seized, withdrawn, recalled, detained, or subject to a suspension of manufacturing by the FDA or any other Governmental Authority, or any written notice of the commencement, or the threatened commencement, of any proceedings in the United States or any other applicable jurisdiction seeking the withdrawal, recall, suspension, import detention, or seizure of any product of any of the Loan Parties or their Subsidiaries except, in each case of (i) through (iii) above, where such non-compliance or action would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect; and

(e) the occurrence of any actual or threatened investigation, inquiry, inspection or administrative or judicial action, hearing, or enforcement proceeding by the FDA or any other Governmental Authority, against any Loan Party or any Subsidiary in connection with legal or regulatory non-compliance, except in each case, where such non-compliance or action would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

Each notice pursuant to this Section 6.03 shall be accompanied by a statement of a Responsible Officer of Borrower Agent setting forth details of the occurrence referred to therein and stating what action Borrowers have taken and propose to take with respect thereto.

1.04. Payment of Taxes and Assessments. Pay and discharge as the same shall become due and payable, all Federal, state and other tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being Properly Contested or unless the failure to so pay and discharge would not be reasonably be expected to have a Material Adverse Effect.

1.05. Preservation of Existence, Etc. (a) Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization or formation except in a transaction permitted by Section 7.04 or 7.05; (b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary in the normal conduct of its business except where the failure to do so would not reasonably be expected to have a Material Adverse Effect; (c) preserve or renew all of its registered Intellectual Property and rights to use Intellectual Property necessary in the normal conduct of its business except where the failure to take such action would not reasonably be expected to have a Material Adverse Effect; and (d) keep in full force and effect each License the expiration or termination of which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect (each a "***Material License***").

1.06. Maintenance of Properties. Maintain, preserve and protect all of its tangible properties (other than insignificant properties) and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear and casualty and condemnation excepted, except (i) to the extent that, in the reasonable business judgment of such Person, any such property is no longer necessary for the proper conduct of the business of such person or (ii) where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

1.07. Maintenance of Insurance; Business Interruption Proceeds.

(a) Maintain with financially sound and reputable insurance companies that are not Affiliates of the Loan Parties, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business and operating in the same or similar locations or as is required by applicable Law, of such types and

in such amounts as are customarily carried under similar circumstances by such other Persons as determined by management of the Loan Parties in their reasonable good faith business judgment.

(b) (i) Promptly after the expiration or cancellation of any insurance policies evidenced by the most recent insurance certificates delivered to the Administrative Agent, deliver to Administrative Agent certificates (in a form substantially similar to the insurance certificates delivered to the Administrative Agent in connection with the consummation of the Transaction) setting forth the nature and extent of all insurance maintained by the Loan Parties and (ii) cause each issuer of an insurance policy (excluding directors and officers policies, workers' compensation policies and business interruption insurance policies) to a Loan Party to provide Administrative Agent with a customary endorsement showing, among other things, Administrative Agent as a loss payee with respect to each applicable policy of property or casualty insurance and naming Administrative Agent as an additional insured with respect to each applicable policy of liability insurance; provided, that with respect to any endorsements required to be delivered on the Restatement Effective Date with respect to Holdings and its Subsidiaries, the Loan Parties shall have ninety (90) days after the Restatement Effective Date (or such longer period as agreed to by Administrative Agent in its sole discretion), to deliver or cause to be delivered, such required endorsements to Administrative Agent in form and substance reasonably satisfactory to Administrative Agent.

(c) Unless Borrower Agent provides Agent Administrative with evidence of the continuing insurance coverage required by this Agreement, Administrative Agent may purchase insurance at Borrowers' expense to protect Administrative Agent's and Lenders' interests in the Collateral. This insurance may, but need not, protect Borrowers' and each other Loan Party's interests. The coverage that Administrative Agent purchases may, but need not, pay any claim that is made against a Borrower or any other Loan Party in connection with the Collateral. Borrowers may later cancel any insurance purchased by Administrative Agent, but only after providing Administrative Agent with evidence that Loan Parties have obtained the insurance coverage required by this Agreement. If Agent purchases insurance for the Collateral, as set forth above, Borrowers will be responsible for the costs of that insurance, including interest and any other charges that may be imposed with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance and the costs of the insurance may be added to the principal amount of the Loans owing hereunder.

1.08. Compliance with Laws Generally; Environmental Laws. Except in each case as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (a) comply with the requirements of all Laws (including without limitation all applicable Environmental Laws) and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which such requirement of Law or order, writ, injunction or decree is being Properly Contested; (b) maintain its Real Estate in compliance with all Environmental Laws; (c) obtain and renew all environmental permits required under requirements of Law for its operations and properties; and (d) implement any and all investigation, remediation, removal and response actions that are required to comply with Environmental Laws pertaining to the presence, generation, treatment, storage, use, disposal, transportation or release of any Hazardous Materials on, at, in, under or about any of its Real Estate.

1.09. Books and Records. Maintain proper books of record and account, in which full, true and correct entries, in all material respects, for the Loan Parties taken as a whole and for the Loan Parties and their Subsidiaries taken as a whole, in conformity with GAAP consistently applied

(or such other customary standard in such foreign jurisdiction where a Foreign Subsidiary does business) shall be made.

1.10. Inspection Rights; Meetings with Administrative Agent**.** Permit Administrative Agent or its designees or representatives from time to time, subject to reasonable prior written notice and during normal business hours, to conduct inspections of the operations and properties of the Loan Parties and Subsidiaries and to examine its organizational, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers and auditors; provided that representatives of Borrower Agent shall be given the opportunity to participate in any discussions with the auditors. Administrative Agent shall not have any duty to any Loan Party to share any results of any such inspection, examination with any Loan Party. The Loan Parties acknowledge that all reports are prepared by or for Administrative Agent and Lenders for their purposes, and Loan Parties shall not be entitled to rely upon them. Notwithstanding anything to the contrary in this Section 6.10, (i) none of the Loan Parties or any Subsidiary will be required to disclose or permit the inspection or discussion of, any document, information or other matter (a) that constitutes non-financial trade secrets or non-financial proprietary information, (b) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by Law or (c) that is subject to attorney client or similar privilege or constitutes attorney work product and (ii) absent an Event of Default that has occurred and is continuing, the Administrative Agent shall not exercise such rights more often than once per calendar year, which visit or inspection shall be at the Borrowers' expense.

1.11. Compliance with ERISA. Do, and cause each of its ERISA Affiliates to do, each of the following, except if a Material Adverse Effect would not result from the failure to do so: (a) maintain each Plan in compliance in all material respects with the applicable provisions of ERISA, the Code and other applicable Laws; (b) cause each Plan which is qualified under section 401(a) of the Code to maintain such qualification; (c) cause each Foreign Plan to maintain any required approvals by any Governmental Authority regulating such Foreign Plan, (d) make all required contributions to any Plan, and (e) make all required contributions and payments to any Foreign Plans.

1.12. Further Assurances.

(a) At Borrowers' cost and expense, upon reasonable request of Administrative Agent (or within thirty (30) days (or such longer period of time as the Administrative Agent may agree in its sole discretion) of the consummation of any Permitted Acquisition pursuant to which a Loan Party or Subsidiary has acquired all or substantially all of the assets of a Person (or all or substantially all of a line or lines of business of a Person)), duly execute and deliver or cause to be duly executed and delivered, to Administrative Agent such further instruments, documents, certificates and financing and continuation statements, and do and cause to be done such further acts that may be reasonably necessary in the reasonable opinion of Administrative Agent to grant, perfect and maintain the validity, effectiveness and priority of any of the Liens required by the Security Instruments and the other Loan Documents in accordance with all applicable requirements of Law.

(b) Within thirty (30) days (or such longer period of time as the Administrative Agent may agree in its sole discretion) of the acquisition or creation of any Domestic Subsidiary (other than an Excluded Domestic Subsidiary or other Excluded Subsidiary) or, pursuant to a Permitted Acquisition and in accordance with clause (a) of the definition thereof, the merger of any Loan Party or Subsidiary with and into any Person, with such Person as the surviving entity of such merger, cause to be delivered to Administrative Agent each of the following, as applicable, in each case, consistent with the documents delivered on or prior to the Restatement Effective Date or otherwise reasonably acceptable to Administrative Agent and, as applicable, duly executed by

the parties thereto: (i) a joinder agreement with respect to this Agreement, together with other Loan Documents reasonably requested by Administrative Agent, including all Security Instruments and other documents reasonably requested to establish and preserve the Lien of Administrative Agent in all Collateral of such Domestic Subsidiary subject to any limitations on Collateral set forth in the Loan Documents; (ii) Uniform Commercial Code financing statements, Documents and original collateral (including pledged Equity Interests, other securities and Instruments) and such other documents and agreements as may be reasonably required by Administrative Agent, all as necessary to establish and maintain a valid, perfected Lien under U.S. law in all Collateral in which such Domestic Subsidiary has an interest consistent with the terms of the Loan Documents executed on or prior to the Restatement Effective Date (and subject to any limitations on Collateral set forth therein); (iii) upon the reasonable request of the Administrative Agent, an opinion of counsel to such Domestic Subsidiary addressed to Administrative Agent and the Lenders, in form and substance reasonably acceptable to Administrative Agent and substantially similar to those opinions of counsel delivered on or prior to the Restatement Effective Date; and (iv) current copies of the Organization Documents of such Domestic Subsidiary resolutions of the Board of Directors (and, if required by such Organization Documents or applicable law, of the shareholders, members or partners) of such Person authorizing the actions and the execution and delivery of documents described in this Section 6.12, all certified by an appropriate officer. For the avoidance of doubt, any Foreign Subsidiary, Excluded Domestic Subsidiary or other Excluded Subsidiary shall not be required to guarantee or pledge its assets for any obligations of a Loan Party; provided however, the shareholder or shareholders of any such first tier Foreign Subsidiary, Excluded Domestic Holdco or Excluded Domestic Subsidiary, as applicable, shall pledge 65% of all classes of Equity Interests of such first tier Foreign Subsidiary, Excluded Domestic Holdco or Excluded Domestic Subsidiary, as applicable, to support the Obligations of such Loan Parties (and no other Equity Interests of a Foreign Subsidiary, Excluded Domestic Holdco or Excluded Domestic Subsidiary shall be pledged).

(c) Within ninety (90) days (or such longer period of time as the Administrative Agent may permit) of the acquisition by any Loan Party of any fee owned Real Estate with an individual fair market value in excess of $2,500,000, deliver or cause to be delivered to Administrative Agent (and, with respect to flood documentation, each Lender), with respect thereto, in each case reasonably acceptable to Administrative Agent, a mortgage or deed of trust, as applicable, and an opinion of Borrowers' counsel with respect thereto, an ALTA lender's title insurance policy insuring Administrative Agent's first priority Lien (subject to Permitted Liens), a current ALTA survey, certified to Administrative Agent by a licensed surveyor, a certificate from a national certification agency indicating whether such Real Estate is located in a special flood hazard area (and, if applicable, flood insurance) and such other flood documentation or other information reasonably requested by any Lender to permit such Lender to comply with applicable flood Laws, and an environmental audit (to the extent already prepared). For the avoidance of doubt, no mortgage or deed of trust, as applicable, shall be entered into until all Lenders have confirmed completion of flood zone diligence.

1.13. Use of Proceeds. The Borrowers shall use the proceeds of the Loans (other than Revolving Loans and Increases) solely as follows: (a) first, to refinance on the Restatement Effective Date, existing Indebtedness of the Loan Parties, (b) to pay fees, costs and expenses of the Transactions and fees, costs and expenses required to be paid pursuant to Section 4.01, (c) to finance the working capital needs of the Borrowers and their Subsidiaries, (d) for general corporate purposes (including for expenditures not prohibited by the Loan Documents) and (e) payment of fees and expenses related to the foregoing. The Borrowers shall use the proceeds of the Revolving Loans solely as follows: (a) on the Restatement Effective Date, to pay upfront fees (or OID) with respect to the Facilities and to refinance on the Restatement Effective Date, existing Indebtedness of the Loan Parties (or, in each case, any fees and expenses related thereto) and (b) after the Restatement Effective Date, (i) to finance the working capital needs of the

Borrowers and their Subsidiaries, (ii) for general corporate purposes, capital expenditures (including for expenditures not prohibited by the Loan Documents), of Borrowers and their respective Subsidiaries not in violation of this Agreement, Permitted Acquisitions, other permitted Investments, other permitted distributions on account of the Equity Interests of the Borrowers (including, for the avoidance of doubt, Restricted Payments permitted by Section 7.06 hereof), and prepayments of Indebtedness permitted by Section 7.11 hereof, (iii) for Letters of Credit and (iv) for payment of fees and expenses related to the foregoing. The Borrowers shall use the proceeds of any Increase solely for general corporate purposes (including for capital expenditures, Permitted Acquisitions and other permitted Investments, permitted Restricted Payments, permitted prepayments of Indebtedness, permitted refinancings of Indebtedness and any other transaction not prohibited by this Agreement).

1.14. Control Agreements. Each Loan Party shall enter into, and cause each depository, securities intermediary or commodities intermediary to enter into, Control Agreements with respect to each deposit, securities, commodity or similar account maintained by such Person (other than (a) zero balance accounts, (b) any payroll account so long as the Loan Parties do not deposit or maintain funds in any such payroll account in excess of amounts necessary for the purpose of funding up to two periods of payroll liabilities (including payroll taxes) and amounts necessary to satisfy minimum balance requirements, (c) accounts in which the amounts on deposit do not exceed $1,000,000 in the aggregate at any one time and (d) withholding tax, benefits, trust, escrow or fiduciary accounts, in each case, which hold funds solely (i) for taxes required to be collected, remitted or withheld (including, without limitation, federal and state withholding taxes (including the employer's share thereof)) or (ii) that are benefits accounts or held on behalf of another Person or as an escrow or fiduciary for such Person, as applicable (such excluded accounts, "***Excluded Accounts***")) as of and after the Restatement Effective Date. It is agreed and understood that the Loan Parties shall have until the date that is (a) ninety (90) days following the Restatement Effective Date (or such later date as may be agreed to by Administrative Agent in its sole discretion) to comply with the provisions of this Section 6.14 with regard to accounts (other than Excluded Accounts) of the Loan Parties existing on the Restatement Effective Date.

1.15. Collateral Access Agreements. Each Loan Party shall use commercially reasonable efforts to obtain, (a) within ninety (90) days after the Restatement Effective Date, a landlord waiver or collateral access agreement from the respective lessors of the corporate headquarters of the Borrower Agent, which agreements shall be reasonably satisfactory in form and substance to Administrative Agent and (b) within ninety (90) days after the acquisition of, or execution and delivery of a lease with respect to, leased locations acquired after the Restatement Effective Date which at such time constitutes the corporate headquarters of the Borrower Agent, a landlord waiver or collateral access agreement from the respective lessors of such leased locations, which agreements shall be reasonably satisfactory in form and substance to Administrative Agent; provided, that it being understood and agreed that no Loan Party shall be required to take any actions to obtain a landlord waiver or collateral access agreement with respect to a leased location described in clause (b) above unless the applicable Loan Party reasonably believes that such landlord waiver or collateral access agreement is reasonably obtainable without paying any fees to the applicable lessor and without incurring excessive costs and expenses within ninety (90) days of requesting such a landlord waiver or collateral access agreement. It is agreed and understood that the Loan Parties shall have until the date that is ninety (90) days following the Restatement Effective Date (or such later date as may be agreed to by Administrative Agent in its sole discretion) to use commercially reasonable efforts to comply with the provisions of this Section 6.15 with regard to the corporate headquarters of the Borrowers as of the Restatement Effective Date; provided that in no event shall a Default or Event of Default occur as a result of

not delivering any such collateral access agreement so long as the Loan Parties used commercially reasonable efforts to obtain the same within the specific time frame.

ARTICLE VII
NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder or any Loan Obligation (other than contingent indemnification claims for which no claim has been asserted) hereunder shall remain unpaid or unsatisfied, no Loan Party shall, nor shall it permit any Subsidiary to, directly or indirectly:

1.01. Indebtedness. Create, incur, assume or suffer to exist any Indebtedness or issue any Disqualified Equity Interest, except:

(a) the Obligations, the Secured Obligations and the Indebtedness permitted pursuant to Section 2.18;

(b) Indebtedness outstanding on the date hereof and listed on Schedule 7.01 and any Permitted Refinancing thereof;

(c) (i) Guarantees by any Loan Party in respect of Indebtedness otherwise permitted hereunder of any other Loan Party; provided that any Guarantee of Indebtedness that is required to be subordinated to the Obligations shall be subordinated to the Obligations on terms at least as favorable to Administrative Agent and the Lenders as such subordinated Indebtedness and (ii) Guarantees by a Subsidiary of Holdings which is not a Loan Party in respect of Indebtedness otherwise permitted hereunder of another Subsidiary of Holdings which is not a Loan Party;

(d) obligations (contingent or otherwise) of the Loan Parties and their Subsidiaries existing or arising under any Swap Contract, provided that such obligations are (or were) required hereunder or entered into by such Person in the Ordinary Course of Business and not for purposes of speculation;

(e) Indebtedness in respect of Capital Leases and purchase money obligations within the limitations set forth in Section 7.02(i) and Permitted Refinancings thereof; provided, however, that the aggregate amount of all such Indebtedness at any one time outstanding shall not exceed the greater of (i) $10,000,000 and (ii) 10% of Adjusted Consolidated EBITDA for the four Fiscal Quarter period most recently ended as to which financial statements were required to be delivered pursuant to this Agreement; provided, further, that in no event shall such Indebtedness incurred in reliance on this Section 7.01(e) exceed $10,000,000 in the aggregate at any one time outstanding;

(f) the endorsement of negotiable instruments for deposit or collection or similar transactions in the Ordinary Course of Business;

(g) Indebtedness of (i) any Loan Party owing to any other Loan Party, (ii) any Subsidiary that is not a Loan Party owing to any other Subsidiary that is not a Loan Party, (iii) any Subsidiary that is not a Loan Party owing to any Loan Party; provided that (A) the aggregate principal amount of all such Indebtedness under this clause (iii) of all such Subsidiaries shall not exceed the greater of (i) $6,000,000 and (ii) 10% of Adjusted Consolidated EBITDA for the four Fiscal Quarter period most recently ended as to which financial statements were required to be delivered pursuant to this Agreement, in the aggregate at any time outstanding and (B) such Indebtedness shall not be evidenced by promissory notes unless such notes are delivered to the Administrative Agent and pledged to Administrative Agent pursuant to the Security Agreement, and (iv) any Loan Party owing to any Subsidiary that is not a Loan Party, so long as such

Indebtedness is subordinated in right of payment to the prior Payment in Full of the Obligations pursuant to subordination provisions reasonably acceptable to the Administrative Agent;

(h) (i) surety bonds, performance bonds or custom bonds or any guarantees in connection with the foregoing, in each case, incurred in the Ordinary Course of Business and (ii) appeal bonds in connection with the enforcement of rights or claims of Borrower or any Subsidiary in connection with judgments that do not result in an Event of Default;

(i) Indebtedness (i) owing to insurance carriers and incurred to finance insurance premiums of any Loan Party or any Subsidiary or (ii) consisting of take or pay obligations contained in supply agreements, in the case of each of the foregoing clauses (i) and (ii), incurred in the Ordinary Course of Business;

(j) (i) unsecured deferred purchase price obligations in the form of earnouts and other similar contingent obligations and (ii) unsecured seller debt subject to customary subordination terms as reasonably determined by the Borrowers, which shall, in any event, provide that any such unsecured seller debt shall not be payable while an Event of Default has occurred and is continuing, in the case of each of the foregoing clauses (i) and (ii), incurred in connection with a Permitted Acquisition, solely to the extent permitted pursuant to the defined term "Permitted Acquisition" or other Investment permitted hereunder and;

(k) Indebtedness in respect of cash management obligations, netting services, overdraft protections and other like services, in each case incurred in the Ordinary Course of Business;

(l) Indebtedness of any Subsidiary that is not a Loan Party; provided that (A) the aggregate principal amount of all such Indebtedness of all such Subsidiaries shall not exceed the greater of (i) $10,000,000 and (ii) 5% of Adjusted Consolidated EBITDA for the four Fiscal Quarter period most recently ended as to which financial statements were required to be delivered pursuant to this Agreement, in the aggregate at any time outstanding;

(m) Indebtedness representing any taxes, assessments or governmental charges to the extent (i) the same are being Properly Contested or (ii) that payment thereof shall not at any time be required to be made in accordance with Section 6.04 hereof;

(n) Indebtedness of Borrowers or any Subsidiary which may be deemed to exist in connection with agreements providing for indemnification, incentive, non-compete, purchase price adjustments and similar obligations in connection with the disposition of assets in the Ordinary Course of Business and in accordance with the requirements of this Agreement, so long as any such obligations are those of the Person making the respective sale, and are not guaranteed by any other Person except as permitted hereunder;

(o) Indebtedness assumed in connection with any Permitted Acquisition or other investment permitted under Section 7.03(z), provided that (x) such Indebtedness (i) was not incurred in contemplation of such Permitted Acquisition or such other investment, (ii) is secured only by the assets acquired in the applicable Permitted Acquisition or other investment (including any acquired Equity Interests), (iii) the only obligors with respect to any Indebtedness incurred pursuant to this clause (o) shall be those Persons who were obligors of such Indebtedness prior to such Permitted Acquisition or applicable investment, (y) both immediately prior and after giving effect thereto no Event of Default shall exist or result therefrom, and (z)(i) after giving effect to the assumption of such Indebtedness, the Loan Parties shall be in compliance on a Pro Forma Basis with the covenant set forth in Sections 7.12(a) for the Fiscal Quarter most recently ended as determined based on the financial statements for the most recently ended fiscal period that have been delivered or were required to be delivered pursuant to Section 6.01(a) or (b) and after giving effect to such assumption, the Consolidated Total Net Leverage Ratio is not greater than

3.50 to 1.00 on a Pro Forma Basis computed as of the last day of the most recently ended fiscal period for which financial statements have been delivered or were required to be delivered pursuant to Section 6.01(a) or (b);

(p) unsecured Indebtedness representing deferred compensation, deferred compensation plans or other similar arrangements to employees of the Borrowers (or any direct parent of a Borrower) and their Subsidiaries, in each case, incurred in the Ordinary Course of Business;

(q) unsecured Indebtedness of Holdings to current or former officers, directors, partners, managers, consultants and employees, their respective estates, spouses or former spouses to finance the purchase or redemption of Equity Interests of Holdings (or any direct or indirect parent thereof) permitted by Section 7.06;

(r) Indebtedness incurred by Holdings, the Borrowers or any of their Subsidiaries in a Permitted Acquisition or any other Investment expressly permitted hereunder, in each case to the extent constituting reasonable and customary indemnification obligations or obligations in respect of working capital or other similar purchase price adjustments;

(s) Indebtedness incurred by the Borrowers or any of their Subsidiaries in respect of letters of credit, bank guarantees, banker's acceptances, warehouse receipts or similar instruments issued or created in the Ordinary Course of Business, including in respect of workers compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement-type obligations regarding workers compensation claims;

(t) [reserved];

(u) Indebtedness of Foreign Subsidiaries which is secured by the assets of any Foreign Subsidiary as permitted under Section 7.02(z), in an aggregate principal amount not to exceed $10,000,000 at any time outstanding;

(v) secured or unsecured subordinated Indebtedness; provided that any such subordinated Indebtedness shall not exceed the greater of (i) $30,000,000 and (ii) 50% of Adjusted Consolidated EBITDA for the four Fiscal Quarter period most recently ended as to which financial statements were required to be delivered pursuant to this Agreement, in the aggregate at any time outstanding, provided further, that (i) such subordinated Indebtedness shall be subordinated in right of payment to the Obligations and, if secured, lien subordinated to the Liens in favor of Administrative Agent and the Lenders, in each case, on terms and pursuant to documentation reasonably satisfactory to Administrative Agent, (ii) such subordinated indebtedness shall only be guaranteed by Holdings or the Subsidiaries that are otherwise guarantors of the Obligations, (iii) the other conditions and terms thereof shall be reasonably acceptable to the Administrative Agent but in any case no scheduled principal payments, redemptions or sinking fund or like payments of any such subordinated Indebtedness shall be required prior to the date at least 6 months after the later of the Revolving Credit Maturity Date or the Term Loan Maturity Date, and (iv) no Event of Default shall exist immediately before and after giving effect to the incurrence of such subordinated Indebtedness and the use of proceeds therefrom on such date (any such subordinated Indebtedness, "***Subordinated Indebtedness***")

(w) additional Indebtedness in an aggregate outstanding principal amount at any one time outstanding not to exceed the greater of (i) $7,500,000 and (ii) 12.5% of Adjusted Consolidated

EBITDA for the four Fiscal Quarter period most recently ended as to which financial statements were required to be delivered pursuant to this Agreement;

(x) all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in clauses (a) through (w) above; and

(y) interest and fees payable in kind or accrued on any of the foregoing.

For purposes of determining compliance with any restriction on the incurrence of Indebtedness, the principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt; provided that if such Indebtedness is incurred to extend, replace, refund, refinance, renew or defease other Indebtedness denominated in a foreign currency, and such extension, replacement, refunding, refinancing, renewal or defeasance would cause the applicable restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such extension, replacement, refunding, refinancing, renewal or defeasance, such restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being extended, replaced, refunded, refinanced, renewed or defeased.

1.02. Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following ("***Permitted Liens***"):

(a) Liens in favor of Administrative Agent pursuant to any Loan Document and pursuant to any documentation governing Indebtedness permitted to be incurred pursuant to Section 2.18;

(b) Liens existing on the date hereof and set forth on Schedule 7.02 and any renewals, extensions, modifications or replacements thereof; provided, with respect to any renewals, extensions, modifications or replacements thereof, (i) such Lien does not extend to any additional property other than (A) after-acquired property that is affixed or incorporated into the property covered by such Lien or financed by Indebtedness permitted under Section 7.01(b), and

(B) proceeds and products thereof; and (ii) the renewal, extension or refinancing of the obligations secured or benefited by such Liens is permitted by Section 7.01(b);

(c) Liens for taxes, duties, levies, imposts, deductions, assessments or other governmental charges, not yet due and payable or which are being Properly Contested or otherwise not required to be paid pursuant to Section 6.04;

(d) Liens of carriers, warehousemen, processors, mechanics, materialmen, repairmen, landlords or other like Liens imposed by Law or arising in the Ordinary Course of Business which are not overdue for a period of more than 90 days or which are being Properly Contested;

(e) Liens, pledges or deposits in the Ordinary Course of Business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA or a foreign benefit law;

(f) Liens on deposits to secure the performance of bids, trade contracts and leases, statutory obligations, surety bonds, performance bonds and other obligations (other than obligations for the payment of borrowed money) of a like nature incurred in the Ordinary Course of Business;

(g) Liens consisting of imperfections of title and easements, rights-of-way, covenants, consents, reservations, encroachments, variations and zoning and other similar restrictions, charges, encumbrances or title defects affecting real property which, in the aggregate do not materially detract from the value of the property subject thereto or materially interfere with the use by the Loan Parties or their Subsidiaries in the Ordinary Course of Business of the property subject to such encumbrance;

(h) Liens securing judgments not constituting an Event of Default under Section 8.01 or securing appeal or other surety bonds related to such judgments;

(i) Liens securing Indebtedness permitted under Section 7.01(e); provided that such Liens do not at any time encumber any property other than the property financed by such Indebtedness and replacements thereof and additions and accessions to such property and the proceeds and the products thereof and customary security deposits;

(j) licenses, sublicensees, operating leases or subleases (and precautionary UCC filings with respect thereto) granted by or to the Loan Parties or any Subsidiary to or from any other Person in the Ordinary Course of Business and any renewals, extensions, modifications or replacements thereof;

(k) Liens in favor of collecting banks (including those arising under Section 4-210 of the UCC) arising by operation of law;

(l) Liens (including the right of setoff) in favor of a bank or other depository institution arising as a matter of law encumbering deposits;

(m) Liens in favor of customs and revenue authorities to secure payment of customs duties in connection with the importation of goods and arising in the Ordinary Course of Business;

(n) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto to the extent permitted under Section 7.01(i) and Liens arising out of deposits of cash and Cash Equivalents, security deductibles, self-insurance, co-payment, co-

insurance, retentions and similar obligations to providers of insurance in the Ordinary Course of Business;

(o) other Liens as to which the aggregate amount of the obligations secured thereby does not exceed at any time outstanding the greater of (x) $6,000,000 and (y) 10% of Adjusted Consolidated EBITDA for the four Fiscal Quarter period most recently ended as to which financial statements were required to be delivered pursuant to this Agreement;

(p) Liens (i) on cash advances in favor of the seller of any property to be acquired in an Investment permitted pursuant to Section 7.03(f), (l), or (z) to be applied against the purchase price for such Investment and (ii) consisting of an agreement to Dispose of any property in a Disposition permitted under Section 7.05, in each case, solely to the extent such Investment or Disposition, as the case may be, would have been permitted on the date of the creation of such Lien;

(q) Liens in favor of Holdings, the Borrowers or any Subsidiary that is a Loan Party securing Indebtedness permitted under Section 7.01(g);

(r) Liens existing on property at the time of its acquisition or existing on the property of any Person at the time such Person becomes a Subsidiary, in each case after the date hereof; provided that (i) such Lien was not created in contemplation of such acquisition or such Person becoming a Subsidiary, (ii) such Lien does not extend to or cover any other assets or property (other than the proceeds or products thereof and other than after-acquired property subjected to a Lien securing Indebtedness and other obligations incurred prior to such time and which Indebtedness and other obligations are permitted hereunder that require, pursuant to their terms at such time, a pledge of after-acquired property, it being understood that such requirement shall not be permitted to apply to any property to which such requirement would not have applied but for such acquisition), and (iii) the Indebtedness secured thereby is permitted under Section 7.01(o);

(s) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into by the Borrowers or any Subsidiaries in the Ordinary Course of Business;

(t) Liens that are customary contractual rights of set-off (i) relating to the establishment of depository relations with banks or other financial institutions in the Ordinary Course of Business, (ii) relating to pooled deposit or sweep accounts of the Borrowers or any Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrowers or Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of the Borrowers or any Subsidiary in the Ordinary Course of Business;

(u) Liens arising from precautionary Uniform Commercial Code financing statement filings;

(v) Liens on specific items of inventory or other goods and the proceeds thereof securing such Person's obligations in respect of documentary letters of credit issued for the account of

such Person to facilitate the purchase, shipment or storage of such inventory or goods in the Ordinary Course of Business;

(w) ground leases in respect of real property on which facilities owned or leased by the Borrowers or any Subsidiaries are located;

(x) Liens on property of a Subsidiary that is not a Loan Party securing Indebtedness of another Subsidiary that is not a Loan Party permitted to be incurred by Section 7.01;

(y) Liens solely on any cash earnest money deposits made by the Borrowers or any of their Subsidiaries in connection with any letter of intent or purchase agreement for an Acquisition or other Investment that would be permitted hereunder;

(z) Liens on the assets of Foreign Subsidiaries securing Indebtedness permitted by Section 7.01(u); and

(aa) Liens securing Indebtedness permitted by Section 7.01(v) and subordinated in right of priority to the Liens securing the Obligations hereunder, in each case, pursuant to terms and pursuant to documentation reasonably satisfactory to Administrative Agent.

1.03. Investments. Make any Investments, except:

(a) Investments held by the Loan Parties and their Subsidiaries in the form of Cash Equivalents;

(b) loans and advances to officers, directors and employees of the Loan Parties and Subsidiaries made in the Ordinary Course of Business in an aggregate amount at any one time outstanding not to exceed $2,000,000;

(c) (i) Investments by the Loan Parties and their Subsidiaries in their respective Subsidiaries solely to the extent outstanding on the date hereof, (ii) additional Investments by a Loan Party in or to another Loan Party (in the case of Investments in or to Holdings, solely pursuant to loans, advances, Guarantees or assumptions of Indebtedness of Holdings or the acquisition of any Equity Interests of a Subsidiary of Holdings, in each case, to the extent permitted hereunder and constituting Investments), (iii) additional Investments by any Subsidiary that is not a Loan Party in any other Subsidiary that is not a Loan Party, (iv) additional Investments by the Loan Parties in Subsidiaries that are not Loan Parties in an aggregate amount not to exceed the greater of (x) $6,000,000 and (y) 10% of Adjusted Consolidated EBITDA for the four Fiscal Quarter period most recently ended as to which financial statements were required to be delivered pursuant to this Agreement, in the aggregate at any time outstanding; provided, that no Event of Default exists at the time of or shall immediately result from the making of such Investment, and (v) additional Investments by any Subsidiary that is not a Loan Party to a Loan Party;

(d) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the Ordinary Course of Business (and, to the extent owing by a Foreign Subsidiary to a Loan Party, made on customary arms-length terms), and Investments received in satisfaction or partial satisfaction thereof from financially troubled or delinquent account debtors or received in connection with disputes with customers and suppliers, in each case, to the extent in furtherance of business objectives determined in good faith by the Loan Parties or their Subsidiaries;

(e) Investments existing as of the date hereof (other than those set forth on Schedule 5.12) to the extent set forth in Schedule 7.03 and extensions or renewals thereof, provided that no such

extension or renewal shall be permitted if it would (i) increase the amount of such Investment at the time of such extension or renewal or (ii) result in a Default or an Event of Default hereunder;

(f) Investments consisting of a Permitted Acquisition;

(g) bank deposits and securities accounts maintained in accordance with the terms of this Agreement and the other Loan Documents;

(h) Investments in securities of account debtors received pursuant to a plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such account debtors and Investments acquired in connection with the settlement of delinquent accounts receivable in the Ordinary Course of Business;

(i) Investments received as the non-cash portion of consideration in connection with a transaction permitted under Section 7.05;

(j) Investments constituting Indebtedness and Guarantees permitted under Section 7.01 and transactions permitted by Section 7.04, Section 7.05 and Section 7.06;

(k) deposits permitted under Section 7.02;

(l) other Investments (including Minority Investments) in an aggregate amount outstanding at any time not to exceed the greater of (x) $30,000,000 and (y) thirty percent (30%) of Adjusted Consolidated EBITDA for the four Fiscal Quarter period most recently ended as to which financial statements were required to be delivered pursuant to this Agreement; provided, that no Event of Default exists at the time of or shall immediately result from the making of such Investment; provided, that solely with respect to a Limited Condition Acquisition, at the Borrower Agent's election this clause (l) shall instead require that (x) no Specified Event of Default shall exist on the execution date of the applicable acquisition agreement for such Limited Condition Acquisition, and (y) no Event of Default under Section 8.01(a) or 8.01(f) shall exist on the date the Limited Condition Acquisition is consummated;

(m) Investments to the extent solely reflecting an increase in the value of Investments otherwise permitted hereunder;

(n) asset purchases (including purchases of inventory, supplies and materials) and the licensing of Intellectual Property, in each case in the Ordinary Course of Business;

(o) Investments in the Ordinary Course of Business consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Article 4 customary trade arrangements with customers consistent with past practices;

(p) advances of payroll payments to employees in the Ordinary Course of Business;

(q) Investments held by a Subsidiary acquired after the Restatement Effective Date (including, pursuant to a Permitted Acquisition) or of a Person merged into a Borrower or merged or consolidated with a Subsidiary in accordance with Section 7.04 after the Restatement Effective Date to the extent that such Investments were not made in anticipation of, in

contemplation of or in connection with such acquisition, merger or consolidation and were in existence on the date of such acquisition, merger or consolidation;

(r) Guarantee Obligations of Holdings or any of its Subsidiaries in respect of leases (other than Capitalized Leases) or of other obligations that do not constitute Indebtedness, in each case entered into in the Ordinary Course of Business;

(s) Investments made with Qualified Equity Interests of Holdings (or of the Borrowers or any direct or indirect parent company of Holdings after a Qualified IPO of the Borrowers or such parent company as the case may be) to the extent of such Qualified Equity Interests and to the extent not included in the Available Amount and, with respect to any Investments under this clause (s) that are Acquisitions or other acquisitions of the type described in clause (a) of the definition of "Permitted Acquisition", to the extent the conditions set forth in the definition of "Permitted Acquisition" have been satisfied with respect to any such Investment;

(t) interests in interest rate hedging agreements or currency exchange rate hedging agreements, in each case, entered into in order to hedge interest rate exposure or currency exchange rate exposure, as applicable, and for bona fide and not for speculative purposes;

(u) prepaid expenses or lease, utility and other similar deposits, in each case made in the Ordinary Course of Business;

(v) securities acquired in connection with the satisfaction or enforcement of indebtedness or claims due or owing or as security for any such indebtedness or claim, so long as the same are pledged to the Administrative Agent to secure the Obligations;

(w) accounts receivable owing to Borrower or any Subsidiary in the Ordinary Course of Business or acquired in connection with a Permitted Acquisition or other Investment permitted hereunder to the extent that such accounts receivable were not made or acquired in anticipation of, in contemplation of or in connection with such acquisition, merger or consolidation or Investment and were in existence on the date of such acquisition, merger or consolidation or Investment;

(x) (i) non-cash loans and advances to officers, directors and employees to purchase equity of Holdings or any direct or indirect parent thereof (including through the exercise of options or warrants of Holdings or any direct or indirect parent thereof) and (ii) any cash loans and advances to officers, directors and employees to pay taxes and related expenses associated with the purchase by such employees of equity of Holdings or any direct or indirect parent thereof (including through the exercise of options or warrants of Holdings or any direct or indirect parent thereof) in an aggregate amount not to exceed $2,000,000 plus the Available Amount in the aggregate at any time outstanding for all such cash loans and advances;

(y) (i) reasonable earnest money deposits made in connection with the acquisitions of property and assets not prohibited hereunder and (ii) deposits made in the Ordinary Course of Business securing contractual obligations to the extent constituting a Lien permitted hereunder;

(z) other Investments by a Loan Party or a Subsidiary in an aggregate amount equal to the Available Amount as of the applicable date of such Investment; provided, that the following conditions are satisfied after giving effect to such Investment: (i) no Event of Default exists or shall immediately result from the making of such Investment; provided, that solely with respect to a Limited Condition Acquisition, at the Borrower Agent's election this clause (z) shall instead require that (x) no Specified Event of Default shall exist on the execution date of the applicable acquisition agreement for such Limited Condition Acquisition, and (y) no Event of Default under Section 8.01(a) or 8.01(f) shall exist on the date the Limited Condition Acquisition is

consummated, and (ii) the Loan Parties shall be in compliance on a Pro Forma Basis with the covenants set forth in Sections 7.12(a) and (b) for the Fiscal Quarter most recently ended computed as of the last day of the most recently ended fiscal period for which financial statements have been delivered or were required to be delivered pursuant to Section 6.01(a) or (b);

(aa) other Investments in joint ventures in an aggregate amount outstanding at any time not to exceed the greater of (x) $9,000,000 and (y) five percent (5%) of Adjusted Consolidated EBITDA for the four Fiscal Quarter period most recently ended as to which financial statements were required to be delivered pursuant to this Agreement, in any twelve-month period; provided, that no Event of Default exists at the time of or shall immediately result from the making of such Investment; and

(bb) other Investments in an aggregate amount outstanding at any time not to exceed $5,000,000; provided, that (x) no Event of Default shall have occurred and be continuing, both immediately before or as a result of the making of such Investment; provided, that solely with respect to a Limited Condition Acquisition, at the Borrower Agent's election this clause (bb) shall instead require that (x) no Specified Event of Default shall exist on the execution date of the applicable acquisition agreement for such Limited Condition Acquisition, and (y) no Event of Default under Section 8.01(a) or 8.01(f) shall exist on the date the Limited Condition Acquisition is consummated, (y) the Borrower Agent shall have delivered to Administrative Agent a certificate demonstrating that after giving effect to such Investment, (A) the Loan Parties are in compliance on a Pro Forma Basis with the covenants set forth in Sections 7.12(a) and (b) for the Fiscal Quarter most recently ended as determined based on the financial statements for the most recently ended fiscal period that have been delivered or were required to be delivered pursuant to Section 6.01(a) or (b) and (B) the Consolidated Total Net Leverage Ratio is not greater than 3.00 to 1.00 on a Pro Forma Basis computed as of the last day of the most recently ended fiscal period for which financial statements have been delivered or were required to be delivered pursuant to Section 6.01(a) or (b), and (z) immediately after giving effect thereto, Liquidity is at least $5,000,000.

For purposes of this Section 7.03, the amount of any Investments (other than Permitted Acquisitions) shall be determined net of all actual returns on such Investments, whether as principal, interest, dividends, distributions, proceeds or otherwise (for the avoidance of doubt, other than increases in book value) and loans and advances shall be taken at the principal amount thereof then remaining unpaid, exclusive of any pay in kind or accrued interest or fees thereon.

1.04. Mergers, Dissolutions, Etc.. Merge, dissolve, liquidate, consolidate with or into another Person, except that:

(a) (i) any Subsidiary may merge or consolidate with or liquidate or dissolve into a Loan Party, provided, that, the Loan Party shall be the continuing or surviving Person, and (ii) any Subsidiary that is not a Loan Party may merge into any other Subsidiary that is not a Loan Party, provided, that, (i) when any wholly-owned Subsidiary is merging with another Subsidiary that is not wholly-owned, the wholly-owned Subsidiary shall be the continuing or surviving Person and (ii) in the case of any such merger to which any Domestic Subsidiary is a party, such Domestic Subsidiary is the surviving Person unless, in the case of this clause (ii), after giving pro forma effect to such merger, the creation of a surviving Person that is not Domestic Subsidiary is otherwise permitted under Section 7.03(c), (l), (s), (z), (aa) or (bb); and

(b) in connection with a Permitted Acquisition, any Subsidiary of a Loan Party may merge with or into or consolidate with any other Person or permit any other Person to merge with or into or consolidate with it; provided, that, (i) the Person surviving such merger shall be a wholly-owned Subsidiary of a Loan Party and (ii) in the case of any such merger to which any Loan

Party is a party, such Loan Party is the surviving Person unless, in the case of each of the foregoing clauses (i) and (ii), the surviving entity has otherwise assumed all obligations of such Loan Party or Subsidiary, as applicable, under the Loan Documents pursuant to documentation reasonably acceptable to Administrative Agent; provided, further, that in the case of any such merger to which any Domestic Subsidiary is a party, such Domestic Subsidiary is the surviving Person unless, after giving pro forma effect to such merger, the creation of a surviving Person that is not Domestic Subsidiary is otherwise permitted under Section 7.03(f) or (z).

1.05. Dispositions. Make any Disposition, except:

(a) Dispositions of Cash Equivalents and Inventory in the Ordinary Course of Business;

(b) (i) Dispositions in the Ordinary Course of Business of property that is obsolete, worn out or no longer useful in the Ordinary Course of Business and (ii) disposition of other assets, in each case for so long as (x) the aggregate fair market value or a book value, whichever is more, of such equipment, fixed assets and other assets does not exceed the greater of (A) $9,000,000 and (B) 15% of Adjusted Consolidated EBITDA for the four Fiscal Quarter period most recently ended as to which financial statements were required to be delivered pursuant to this Agreement, in any twelve-month period and (y) all proceeds thereof are either (A) remitted to Administrative Agent for application to the Obligations in accordance with Section 2.06(b)(ii) if required thereby or (B) to the extent permitted by the applicable intercreditor or subordination provisions or agreement reasonably satisfactory to the Administrative Agent executed or entered into in connection with Subordinated Indebtedness incurred pursuant to Section 7.01(v) and solely to the extent required by a corresponding mandatory prepayment provision in the applicable documentation governing such Subordinated Indebtedness, remitted to the applicable holders of such Subordinated Indebtedness (or administrative agent for such holders) for application in accordance with such corresponding mandatory prepayment provision;

(c) any Disposition that constitutes (i) an Investment permitted under Section 7.03, (ii) a Lien permitted under Section 7.02, (iii) a merger, dissolution, consolidation or liquidation permitted under Section 7.04, or (iv) a Restricted Payment permitted under Section 7.06;

(d) such Disposition that results from a casualty or condemnation in respect of such property or assets so long as all proceeds thereof are either (A) remitted to Administrative Agent for application to the Obligations in accordance with Section 2.06(b)(ii) if required thereby or (B) to the extent permitted by the applicable intercreditor or subordination provisions or agreement reasonably satisfactory to the Administrative Agent executed or entered into in connection with Subordinated Indebtedness incurred pursuant to Section 7.01(v) and solely to the extent required by a corresponding mandatory prepayment provision in the applicable documentation governing such Subordinated Indebtedness, remitted to the applicable holders of such Subordinated Indebtedness (or administrative agent for such holders) for application in accordance with such corresponding mandatory prepayment provision;

(e) the sale or discount, in each case without recourse, of accounts receivable arising in the Ordinary Course of Business, but only in connection with the compromise or collection of

delinquent accounts or other accounts which, in the applicable Loan Party's or Subsidiary's reasonable business judgment, are doubtful of collection,

(f) licenses, sublicenses, leases or subleases granted to third parties in the Ordinary Course of Business;

(g) the lapse, abandonment or other dispositions of Intellectual Property that is, in the reasonable good faith judgment of a Loan Party or Subsidiary, no longer material to the conduct of the business of the Loan Parties or any of their Subsidiaries;

(h) (i) Dispositions among the Loan Parties (other than to Holdings except in respect of dispositions of Equity Interests) or by any Subsidiary to a Loan Party (other than to Holdings except in respect of dispositions of Equity Interests), and (ii) Dispositions by any Subsidiary that is not a Loan Party to another Subsidiary that is not a Loan Party;

(i) Dispositions of property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property that is promptly purchased or (ii) the proceeds of such Disposition are promptly applied to the purchase price of such replacement property (which replacement property is actually promptly purchased);

(j) Dispositions of Investments in joint ventures to the extent required by, or made pursuant to customary buy/sell arrangements between, the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(k) the unwinding of any Swap Contract pursuant to its terms;

(l) Foreign Subsidiaries of the Borrowers may sell or dispose of Equity Interests to qualify directors where required by applicable law or to satisfy other requirements of applicable law with respect to the ownership of Equity Interests;

(m) Permitted Sale Leasebacks; and

(n) other Dispositions of property; provided that (i) at least seventy-five percent (75%) of the proceeds of such Disposition in aggregate amount at any time in excess of $5,000,000 consist of cash or Cash Equivalents, (ii) the applicable Loan Party receives fair market value for such property (as determined by the Borrowers in good faith), (iii) all proceeds thereof are remitted to Administrative Agent for application to the Obligations in accordance with Section 2.06(b)(ii) if required thereby, and (iv) at the time of such Disposition (other than any such Disposition made pursuant to a legally binding commitment therefor entered into at a time when no Event of Default then existed), no Event of Default shall exist at the time of or would result from such Disposition.

To the extent any Collateral is Disposed of as expressly permitted by this Section 7.05 to any Person other than the Borrowers or any Subsidiary, such Collateral shall be sold free and clear of the Liens created by the Loan Documents and the Administrative Agent shall be authorized to take and shall take any actions deemed appropriate in order to effect the foregoing.

1.06. Restricted Payments. Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except:

(a) each Subsidiary may make Restricted Payments to a Loan Party or a Subsidiary of a Loan Party (other than Holdings except Restricted Payments made to Holdings the proceeds of which

are used for Restricted Payments permitted hereunder) and, in connection therewith, on a pro rata basis to any other equity holder of such Subsidiary;

(b) Holdings and each of its Subsidiaries may declare and make dividend payments or other distributions payable solely in the common stock or other common Equity Interests of such Person;

(c) Holdings may (or may make a Restricted Payment to permit any direct or indirect parent to) purchase, redeem or otherwise acquire shares of its (or of any direct or indirect parent's) stock or other Equity Interests in connection with customary employee or management agreements, plans or arrangements for future, present or former directors, officers, managers and employees (or any Affiliates, spouses, former spouses, other immediate family members, successors, executors, administrators, heirs, legatees, or distributes or transferees of any of the foregoing including, without limitation, upon death, disability, retirement, severance or termination of employment of such officers, directors, managers or employees) of any of the Loan Parties and their Subsidiaries; provided, that

(i) (A) no Event of Default shall have occurred and be continuing, both immediately before or as a result of the making of such Restricted Payment, (B) the Loan Parties shall be in compliance on a Pro Forma Basis with the covenants set forth in Sections 7.12(a) and (b) for the Fiscal Quarter most recently ended as determined based on the financial statements for the most recently ended fiscal period that have been delivered or were required to be delivered pursuant to Section 6.01(a) or (b), (C) immediately after giving effect thereto, Liquidity is at least $5,000,000, and (D) cancellation of Indebtedness owing to the Loan Parties (or any direct or indirect parent thereof) or any Subsidiary in connection with the repurchase or Equity Interests or stock hereunder will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of this Agreement; or

(ii) (A) the amount of such Restricted Payments shall not exceed $4,000,000 in the aggregate in any Fiscal Year; provided, that 50% of any unused amount under this clause (ii)(A) (other than any unused carryover amount from the immediately preceding Fiscal Year) in any Fiscal Year shall be permitted to be carried over to the immediately succeeding Fiscal Year, with such amount carried over being deemed to be the first amount expended in the Fiscal Year; and (B) cancellation of Indebtedness owing to the Loan Parties (or any direct or indirect parent thereof) or any Subsidiary in connection with the repurchase or Equity Interests or stock hereunder will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of this Agreement;

(d) Restricted Payments by Borrowers to the extent necessary to permit Holdings or any direct or indirect holder of Equity Interests in the Borrowers to pay administrative or corporate costs and expenses related to the business of Borrowers and their Subsidiaries (including administrative, legal, accounting and similar expenses and director or officer indemnification claims of any direct or indirect parent of the Borrowers attributable to the direct or indirect ownership or operations of the Borrowers and their Subsidiaries and franchise or other taxes payable by Holdings or any parent entity of Holdings whose sole material asset consists of the Equity Interests of Holdings (or another similarly situated parent entity thereof) to maintain its corporate existence) in each case, which are incurred in the Ordinary Course of Business;

(e) [reserved];

(f) [reserved];

(g) Restricted Payments by Borrowers in an amount sufficient to permit Holdings (or, if applicable, the direct or indirect parent of Holdings that is the parent of the consolidated tax

group for which Holdings is a member) to pay consolidated tax liabilities of Holdings and its Subsidiaries relating to the business of Borrowers and Borrowers' Subsidiaries, in an amount not to exceed the amount of any such Taxes that the Borrowers and their Subsidiaries would have been required to pay on a separate group basis if the Borrowers and such Subsidiaries were the only members of the consolidated tax group, less the amount of any such Taxes that are paid directly by the Borrowers or their Subsidiaries to the relevant Governmental Authority;

(h) Restricted Payments not otherwise permitted above in an amount not in excess of the Available Amount, so long as (i) no Event of Default exists or shall immediately result from the payment of such Restricted Payment, (ii) the Loan Parties shall be in compliance on a Pro Forma Basis with the covenants set forth in Sections 7.12(a) and (b) for the Fiscal Quarter most recently ended as determined based on the financial statements for the most recently ended fiscal period that have been delivered or were required to be delivered pursuant to Section 6.01(a) or (b) and (iii) after giving effect to such payment, the Consolidated Total Net Leverage Ratio is not greater than 2.75 to 1.00 on a Pro Forma Basis computed as of the last day of the most recently ended fiscal period for which financial statements have been delivered or were required to be delivered pursuant to Section 6.01(a) or (b);

(i) Holdings and the Borrowers may (or may make Restricted Payments to permit any direct or indirect parent thereof to) redeem in whole or in part any of its Equity Interests for another class of its (or such parent's) Equity Interests or rights to acquire its Equity Interests or with proceeds from substantially concurrent equity contributions or issuances of new Equity Interests, provided that any terms and provisions material to the interests of the Lenders, when taken as a whole, contained in such other class of Equity Interests are at least as advantageous to the Lenders as those contained in the Equity Interests redeemed thereby;

(j) to the extent constituting Restricted Payments, Holdings, the Borrowers and the Subsidiaries may enter into and consummate transactions expressly permitted to be effected by such Person by any provision of Section 7.03, Section 7.04 or Section 7.08;

(k) repurchases of Equity Interests in the Ordinary Course of Business in the Borrowers (or any direct or indirect parent thereof) or any Subsidiary deemed to occur upon exercise of stock options or warrants if such Equity Interests represent a portion of the exercise price of such options or warrants;

(l) Holdings and its Subsidiaries may make Restricted Payments to any direct or indirect holder of an Equity Interest in the Borrowers:

(i) to finance any Investment permitted to be made pursuant to Section 7.03; provided that (A) such Restricted Payment shall be made substantially concurrently with the closing of such Investment and (B) the Borrowers or such parent shall, immediately following the closing thereof, cause (1) all property acquired (whether assets or Equity Interests) to be held by or contributed to the Borrowers or a Subsidiary or (2) the merger (to the extent permitted in Section 7.04) of the Person formed or acquired into the Borrowers or a Subsidiary in order to consummate such Permitted Acquisition, in each case, in accordance with the requirements of Section 6.12; and

(ii) the proceeds of which shall be used to pay customary costs, fees and expenses (other than to Affiliates) related to any unsuccessful equity or debt offering permitted by this Agreement;

(m) the Borrowers may make other Restricted Payments in an aggregate amount not to exceed $5,000,000; provided, that (x) no Default or Event of Default shall have occurred and be continuing, both immediately before or as a result of the making of such Restricted Payment, (y)

the Borrower Agent shall have delivered to Administrative Agent a Compliance Certificate demonstrating that, (A) after giving effect to such payment, the Loan Parties shall be in compliance on a Pro Forma Basis with the covenants set forth in Sections 7.12(a) and (b) for the Fiscal Quarter most recently ended as to which financial statements have been delivered or were required to be delivered pursuant to Section 6.01(a) or (b) and (B) after giving effect to such payment, the Consolidated Total Net Leverage Ratio is not greater than 2.50 to 1.00 on a Pro Forma Basis computed as of the last day of the most recently ended fiscal period for which financial statements have been delivered or were required to be delivered pursuant to Section 6.01(a) or (b), and (z) immediately after giving effect thereto, Liquidity is at least $5,000,000;

(n) the Borrowers or any Subsidiary may (a) pay cash in lieu of fractional Equity Interests in connection with any dividend, split or combination thereof or any Permitted Acquisition and (b) honor any conversion request by a holder of convertible Indebtedness and make cash payments in lieu of fractional shares in connection with any such conversion and may make payments on convertible Indebtedness in accordance with its terms;

(o) the payment of any dividend or distribution or the consummation of any irrevocable redemption within sixty (60) days after the date of declaration of the dividend or distribution or giving of the redemption notice, as the case may be, if at the date of such declaration or notice, the dividend or redemption payment would have complied with the provisions of this Agreement and was permitted to be paid under this Agreement;

(p) additional Restricted Payments funded with the proceeds of Qualified Equity Interests of Holdings which are not used to increase the Available Amount; and

(q) additional Restricted Payments in an aggregate amount not to exceed $5,000,000 per Fiscal Year; provided that no Default or Event of Default has occurred and is continuing or would result from the payment of such Restricted Payment.

1.07. Change in Nature of Business. Engage in any material line of business other than the Core Business.

1.08. Transactions with Affiliates. Enter into, or suffer to exist, any transaction, arrangement or agreement of any kind with any Affiliate of any Loan Party, other than (a) those described on Schedule 7.08, as in existence on the date hereof, or any amendment thereto to the extent such an amendment is not adverse to the Administrative Agent and/or the Lenders in any material respect, (b) those expressly permitted by this Agreement and the other Loan Documents, including pursuant to Section 7.06, (c) transactions between or among Loan Parties, (d) employment and severance agreements and compensation to employees, officers or directors (including stock ownership plans, awards or grants of Equity Interests, employee benefit plans including vacation plans, health and life insurance plans, deferred compensation plans, retirement or savings plans and similar plans), (e) indemnification of officers, directors and employees in the Ordinary Course of Business, (f) transactions between Loan Parties and Subsidiaries that are not Loan Parties and/or any entity that becomes a Subsidiary as a result of such transaction, subject to any limitations set forth herein, (g) others on fair and reasonable terms substantially as favorable to such Loan Party or such Subsidiary as would be obtainable by such Loan Party or such Subsidiary at the time in a comparable arm's length transaction with a Person other than an Affiliate, and (h) the Transaction and the payment of fees and expenses related to the Transaction, in each case, to the extent not otherwise prohibited hereunder.

1.09. Inconsistent Agreements. Enter into any Contractual Obligation (other than this Agreement or any other Loan Document or any documentation governing Indebtedness permitted to be incurred pursuant to Section 2.18) that (i) requires the grant of a Lien to secure an obligation of such Person if a Lien is granted to secure another obligation of such Person; or (ii) limits the ability (A) of any Subsidiary to make Restricted Payments to any Loan Party or to

otherwise transfer property to any Loan Party, (B) of any Subsidiary to Guarantee the Indebtedness of any Loan Party or become a direct Borrower hereunder, or (C) of any Borrower or any Subsidiary to create, incur, assume or suffer to exist Liens on property of such Person; provided, however, that this Section 7.09 shall not prohibit limitations:

(a) in respect of any negative pledge incurred or provided in favor of any holder of Indebtedness permitted under Section 7.01(e) or 7.01(u) solely to the extent any such negative pledge relates to the property financed by or the subject of such Indebtedness;

(b) in respect of customary restrictions and conditions contained in any agreement relating to any Disposition not prohibited hereunder (in which case such restrictions or conditions shall relate only to the applicable property) or otherwise relating to a Disposition that is conditioned upon the amendment, restatement or replacement of this Agreement or the repayment in full of amounts owing hereunder;

(c) consisting of restrictions regarding licenses or sublicenses by a Loan Party or a Subsidiary of a Loan Party of Intellectual Property in the Ordinary Course of Business (in which case such restrictions shall relate only to such Intellectual Property);

(d) customary anti-assignment provisions found in Contractual Obligations entered into in the Ordinary Course of Business

(e) in the documents entered into in connection with any Subordinated Indebtedness incurred pursuant to Section 7.01(v) or any documents governing a renewal, extension or refinancing thereof permitted by the terms of the applicable intercreditor or subordination provisions or agreement reasonably satisfactory to the Administrative Agent executed or entered into in connection with such Subordinated Indebtedness; and

(f) governing Indebtedness outstanding on the date any Person first becomes a Subsidiary of Holdings (so long as such agreement was not entered into solely in contemplation of such person becoming a Subsidiary of such Person).

1.10. Reserved.

1.11. Prepayment of Indebtedness; Amendment to Organization Documents; Payment of Earnouts and Other Deferred Purchase Price Obligations.

(a) Voluntarily prepay, redeem, purchase, repurchase, defease or otherwise satisfy prior to the scheduled maturity thereof any Indebtedness that is subordinated, or required to be subordinated, to any of the Obligations (or secured by Liens that are subordinated, or required to be subordinated, to the Liens securing the Obligations) except as set forth in clauses (i) through (iv) below, or make any payment in violation of any subordination terms thereof:

(i) the Borrowers may make prepayments or redemptions in respect of any Subordinated Indebtedness in each case, in an amount not in excess of $500,000 in any Fiscal Year, so long as no Event of Default exists at the time of or shall immediately result from the prepayment or redemption in respect of such Indebtedness;

(ii) the Borrowers may make prepayments or redemptions in respect of any Subordinated Indebtedness to the extent funded with the proceeds of Qualified Equity Interests of Holdings and which are not used to increase the Available Amount;

(iii) the Borrowers may make prepayments or redemptions in respect of any Subordinated Indebtedness in each case, so long as (x) no Event of Default shall have occurred and be

continuing, both immediately before or as a result of the making of such prepayment or redemption, (y) the Borrower Agent shall have delivered to Administrative Agent a certificate executed by a Responsible Officer demonstrating that, (A) after giving effect to such prepayment or redemption, the Loan Parties are in compliance on a Pro Forma Basis with the covenants set forth in Sections 7.12(a) and (b) for the Fiscal Quarter most recently ended as determined based on the financial statements for the most recently ended fiscal period that have been delivered or were required to be delivered pursuant to Section 6.01(a) or (b) and (B) after giving effect to such prepayment or redemption, the Consolidated Senior Net Leverage Ratio is not greater than 2.50 to 1.00 on a Pro Forma Basis computed as of the last day of the most recently ended fiscal period for which financial statements have been delivered or were required to be delivered pursuant to Section 6.01(a) or (b), and (z) immediately after giving effect thereto, Liquidity is at least $5,000,000;

(iv) the Borrowers may make prepayments or redemptions in respect of any Subordinated Indebtedness in each case, in an amount not in excess of the Available Amount, so long as (i) no Event of Default exists or shall immediately result from the prepayment or redemption in respect of such Indebtedness, (ii) the Loan Parties shall be in compliance on a Pro Forma Basis with the covenants set forth in Sections 7.12(a) and (b) for the Fiscal Quarter most recently ended as determined based on the financial statements for the most recently ended fiscal period that have been delivered or were required to be delivered pursuant to Section 6.01(a) or (b) and (iii) the Consolidated Total Net Leverage Ratio is not greater than 2.75 to 1.00 on a Pro Forma Basis computed as of the last day of the most recently ended fiscal period for which financial statements have been delivered or were required to be delivered pursuant to Section 6.01(a) or (b); and

(v) make required regularly scheduled non-accelerated payments of interest, fees and other amounts owed in respect of Subordinated Indebtedness as and when due and payable (other than mandatory, voluntary or optional prepayments of principal), in each case, solely to the extent permitted to be paid by the applicable subordination or intercreditor provisions or agreement to which such Subordinated Indebtedness is subject.

(b) Amend, modify or change in any manner any term or condition of any Subordinated Indebtedness or any other Indebtedness that is subordinated to any of the Obligations (or secured by Liens that are subordinated to the Liens securing the Obligations) in a manner that violates the subordination or intercreditor terms thereof or, to the extent not covered by the applicable subordination or intercreditor terms, is materially adverse to the Lenders.

(c) Amend or otherwise modify any Organization Documents of such Person, except for such amendments or other modifications required by Law or which are not materially adverse to the interests of Administrative Agent or any Lender.

(d) [reserved].

(e) Pay, redeem, purchase, repurchase, defease or otherwise satisfy any earnout obligations or other similar deferred purchase price obligations unless all of the following conditions have been satisfied:

(i) no Default or Event of Default exists or shall immediately result from such payment, redemption, purchase, repurchase, defeasement or satisfaction of such obligation; and

(ii) after giving effect to such payment, redemption, purchase, repurchase, defeasement or satisfaction, the Loan Parties shall be in compliance on a Pro Forma Basis with the covenants set forth in Sections 7.12(a) and (b) for the Fiscal Quarter most recently ended as determined based

on the financial statements for the most recently ended fiscal period that have been delivered or were required to be delivered pursuant to Section 6.01(a) or (b).

1.12. Financial Covenants.

(a) Consolidated Total Net Leverage Ratio. Permit the Consolidated Total Net Leverage Ratio as of the end of any Measurement Period (commencing with the Measurement Period ending June 30, 2021) of Borrowers set forth below to be greater than 3.25 to 1.00 (or, solely with respect to each Measurement Period ending during the twelve (12) month period immediately following the date of consummation of a Material Acquisition, permit the Consolidated Total Net Leverage Ratio as of the end of any Measurement Period of Borrowers to be greater than 3.75 to 1.00 (and, for the avoidance of doubt, the maximum permitted Consolidated Total Net Leverage Ratio shall revert to 3.25 to 1.00 for any Measurement Period ending after the last day of such twelve (12) month period).

(b) Consolidated Fixed Charge Coverage Ratio. Permit the Consolidated Fixed Charge Coverage Ratio as of the end of any Measurement Period (commencing with the Measurement Period ending June 30, 2021) of Borrowers set forth below to be less than 1.15 to 1.00

1.13. Anti-Terrorism Laws and Foreign Asset Control Regulations. (a) Become a "blocked person" as described in the Executive Order, the Trading With the Enemy Act or the Foreign Assets Control Regulations, (b) knowingly engage in any dealings or transactions, or be otherwise associated, with any such "blocked person" or in any manner violate any such order, or (c) use any part of the proceeds of the Loans for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977.

1.14. Fiscal Year. Change its Fiscal Year end, except in connection with (a) the Fiscal Year Change and (b) acquisitions to conform new Subsidiary to the Borrowers' Fiscal Year.

1.15. Holdings Covenant. Permit Holdings to engage in any business activities or incur any Indebtedness other than (i) acting as a holding company and transactions incidental thereto (including maintain its corporate existence), (ii) entering into the Loan Documents and the transactions required herein or permitted herein to be performed by Holdings, (iii) entering into the agreements related to and consummating the Transactions and the transactions required therein or permitted therein to be performed by Holdings, (iv) receiving and distributing the dividends, distributions and payments permitted to be made to Holdings pursuant to Section 7.06, (v) entering into engagement letters and similar type contracts and agreements with attorneys, accountants and other professionals (and participating thereunder), (vi) owning the Equity Interests of the Borrowers and its Subsidiaries, (vii) issuing Equity Interests as permitted hereunder (including pursuant to a Qualified IPO), (viii) engaging in activities necessary or incidental to any director, officer and/or employee option incentive plan at Holdings, (ix) providing guarantees for the benefit of a Borrower to the extent such Person is otherwise permitted to enter into the transaction under this Agreement (including guaranties of lease obligations), (x) holding nominal deposits in Deposit Accounts in connection with consummating any of the foregoing transactions, (xi) entering into documents governing any Subordinated Indebtedness permitted in accordance with Section 7.01(v) or any other debt documents permitted hereunder to which it is a party or any documents for a refinancing thereof permitted hereunder and to the extent applicable, the subordination or intercreditor provisions or agreements governing such Indebtedness or to which such Indebtedness is subject, (xii) [reserved], and (xiii) obligations or activities incidental to the business or activities described in

the foregoing clauses (i) to (xii), including providing indemnification of officers, directors, shareholders and employees.

ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES

1.01. Events of Default. Any of the following shall constitute an Event of Default:

(a) Non-Payment. Any Borrower fails to pay (i) when and as required to be paid herein, any amount of principal of any Loan or any L/C Obligation, or (ii) within five Business Days after the same becomes due, any interest on any Loan or on any L/C Obligation, or any fee or other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants. Any Loan Party fails to perform or observe any term, covenant or agreement contained (i) in any of Sections 6.03 (solely with respect to notices of Events of Default), 6.05(a) (solely with respect to the Loan Parties), 6.07, 6.10, 6.16, 6.18, or Article VII (subject to Section 8.04 hereof), or (ii) in any of Sections 6.01, 6.02(a) or 6.02(b) and such failure continues for five (5) or more days; or

(c) Other Defaults. Any Loan Party fails to perform or observe any other term, covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for 30 days after the earlier of (i) receipt of written notice of such failure by a Responsible Officer of Borrower Agent from Administrative Agent on behalf of the Required Lenders, or (ii) any Responsible Officer of any Loan Party becomes aware of such failure; or

(d) Representations and Warranties. Any representation or warranty made or deemed made by or on behalf of any Loan Party or any Subsidiary herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect (without duplication of other materiality qualifiers contained therein); or

(e) Cross-Default. Any Loan Party or any Subsidiary (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise, and after passage of any grace period) in respect of any Indebtedness or Guarantee having an aggregate principal amount of more than $5,000,000, or (B) fails to observe or perform any other material agreement or condition relating to any such Indebtedness or Guarantee or any other event occurs (other than, with respect to Indebtedness consisting of Swap Contracts, termination events or equivalent events pursuant to the terms of such Swap Contracts), and such event continues for more than the grace period, if any, therein specified, the effect of which is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded; provided that this clause (e)(i)(B) shall not apply to Indebtedness that becomes due solely as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, if such sale or transfer is permitted hereunder and under the documents providing for such Indebtedness;

(f) Insolvency Proceedings, Etc. Any Loan Party or any Subsidiary institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or

similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for 60 calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding; or

(g) [Reserved];

(h) Judgments. There is entered against any Loan Party or any Subsidiary one or more final non-appealable judgments or orders for the payment of money, writs, warrants of attachment or execution or similar process in an aggregate amount exceeding $5,000,000 (except to the extent covered by insurance as to which the insurer does not dispute coverage or third party indemnification reasonably acceptable to Administrative Agent) and such judgments, orders, writs, warrants of attachment or execution or similar process remain unsatisfied, unvacated and unstayed for a period of 60 consecutive days after the entry, issue or levy thereof; or

(i) ERISA. (i) An ERISA Event occurs which, together with any outstanding liability incurred in connection with any other ERISA Event, has resulted in or would have a Material Adverse Effect (ii) the existence of any Lien under Section 430(k) of the Code or Section 303(k) or Section 4068 of ERISA on any assets of a Loan Party or any Subsidiary thereof, (iii) a Loan Party, a Subsidiary thereof or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan and a Material Adverse Effect would result, (iv) the benefit liabilities of any Foreign Plan, at any time exceed all Foreign Plan's assets, as computed in accordance with applicable law as of the most recent valuation date for such Foreign Plan, such that, when aggregated with such excess for all other Foreign Plans, the aggregate excess equals more than $1,000,000, or (v) any other event occurs or shall occur or exist with respect to a Plan, Foreign Plan, Pension Plan or Multiemployer Plan that results in a Material Adverse Effect; or

(j) Invalidity of Loan Documents. Any material provision of any Loan Document, or any Lien granted thereunder, at any time after its execution and delivery and for any reason, other than as expressly permitted under such Loan Document or upon Payment in Full of all Obligations or as a result of the failure of Administrative Agent or any Lender to take any action within its control, ceases to be in full force and effect (except with respect to immaterial assets); or any Loan Party or any Subsidiary thereof repudiates, challenges or contests in writing the validity or enforceability of any material provision in any Loan Document, any Loan Obligation or any Lien granted to Administrative Agent pursuant to the Security Instruments (including the perfection or priority thereof); or any Loan Party denies that it has any or further liability or obligation under any material provision in any Loan Document, or purports in writing to revoke, terminate or rescind any Loan Document (other than as a result of a payment made hereunder or release expressly permitted hereunder); or

(k) Subordinated Indebtedness. The subordination or intercreditor provisions relating to any Subordinated Indebtedness (the "***Subordination Provisions***") shall fail to be enforceable by Administrative Agent (except to the extent that the Administrative Agent has effectively waived the benefits thereof) in accordance with the terms thereof; or any Loan Party or any Subsidiary thereof (or any representative of the foregoing) shall repudiate, challenge or contest in any manner the effectiveness, validity or enforceability of any of the Subordination Provisions; or

(l) Change of Control. There occurs any Change of Control.

1.02. Remedies Upon Event of Default. If any Event of Default occurs and is continuing, Administrative Agent with the consent of the Required Lenders, may, and at the direction of the

Required Lenders shall, take any or all of the following actions: (a) declare the commitment of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated; (b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by Borrowers; (c) require that Borrowers Cash Collateralize the L/C Obligations in an amount equal to the Minimum Collateral Amount; and (d) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents or applicable Law; provided, however, that upon the occurrence of Event of Default under clause (f) above, the obligation of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of Borrowers to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of Administrative Agent or any Lender.

1.03. Application of Funds.

(a) After the exercise of any remedy provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 8.02), any amounts received on account of the Obligations shall, subject to the provisions of Sections 2.16 and 2.17, be applied by Administrative Agent in the following order:

First, to all fees, indemnities, expenses and other amounts (including all reasonable fees, charges and disbursements of counsel to Administrative Agent payable pursuant to Section 10.04 and amounts payable under Article III) due to Administrative Agent in its capacity as such, until paid in full;

Second, to all amounts owing to the Swing Line Lender for outstanding Swing Line Loans until paid in full;

Third, to that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest, fees and other Obligations expressly described in clauses Fourth through Sixth below) payable to the Lenders and the L/C Issuer (including reasonable fees, charges and disbursements of counsel to the respective Lenders and the L/C Issuer and amounts payable under Article III), ratably among them in proportion to the respective amounts described in this clause Third payable to them until paid in full;

Fourth, to that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans, L/C Borrowings and other Obligations, ratably among the Lenders and the L/C Issuer in proportion to the respective amounts described in this clause Fourth payable to them until paid in full;

Fifth, to (i) that portion of the Obligations constituting unpaid principal of the Loans and L/C Borrowings and to Cash Collateralize that portion of L/C Obligations comprising the aggregate undrawn amount of Letters of Credit to the extent not otherwise Cash Collateralized by Borrowers and (ii) the payment of Credit Product Obligations (provided that funds from, and proceeds of Collateral owned by, any Person directly or indirectly liable for a Swap Obligation and that was not an "eligible contract participant" as defined in the Commodity Exchange Act at the time such Swap Obligation was incurred may not be used to satisfy such Swap Obligation), ratably among the Lenders, L/C Issuer and the Credit Product Providers in

proportion to the respective amounts described in this clause Fifth payable to them until paid in full;

Sixth, to all other Obligations of Borrowers owing under or in respect of the Loan Documents, in each case, that are due and payable to Administrative Agent and the other Lender Parties, or any of them, on such date (provided that funds from, and proceeds of Collateral owned by, any Person directly or indirectly liable for a Swap Obligation and that was not an "eligible contract participant" as defined in the Commodity Exchange Act at the time such Swap Obligation was incurred may not be used to satisfy such Swap Obligation), ratably based on the respective aggregate amounts of all such Obligations owing to Administrative Agent and the other Lender Parties on such date until paid in full; and

Last, the balance, if any, after Payment in Full of the Obligations, to Borrowers or as otherwise required by Law. Notwithstanding the foregoing, amounts received from any Guarantor that is not an "Eligible Contract Participant" (as defined in the Commodity Exchange Act) shall not be applied to the obligations that are Excluded Swap Obligations.

(b) Subject to Sections 2.03(c) and 2.17, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fifth above shall be applied to satisfy drawings under such Letters of Credit as they occur. Amounts distributed with respect to any Credit Product Obligations shall be the lesser of (i) the maximum Credit Product Obligations last reported to Administrative Agent or (ii) the actual Credit Product Obligations as calculated by the methodology reported to Administrative Agent for determining the amount due. Administrative Agent shall have no obligation to calculate the amount to be distributed with respect to any Credit Product Obligations, and may request a reasonably detailed calculation of such amount from the applicable Credit Product Provider. The allocations set forth in this Section are solely to determine the rights and priorities of Administrative Agent and Lender Parties as among themselves, and may be changed by agreement among them without the consent of any Borrower. This Section is not for the benefit of or enforceable by any Loan Party.

(c) For purposes of Section 8.03(a), "paid in full" of a type of Obligation means payment in cash or immediately available funds of all amounts owing on account of such type of Obligation, including interest accrued after the commencement of any insolvency proceeding, default interest, interest on interest, and expense reimbursements, irrespective of whether any of the foregoing would be or is allowed or disallowed in whole or in part in any proceeding under Debtor Relief Laws but, excluding contingent indemnification obligations for which no claim has been asserted.

1.04. Equity Cure Right. In the event Borrowers fail to comply with the financial covenants set forth in Section 7.12, subject to the terms and conditions hereof, Holdings shall have the right (the "***Cure Right***") after the first day of the applicable Fiscal Quarter for which such covenants are then being tested until the expiration of the 15th Business Day subsequent to the date the applicable financial statements are required to be delivered to Administrative Agent with respect thereto (the "***Cure Period***"), to issue Permitted Cure Securities for cash or otherwise receive, as additional paid in capital, cash common equity contributions, in either case in an aggregate amount equal to, but not greater than, the amount necessary to cure all relevant financial covenants (including, without limitation all relevant financial covenants contained in any documents governing Subordinated Indebtedness permitted hereunder) (hereinafter, the "***Cure Amount***"), and upon the receipt by any Borrower of the cash proceeds thereof, the financial covenants shall then be recalculated giving effect to the following pro forma adjustments: (a) Adjusted Consolidated EBITDA shall be increased for the applicable Fiscal Quarter and for the subsequent three (3) consecutive Fiscal Quarters, solely for the purpose of measuring compliance with the financial covenants and not for any other purpose under this Agreement or any other Loan Document (including, without limitation, calculating basket levels), by an amount equal to

the Cure Amount contributed by Holdings to the Borrowers; (b) if, after giving effect to the foregoing recalculations, Borrowers shall then be in compliance with the requirements of all financial covenants, Borrowers shall be deemed to have been in compliance with such financial covenants as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable breach, Default or Event of Default of such financial covenants that had occurred shall be deemed not to have occurred for all purposes of this Agreement; and (c) there shall be no pro forma or other reduction in Indebtedness with the proceeds of any Cure Amount (including by way of netting) for measuring compliance with the financial covenants in respect of the fiscal quarter in which the Cure Amount is made. In the event that (i) no Event of Default exists other than that arising due to failure of the Loan Parties to comply with the financial covenants set forth in Section 7.12 or the failure to deliver a notice of Default in respect thereof), and (ii) until the expiration of the Cure Period, then neither Administrative Agent nor any Lender shall exercise any remedies set forth in Section 8.02 hereof or under any Loan Document until after the Borrowers' ability to cure has lapsed and the Borrowers have not exercised such Cure Right; provided, that no extensions of credit under the Revolving Credit Facility (including the issuance of any Letter of Credit) shall be required to be made during such Cure Period unless the Cure Amount shall have been received by any Borrower. Notwithstanding anything herein to the contrary, in no event shall Holdings or Borrowers be permitted to exercise the Cure Right hereunder (x) more than 5 times in the aggregate during the term of this Agreement or (y) more than 2 times in any 4 consecutive Fiscal Quarters.

ARTICLE IX
ADMINISTRATIVE AGENT

1.01. Appointment and Authority; Limitations on Lenders. Each of the Lenders and the L/C Issuer hereby irrevocably appoints BMO to act on its behalf as Administrative Agent hereunder and under the other Loan Documents and authorizes Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of Administrative Agent, the Lenders and the L/C Issuer, except for a Borrower's consent right as expressly permitted in Section 9.06 and no Loan Party shall have rights as a third party beneficiary of any of such provisions (although each Loan Party shall be bound by such provisions). Administrative Agent shall be authorized to determine whether any conditions to funding any Loan or to issuance of a Letter of Credit have been satisfied. Actions taken by Administrative Agent hereunder, under the other Loan Documents or upon the instructions of Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as Administrative Agent shall believe in good faith shall be necessary), shall be binding upon each Lender.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against Borrowers or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, Administrative Agent in accordance with Section 8.02 for the benefit of all the Lenders and the L/C Issuer; provided, however, that the foregoing shall not prohibit (a) Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) the L/C Issuer from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 10.08 (subject to the terms of Section 2.13), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Borrower under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative

Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to Administrative Agent pursuant to Section 8.02 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

1.02. Rights as a Lender. The Person serving as Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Loan Parties or any Subsidiary or other Affiliate thereof as if such Person were not Administrative Agent hereunder and without any duty to account therefor to the Lenders.

1.03. Exculpatory Provisions. Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, and shall not be required to take any action that, in its opinion may expose Administrative Agent to liability or that is contrary to any Loan Document or applicable law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any of its Affiliates that is communicated to or obtained by Administrative Agent or any of its Affiliates in any capacity.

Administrative Agent shall not be liable for any action taken (including any apportionment or distribution of payments) or not taken by it (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 Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.01 and 8.02) or (ii) in the absence of its own bad faith, gross negligence or willful misconduct. Administrative Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until written notice describing such Default or Event of Default is given to Administrative Agent by Borrower Agent, a Lender or the L/C Issuer. Administrative Agent shall have no obligation to take any action if it believes, in good faith, that such action would violate applicable Law or expose Administrative Agent to any liability for which it has not received satisfactory indemnification in accordance with the provisions of this Agreement.

Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in

Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to Administrative Agent.

1.04. Reliance by Administrative Agent. Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or made by the proper Person. Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit that by its terms must be fulfilled to the satisfaction of a Lender or the L/C Issuer, Administrative Agent may presume that such condition is satisfactory to such Lender or the L/C Issuer unless Administrative Agent shall have received notice to the contrary from such Lender or the L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. Administrative Agent may consult with legal counsel (who may be counsel for Borrowers), independent accountants and other experts selected by it.

1.05. Delegation of Duties. Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by Administrative Agent. Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

1.06. Resignation of Administrative Agent. Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuer and Borrower Agent. Upon receipt of any such notice of resignation, the Required Lenders shall have the right to appoint a successor which shall be a Lender or a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States and which shall, so long as no Event of Default under Section 8.01(a) of 8.01(f) shall have occurred and be continuing, be reasonably acceptable to the Borrower Agent. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders and the L/C Issuer appoint a successor Administrative Agent meeting the qualifications set forth above which shall, so long as no Event of Default under Section 8.01(a) of 8.01(f) shall have occurred and be continuing, be reasonably acceptable to the Borrower Agent. If the Administrative Agent resigns and no successor is appointed, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (2) all payments, communications and determinations provided to be made by, to or through Administrative Agent shall instead be made by or to each Lender and the L/C Issuer directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between Borrowers and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 10.04 shall continue in effect for the

benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

Any resignation by BMO as Administrative Agent pursuant to this Section shall also constitute its resignation as L/C Issuer and Swing Line Lender. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, (a) such successor shall succeed to and become vested with all of the rights, powers and privileges and duties of the retiring L/C Issuer and Swing Line Lender, (b) the retiring L/C Issuer and Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor L/C 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 retiring L/C Issuer to effectively assume the obligations of the retiring L/C Issuer with respect to such Letters of Credit.

1.07. Non-Reliance on Administrative Agent and Other Lenders. Each Lender and the L/C Issuer acknowledges that it has, independently and without reliance upon Administrative 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 the L/C Issuer also acknowledges that it will, independently and without reliance upon Administrative 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.

1.08. No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the Bookrunners or Arrangers or Agents (other than Administrative Agent) listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as Administrative Agent, a Lender or the L/C Issuer hereunder.

1.09. Administrative Agent May File Proofs of Claim; Credit Bidding. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, Administrative 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 Administrative Agent shall have made any demand on Borrowers) shall be entitled and empowered, by intervention in such proceeding or otherwise (a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, 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 the Lenders, the L/C Issuer and Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuer and Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuer and Administrative Agent) 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 the L/C Issuer to make such payments to Administrative Agent and, in the event that Administrative Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuer, to pay to Administrative Agent any amount due for the reasonable compensation, expenses, disbursements

and advances of Administrative Agent and its agents and counsel, and any other amounts due Administrative Agent under Section 10.04(c).

The Loan Parties and the Lender Parties hereby irrevocably authorize Administrative Agent, based upon the instruction of the Required Lenders, to (a) credit bid and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral at any sale thereof conducted under the provisions of the Bankruptcy Code, including under Section 363 of the Bankruptcy Code or any similar Laws in any other jurisdictions to which a Loan Party is subject, or (b) credit bid and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral at any other sale or foreclosure conducted by (or with the consent or at the direction of) Administrative Agent (whether by judicial action or otherwise) in accordance with applicable Law. In connection with any such credit bid and purchase, the Obligations owed to the Lender Parties shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims being estimated for such purpose if the fixing or liquidation thereof would not unduly delay the ability of Administrative Agent to credit bid and purchase at such sale or other disposition of the Collateral and, if such claims cannot be estimated without unduly delaying the ability of Administrative Agent to credit bid, then such claims shall be disregarded, not credit bid, and not entitled to any interest in the asset or assets purchased by means of such credit bid) and the Lender Parties whose Obligations are credit bid shall be entitled to receive interests (ratably based upon the proportion of their Obligations credit bid in relation to the aggregate amount of Obligations so credit bid) in the asset or assets so purchased (or in the Equity Interests of the acquisition vehicle or vehicles that are used to consummate such purchase). Except as provided above and otherwise expressly provided for herein or in the other Security Instruments, Administrative Agent will not execute and deliver a release of any Lien on any Collateral. Upon request by Administrative Agent or Borrowers at any time, the Lender Parties will confirm in writing Administrative Agent's authority to release any such Liens on particular types or items of Collateral pursuant to this Section 9.09.

1.10. Collateral Matters. The Lender Parties irrevocably authorize Administrative Agent, at its option and in its discretion, (a) to release any Lien on any Collateral (i) upon the occurrence of the Facility Termination Date, (ii) at the time the property that is subject to such Lien is Disposed or to be Disposed as part of or in connection with any Disposition permitted hereunder or under any other Loan Document, or (iii) subject to Section 10.01, if the release of such Lien is approved, authorized or ratified in writing by the Required Lenders or (iv) if the property subject to such Lien is owned by a Guarantor, upon release of such Guarantor from its obligations under its Guarantee pursuant to clause (c) or (d) below; (b) (i) to subordinate any Lien on any property granted to or held by Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted under Section 7.02(i) and (ii) that the Administrative Agent is authorized to release or subordinate any Lien on any property granted to or held by the Administrative Agent in accordance with the terms of the Security Agreement; and (c) to release any Borrower or any Subsidiary from its obligations under the Loan Documents (and all Liens granted by such Borrower or Subsidiary) if such Person ceases to be a Borrower or a Subsidiary as a result of a transaction permitted hereunder. Upon request by Administrative Agent at any time, the Required Lenders will confirm in writing Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Loan Party from its obligations under the Loan Documents pursuant to this Section 9.10. In each case as specified in this Section 9.10, each Lender irrevocably authorizes the Administrative Agent to, at the Borrower's expense, execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release or subordination of such item of Collateral from the assignment and security interest granted under the Security Instruments, or to

evidence the release of such Guarantor from its obligations under the Guarantee, in each case in accordance with the terms of the Loan Documents and this Section 9.10

1.11. Other Collateral Matters.

(a) Care of Collateral. Administrative Agent shall have no obligation to assure that any Collateral exists or is owned by a Loan Party, or is cared for, protected or insured, nor to assure that Administrative Agent's Liens have been properly created, perfected or enforced, or are entitled to any particular priority, nor to exercise any duty of care with respect to any Collateral.

(b) Lenders as Agent For Perfection by Possession or Control. Administrative Agent and Lender Parties appoint each Lender as agent (for the benefit of Lender Parties) for the purpose of perfecting Liens in any Collateral held or controlled by such Lender, to the extent such Liens are perfected by possession or control. If any Lender obtains possession or control of any Collateral, it shall notify Administrative Agent thereof and, promptly upon Administrative Agent's request, deliver such Collateral to Administrative Agent or otherwise deal with it in accordance with Administrative Agent's instructions.

1.12. Right to Perform, Preserve and Protect. The obligations of the Administrative Agent under the Loan Documents are only those expressly set forth therein. Without limiting the generality of the foregoing, the Administrative Agent shall not be required to take any action hereunder with respect to any Default or Event of Default, except as expressly provided herein. Upon the occurrence and during the continuation of an Event of Default, the Administrative 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 Administrative Agent may take (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 L/C Issuer. Any instructions of the Required Lenders, or of any other group of Lenders called for under the specific provisions of the Loan Documents, shall be binding upon all the Lenders and the holders of the Obligations. Each Lender agrees to reimburse Administrative Agent and each of its Related Persons (to the extent not reimbursed by any Loan Party) promptly upon demand, severally and ratably, for any costs and expenses (including fees, charges and disbursements of financial, legal and other advisors paid in the name of, or on behalf of, any Loan Party) that may be incurred by Administrative Agent or any of its Related Persons in connection with the preparation, execution, delivery, administration, modification, consent, waiver or enforcement of, or the taking of any other action (whether through negotiations, through any work out, bankruptcy, restructuring or other legal or other proceeding (including without limitation, preparation for and/or response to any subpoena or request for document production relating thereto) or otherwise) in respect of, or legal advice with respect to, its rights or responsibilities under, any Loan Document.

1.13. Credit Product Providers and Credit Product Arrangements.

(a) Each Credit Product Provider, by delivery of a notice to Administrative Agent of the creation of a Credit Product Arrangement, agrees to be bound by Section 8.03 and this Article IX. Each Credit Product Provider shall indemnify Administrative Agent (and any sub-agent thereof) and each Related Party thereof (each a "***Credit Product Indemnitee***") against, and hold harmless each such Credit Product Indemnitee from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel), incurred by any such Credit Product Indemnitee or asserted against any Credit Product

Indemnitee by any third party or by Borrowers or any other Loan Party arising out of, in connection with, or as a result of such provider's Credit Product Obligations.

(b) Except as otherwise expressly set forth herein, no Credit Product Provider that obtains the benefit of the provisions of Section 8.03, any Guarantee or any Collateral by virtue of the provisions hereof or any other Loan Document shall have any voting rights or right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise (including with respect to the release or impairment of any Collateral or notice of or consent to any amendment, waiver or modification of the provisions hereof or of any other Loan Document) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Credit Product Arrangements in respect of any Payment in Full of the Obligations or the Facility Termination Date.

1.14. Designation of Additional Agents**.** The Administrative Agent, subject to the consent of the Borrowers (not to be unreasonably withheld), shall have the continuing right, 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," "joint book runners," "joint lead arrangers," "joint 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.

1.15. Authorization to Enter into Intercreditor Agreements and Subordination Agreements. Each Lender hereby irrevocably appoints, designates and authorizes Administrative Agent to enter into intercreditor agreements and subordination agreements on its behalf and to take such action on its behalf under the provisions of any such agreement. Each Lender further agrees to be bound by the terms and conditions of the intercreditor agreements and subordination agreements. In the event of any specific conflict or inconsistency between the provisions of any intercreditor agreement or any subordination agreement and this Agreement, the provisions of such intercreditor agreement or such subordination agreement shall control. Each Lender hereby authorizes and directs Administrative Agent to issue blockage notices in connection with the Subordinated Indebtedness at the direction of Administrative Agent or the Required Lenders.

1.16. Recovery of Erroneous Payments. Notwithstanding anything to the contrary in this Agreement, if at any time Administrative Agent determines (in its sole and absolute discretion) that it has made a payment hereunder in error to any Lender or L/C Issuer, whether or not in respect of an Obligation due and owing by Borrowers at such time, where such payment is a Rescindable Amount, then in any such event, each such Person receiving a Rescindable Amount severally agrees to repay to Administrative Agent forthwith on demand the Rescindable Amount received by such Person in immediately available funds in the currency so received, with interest thereon, for each day from and including the date such Rescindable Amount is received by it to but excluding the date of payment to Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by Administrative Agent in accordance with banking industry rules on interbank compensation. Each Lender and each L/C Issuer irrevocably waives any and all defenses, including any "discharge for value" (under which a creditor might otherwise claim a right to retain funds mistakenly paid by a third party in respect of a debt owed by another), "good consideration", "change of position" or similar defenses (whether at law or in equity) to its obligation to return any Rescindable Amount. Administrative Agent shall inform each Lender and L/C Issuer that received a Rescindable Amount promptly upon determining that any payment made to such Person comprised, in whole or in part, a Rescindable Amount. Each Person's obligations, agreements and waivers under this Section 9.16 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender or L/C Issuer, the termination of the Commitments and/or the

repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

ARTICLE X
MISCELLANEOUS

1.01. Amendments, Etc. Subject to Section 3.10 and except as provided with respect to any Increase or as otherwise specifically provided herein, no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by Borrowers, Borrower Agent or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders (except as expressly set forth in clause (c) below) and Borrowers, the applicable Borrower or the applicable Loan Party, as the case may be, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(a) extend or increase the Commitment of a Lender (or reinstate any Commitment terminated pursuant to Section 8.02) without the written consent of such Lender (it being understood that a waiver of any condition precedent in Section 4.01 or Section 4.02 of this Agreement or the waiver of any covenant, Default, Event of Default, the imposition of the Default Rate, mandatory prepayment or reductions or any modification, waiver or amendment to the financial covenant definitions or any component thereof in this Agreement, shall not constitute an increase of any Commitment of a Lender);

(b) postpone any date fixed by this Agreement or any other Loan Document for any payment (but excluding the delay or waiver of any mandatory prepayment) of principal, interest, fees or other amounts due to a Lender (or any of them), including the Revolving Credit Maturity Date or the Term Loan Maturity Date, or any scheduled reduction of the Commitments hereunder or under any other Loan Document, in each case without the written consent of such Lender directly affected thereby;

(c) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (iv) of the second proviso to this Section 10.01) any fees or other amounts payable hereunder or under any other Loan Document, without the written consent of such Lender directly affected thereby; provided, however, that only the consent of the Required Lenders shall be necessary to amend the definition of "Default Rate" (so long as such amendment does not result in the Default Rate being lower than the interest rate then applicable to Base Rate Loans or SOFR Loans, as applicable) or to waive any obligation of Borrowers to pay interest or Letter of Credit Fees at the Default Rate; provided, further, that any waiver of any condition precedent in Section 4.01 or Section 4.02 of this Agreement, any waiver of any covenant, Default or Event of Default, the imposition of the Default Rate, mandatory prepayment or reductions or any modification, waiver or amendment to the financial covenant definitions or any component thereof in this Agreement shall not constitute a reduction or forgiveness in the interest rates or the fees or premiums for purposes of this clause (c); provided, further, that notwithstanding the foregoing to the contrary, a Lender may agree to any reduction described in this clause (c) solely with respect to the Loans or L/C Borrowings of such Lender (and not any other Lenders or L/C Issuer) and solely the written consent of such Lender (and not Required Lenders) and Borrowers pursuant to mutually acceptable documentation (with prompt delivery of

such documentation to Administrative Agent) shall be required to effect such reduction solely in respect of such consenting Lender's Loans and/or L/C Borrowings;

(d) change the provisions requiring pro rata payments to the Lenders set forth herein without the written consent of each Lender directly affected thereby;

(e) (i) change any provision of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender or (ii) change the definition of "Required Revolving Lenders" or any other provision hereof specifying the number or percentage of Lenders required for Revolving Lenders to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Revolving Lender;

(f) release any Borrower or any Guarantor from this Agreement without the written consent of each Lender, except to the extent such Person is the subject of a Disposition permitted by Section 7.05 (in which case such release may be made by Administrative Agent acting alone);

(g) release all or substantially all of the Collateral without the written consent of each Lender except with respect to Dispositions and releases of Collateral permitted or required hereunder (including pursuant to Section 7.04 or 7.05) or as provided in the other Loan Documents (in which case such release may be made by Administrative Agent acting alone); or

(h) prior to an Event of Default under Section 8.01(f), amend or modify any term or provision of any Loan Document to permit the issuance or incurrence of any Indebtedness for borrowed money (including any exchange of existing Indebtedness that results in another class of Indebtedness for borrowed money) with respect to which (x) the Liens on the Collateral securing the Obligations of any Loan would be subordinated or (y) all or any portion of the Obligations of any Loan would be subordinated in right of payment; except (i) indebtedness that is expressly permitted by this Agreement as in effect as of the Closing Date to be senior to the Obligations and/or be secured by a Lien that is senior to the Lien securing the Obligations, (ii) any "debtor in-possession" facility (or similar financing under applicable law) or (iii) any other Indebtedness so long the opportunity to participate in such Indebtedness is offered ratably to all adversely affected Lenders, in each case, without the written consent of each Lender directly and adversely affected thereby;

and, provided further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the L/C Issuer in addition to the Lenders required above, affect the rights or duties of the L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Swing Line Lender in addition to the Lenders required above, affect the rights or duties of the Swing Line Lender under this Agreement; (iii) no amendment, waiver or consent shall, unless in writing and signed by Administrative Agent in addition to the Lenders required above, affect the rights or duties of Administrative Agent under this Agreement or any other Loan Document; (iv) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the respective parties thereto; and (v) no amendment, waiver or consent shall, unless signed by the Required Revolving Lenders in addition to the Lenders required above: (w) amend or waive compliance with the conditions precedent to the obligations of Lenders to make any Revolving Loan (or any L/C Issuer to issue any Letter of Credit) in Section 4.02; (x) amend or waive non-compliance with any provision of Section 2.01(a); (y) waive any Default or Event of Default for the purpose of satisfying the conditions precedent to the obligations of Lenders to make any Revolving Loan (or any L/C Issuer to issue any Letter of Credit) in Section 4.02 or (z) amend or waive non-compliance with any provisions of the Loan

Documents in a manner that affects the rights and duties of the Revolving Lenders under the Revolving Credit Facility more adversely than the rights and duties of the Lenders under the Term Loan Facility. Notwithstanding anything to the contrary herein, 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.

If any Lender does not consent (a "***Non-Consenting Lender***") to a proposed amendment, waiver, consent or release with respect to any Loan Document that requires the consent of each Lender, each directly affected Lender or any class of Lenders and that has been approved by the Required Lenders, Borrowers may replace such Non-Consenting Lender in accordance with Section 10.13; provided that such amendment, waiver, consent or release can be effected as a result of the assignment contemplated by such Section (together with all other such assignments required by Borrowers to be made pursuant to this paragraph).

Notwithstanding the terms of this Agreement or any amendment, waiver, consent or release with respect to any Loan Document, Non-Consenting Lenders shall not be entitled to receive any fees or other compensation paid to the Lenders in connection with any amendment, waiver, consent or release approved in accordance with the terms of this Agreement by the Required Lenders.

In addition, notwithstanding anything to the contrary in this Agreement, including this Section 10.01, this Agreement and the other Loan Documents may be amended (or amended and restated) by the Administrative Agent, the Borrowers and the Lenders providing the applicable Credit Extension to increase the Term Loan Facility or the Revolving Credit Facility, in each case pursuant to Section 2.18 hereof and (a) to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement (including the rights of the Lenders to share ratably in prepayments following any such increase to the Term Loan Facility or the Revolving Credit Facility), the Security Agreement and the other Loan Documents with the Loans and the accrued interest and fees in respect thereof, (b) to include appropriately the Lenders holding such credit facility in any determination of the Required Lenders and Required Revolving Lenders and (c) to amend other provision of the Loan Documents so that such increase to the Term Loan Facility or the Revolving Credit Facility pursuant to Section 2.18 are appropriately incorporated herein (including this Section 10.01).

In addition, notwithstanding anything to the contrary in this Agreement, this Agreement and the other Loan Documents may be amended (or amended and restated) with the written consent of Administrative Agent, the Borrowers and the Required Lenders to (a) add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the outstanding principal and accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement (including the rights of the Lenders to share ratably in prepayments following any such addition of an additional credit facility), the Security Agreement and the other Loan Documents with the Loans and the accrued interest and fees in respect thereof, (b) include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and Required Revolving Lenders and (c) to amend other provision of the Loan Documents so that such additional credit facilities are appropriately incorporated herein (including this Section 10.01).

In addition, notwithstanding anything to the contrary herein, this Agreement, (a) the Borrower Agent may by written notice to the Administrative Agent, make one or more offers (each, an "***Extension Offer***") to all the Lenders holding Term Loans with a like maturity date or all Revolving Lenders having Revolving Credit Commitments with a like commitment termination date (each Loan or Commitment subject to such an Extension Offer, an "***Extension Request Class***") to make one or more Extension Permitted Amendments pursuant to procedures specified by the Borrowers. Such notice shall set forth (i) the terms and conditions of the requested Extension Permitted Amendment and (ii) the date on which such Extension Permitted Amendment is requested to become effective (which shall not be less than 5 Business Days after the date of such notice, unless otherwise reasonably agreed to by the Administrative Agent). Extension Permitted Amendments shall become effective only with respect to the Loans and Commitments of the Lenders of the Extension Request Class that accept the applicable Extension Offer (such Lenders, the "***Extending Lenders***") and, in the case of any Extending Lender, only with respect to such Lender's Loans and Commitments of such Extension Request Class as to which such Lender's acceptance has been made; and (b) an Extension Permitted Amendment shall be effected pursuant to an Extension Agreement executed and delivered by the Borrowers, each applicable Extending Lender and the Administrative Agent. No consent of any Lender or the Administrative Agent shall be required to effectuate any Extension Offer, other than (A) the consent of each Lender agreeing to such Extension Offer with respect to its Term Loans and/or Revolving Credit Commitment (or a portion thereof) and (B) with respect to any Extension of the Revolving Credit Commitments, the consent of the L/C Issuer and Swing Line Lender, which consent shall not be unreasonably withheld or delayed. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Extension Agreement. Each Extension Agreement may, without the consent of any Lender other than the applicable Extending Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrowers, to give effect to the provisions of this paragraph of Section 10.01, including any amendments necessary to treat the applicable Loans and/or Commitments of the Extending Lenders as a new "tranche" of loans and/or commitments hereunder; *provided* that, in the case of any Extension Offer relating to Revolving Credit Commitments or Revolving Loans, (A) except as otherwise agreed by each L/C Issuer, the allocation of the participation exposure with respect to any then-existing or subsequently issued Letter of Credit as between the commitments of such new "tranche" and the remaining Revolving Credit Commitments shall be made on a ratable basis as between the commitments of such new "tranche" and the remaining Revolving Credit Commitments and (B) except as otherwise agreed by each L/C Issuer, the Revolving Credit Termination Date, as such term is used in reference to Letters of Credit of such L/C Issuer, may not be extended without the prior written consent of such L/C Issuer. With respect to all extensions consummated by Borrowers pursuant hereto, (i) such extensions shall not constitute voluntary or mandatory payments or prepayments for purposes of Section 2.06(a) or (b) and (ii) no Extension Offer is required to be in any minimum amount or any minimum increment; provided that Borrower Agent may at its election specify as a condition to consummating any such extension that a minimum amount (to be determined and specified in the relevant Extension Offer in Borrower Agent's sole discretion and may be waived by Borrower Agent) of Term Loans or Revolving Credit Commitments (as applicable) of any or all applicable tranches be tendered. For the avoidance of doubt, Lenders holding Extended Loans or Extended Commitments of the same tranche may elect to have payments made to them on a non-pro rata basis to effectuate the extended terms of such Extended Loans or Extended Commitments of the same tranche.

In addition, notwithstanding anything to the contrary contained in Section 10.01, if the Administrative Agent and the Borrowers shall have jointly identified an obvious error or any error, defect or omission of a technical or immaterial nature, in each case, in any provision of the Loan Documents, then the Administrative Agent and the Borrowers shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Loan Document.

1.02. Notices; Effectiveness; Electronic Communication.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone or in the case of notices otherwise expressly provided herein (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier or email (including as a .pdf or .tif file) as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

if to a Loan Party, Administrative Agent, the L/C Issuer or the Swing Line Lender, to the address, telecopier number, electronic mail address or telephone number specified for such Person below, as changed pursuant to subsection (d) below:

(i) If to Administrative Agent, Swing Line Lender or L/C Issuer:	Bank of Montreal 111 West Monroe Street Chicago, Illinois 60603 Attention: Bank of Montreal Agency Services Telephone No.: (312) 461-2683 Facsimile No.: (312) 461-3458 Email: GFS.AgencyUS@bmo.com
With a copy to:	BMO Harris Bank 515 S Flower Street, Suite 18 Attention: Kaitlin Skopec Email: kaitlin.skopec@bmo.com
With a copy to:	Katten Muchin Rosenman LLP 525 West Monroe Street, Suite 1900 Chicago, Illinois 60661 Attention: John Huang, Esq. Facsimile No.: (312) 902-1061 Telephone No. (312) 902-5333 Email: john.huang@katten.com
(ii) If to a Loan Party:	e.l.f. Cosmetics, Inc., as Borrower Agent 570 10th Street, 3rd Floor Oakland, CA 94607 Attention: Mandy Fields Email: mfields@elfcosmetics.com
With a copy to:	Kirkland & Ellis LLP 333 S. Hope Street Los Angeles, CA 90071 Attention: David Nemecek, Esq. Facsimile No.: (213) 808-8107 Telephone No. (213) 680-8111 Email: david.nemecek@kirkland.com

if to any other Lender, to the address, telecopier number, electronic mail address or telephone number specified in its Administrative Questionnaire, as changed pursuant to subsection (d) below (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to Loan Parties).

Notices sent by hand or overnight courier service or by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not sent during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the L/C Issuer hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or the L/C Issuer pursuant to Article II if such Lender or the L/C Issuer, as applicable, has notified Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. Administrative Agent or Borrowers may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed to have been given when sent; provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed given to the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) The Platform. Each Loan Party hereby acknowledges that Administrative Agent and/or the Arrangers will make available to the Lenders and the L/C Issuer materials and/or information provided by or on behalf of Borrowers hereunder (collectively, "***Borrower Materials***") by posting Borrower Materials on SyndTrak, IntraLinks or another similar electronic system (the "***Platform***"). THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH BORROWER MATERIALS OR THE PLATFORM. In no event shall Administrative Agent or any of its Related Parties (collectively, the "***Agent Parties***") have any liability to any Borrower, any Lender, the L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of a Borrower's or Administrative Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to any Borrower, any Lender, the L/C Issuer or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) Change of Address, Etc. Each of Borrowers, Administrative Agent, the L/C Issuer and the Swing Line Lender may change its address, telecopier number, electronic mail address or

telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier number, electronic mail address or telephone number for notices and other communications hereunder by notice to Borrower Agent, Administrative Agent, the L/C Issuer and the Swing Line Lender. In addition, each Lender agrees to notify Administrative Agent from time to time to ensure that Administrative Agent has on record (i) an effective address, contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender.

(e) Reliance by Administrative Agent, L/C Issuer and Lenders. Administrative Agent, the L/C Issuer and the Lenders shall be entitled to rely and act upon any notices (including telephonic Committed Loan Notices and Swing Line Loan Notices) purportedly given by or on behalf of Borrowers even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. All telephonic notices to and other telephonic communications with Administrative Agent may be recorded by Administrative Agent, and each of the parties hereto hereby consents to such recording.

1.03. No Waiver; Cumulative Remedies. No failure by any Lender, the L/C Issuer or Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

1.04. Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. Borrowers shall pay (i) all reasonable and documented out-of-pocket expenses of the Administrative Agent and the Arrangers incurred on or after the Restatement Effective Date (promptly following a written demand therefor, together with backup documentation supporting such reimbursement request) associated with the syndication of the Facilities and the preparation, execution, delivery and administration of the Loan Documents and any amendment or waiver with respect thereto (but limited, in the case of legal fees and expenses, to the reasonable and documented fees, disbursements and other charges of one counsel to the Administrative Agent and the Arrangers taken as a whole, one regulatory counsel and, if necessary, of one local counsel in each relevant jurisdiction) and (ii) after the Restatement Effective Date, upon presentation of a summary statement, together with any supporting documentation reasonably requested by the Borrowers, all reasonable and documented out-of-pocket expenses of the Administrative Agent and the Lenders promptly following a written demand therefor (but limited, in the case of legal fees and expenses, to the reasonable and documented fees, disbursements and other charges of one counsel to the Administrative Agent and the Lenders taken as a whole, and, if necessary, of one local counsel to the Administrative Agent and the Lenders taken as a whole in each relevant jurisdiction and solely in the case of a conflict of interest, one additional counsel in each relevant jurisdiction to each group of affected Lenders similarly situated taken as a whole) in connection with the enforcement of the Loan Documents or protection of rights thereunder; provided that the foregoing indemnity will not apply to expenses (i) to the extent resulting from the willful misconduct, bad faith or gross negligence of Administrative Agent or any Lender, (ii) to the extent arising from a material breach of the obligations by Administrative Agent or any Lender under the Loan Documents (in the case of each of preceding clauses (i) and (ii), as determined by a court of competent jurisdiction in a final judgment) or (iii) to the extent arising from any dispute solely among Administrative Agent and any Lenders or among Lenders, other than any claims against any Administrative Agent in such capacity or any Lender in its capacity or in fulfilling its role as an

administrative agent or arranger or any similar role under any Facility and other than any claims arising out of any act or omission on the part of any Loan Party or its Affiliates (as determined by a court of competent jurisdiction in a final judgment).

(b) Indemnification by Loan Parties. The Loan Parties shall indemnify Administrative Agent, the Arrangers, each Issuing Bank and the Lenders and their respective affiliates, and each Related Party (each such Person being called an "***Indemnitee***") against, and hold them harmless from and against all reasonable and documented out-of-pocket costs and expenses (including, any and all losses, claims, damages, liabilities and related expenses (including the reasonable and documented out-of-pocket fees, charges and disbursements of one primary counsel for the Indemnitees taken as a whole (absent an actual conflict of interest in which case affected Persons may engage and be reimbursed for one additional counsel for each such group of affected Indemnitees similarly situated taken as a whole), and, if reasonably necessary, a single local counsel for all Indemnitees taken as a whole in each relevant jurisdiction and, solely in the case of a conflict of interest, one additional counsel in each relevant jurisdiction to each group of affected Indemnitees similarly situated taken as a whole)), incurred by any Indemnitee or asserted against any Indemnitee by any third party or by Borrowers or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby or, in the case of Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration and enforcement of this Agreement and the other Loan Documents, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Loan Party or any of its Subsidiaries, or any Environmental Liability related in any way to any Loan Party or any of its Subsidiaries, (iv) any claims of, or amounts paid by Administrative Agent to, a Controlled Account Bank or other Person which has entered into a control agreement with Administrative Agent hereunder or (v) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party, or by Borrowers or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or expenses (w) result from any settlement of any claim, litigation, investigation or proceeding without the consent of the Loan Parties (such consent not to be unreasonably withheld, conditioned or delayed), (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, bad faith, willful misconduct or material breach of the Loan Documents of or by any Indemnitee or any of its Related Parties or (y) any dispute solely among any Indemnitees (other than claims of an Indemnitee against Administrative Agent, in its capacity as such or any Lender in its capacity or fulfilling its role as an arranger or any similar role under the Loan Documents and other than any claims arising out of any act or omissions on the part of any Loan Party or any of its Affiliates (as determined by a court of competent jurisdiction by final judgment). No Indemnitee, Loan Party or any Subsidiary of a Loan Party or Related Party of a Loan Party or a Subsidiary of a Loan Party shall have any liability for any special, punitive, indirect or consequential damages relating to this Agreement or any other Loan Document or arising out of its activities in connection herewith or therewith (whether before or after the Restatement Effective Date); provided that nothing contained in this sentence shall limit any such Person's indemnification obligations set forth in this Agreement or any other Loan Document to the extent such special, indirect, punitive or consequential damages are included in any third party claim in connection with which an Indemnitee is entitled to indemnification hereunder (whether before or after the Restatement Effective Date). For the avoidance of doubt, this Section 10.04(b) shall not

apply to Taxes other than Taxes that represent liabilities, obligations, losses, damages, etc., with respect to a non-Tax claim. Notwithstanding the foregoing, each Indemnitee shall be obligated to refund and return promptly to the applicable Borrower, Holdings, or Affiliate any and all amounts paid by any Borrower, Holdings or any of their Affiliates under this clause (b) to such Indemnitee for any such fees, expenses or damages to the extent such Indemnitee is not entitled to payment of such amounts in accordance with the terms hereof. The Loan Parties shall not, without the prior written consent of an Indemnitee (which consent shall not be unreasonably withheld or delayed), effect any settlement of any pending or threatened claim, litigation, investigation or proceeding in respect of which indemnity could have been sought hereunder by such Indemnitee unless such settlement (i) includes an unconditional release of such Indemnitee in form and substance reasonably satisfactory to such Indemnitee (which approval shall not be unreasonably withheld or delayed) from all liability on claims that are the subject matter of such claim, litigation, investigation or proceeding and (ii) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of such Indemnitee.

(c) Reimbursement by Lenders. To the extent that (i) the Loan Parties for any reason fail to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it, 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, Administrative Agent, the L/C Issuer 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 Administrative Agent, the L/C Issuer or a Related Party in connection therewith, then, in each case, each Lender severally agrees to pay to Administrative Agent (or any such sub-agent), the L/C Issuer or such Related Party, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on such Lender's portion of Loans, commitments and risk participations with respect to the Revolving Credit Facility) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against Administrative Agent (or any such sub-agent) or the L/C Issuer in its capacity as such, or against any Related Party of any of the foregoing acting for Administrative Agent (or any such sub-agent) or L/C Issuer in connection with such capacity; and provided, further, that, the obligation of the Lenders to so indemnify shall not be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, bad faith or willful misconduct of such Administrative Agent, L/C Issuer or Related Party. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.12(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, no party or Indemnitee shall assert, and each hereby waive any claim against any other party, 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; provided that nothing contained in this sentence shall limit any such Person's indemnification obligations set forth in this Agreement or any other Loan Document to the extent such special, indirect, punitive or consequential damages are included in any third party claim in connection with which an Indemnitee is entitled to indemnification hereunder (whether before or after the Restatement Effective Date). No Indemnitee referred to in subsection (b) above 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.

(e) Payments. All amounts due under this Section shall be payable not later than 20 Business Days after demand therefor.

(f) Survival. The agreements in this Section shall survive the resignation of Administrative Agent, the L/C Issuer and the Swing Line Lender, the replacement of any Lender and the occurrence of the Facility Termination Date.

1.05. Marshalling; Payments Set Aside. None of Administrative Agent or Lenders shall be under any obligation to marshal any assets in favor of any Loan Party or against any Obligations. To the extent that any payment by or on behalf of any Loan Party is made to a Lender Party, or a Lender Party exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by such Lender Party 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 the L/C Issuer severally agrees to pay to Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the applicable Overnight Rate from time to time in effect. The obligations of the Lenders and the L/C Issuer under clause (b) of the preceding sentence shall survive the occurrence of the Facility Termination Date.

1.06. Successors and Assigns.

(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 unless in connection with a transaction permitted by Section 7.04, an Investment permitted hereunder to the extent the surviving or succeeding Person or assignee, as applicable, of such Investment has assumed all obligations of such Loan Party under the Loan Documents pursuant to documentation reasonably acceptable to Administrative Agent, or Permitted Acquisition and in accordance with the requirements thereof, no Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to any Person (other than any of the Persons described in Subsection (b)(iv) of this Section) in accordance with the provisions of subsection (b) of this Section (such an assignee, an "***Eligible Assignee***"), (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void), or (iv) to any equity holders of the Borrowers, Holdings or their respective Affiliates or any Affiliate of any such equity holder (each an "***Affiliated Lender***" and collectively the "***Affiliated Lenders***") in accordance with the provisions of subsection (g) of this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants and SPVs to the extent provided in subsection (d) of this Section and, to the extent

expressly contemplated hereby, the Related Parties of each of the Lender Parties) 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 Commitment(s) and the Loans (including for purposes of this Section 10.06(b), participations in L/C Obligations and in Swing Line Loans) at the time owing to it); provided that 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 Commitment under any Facility and the Loans at the time owing to it under such Facility 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 subsection (b)(i)(A) of this Section or in Section 10.06(g), the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the 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 Assumption with respect to such assignment is delivered to Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than (x) with respect to Term Loans, $1,000,000 and (y) with respect to the Revolving Credit Facility, $5,000,000, in the case of any assignment in respect of the Revolving Credit Facility or Term Loan Facility or any Increase, unless such assignment is made to an existing Lender or an Affiliate or Approved Fund of any existing Lender, such assignment is of the assigning Lender's entire interest in such facility or each of Administrative Agent and, so long as no Event of Default under Section 8.01(a) or 8.01(f) has occurred and is continuing, Borrower Agent otherwise consents (each such consent not to be unreasonably withheld or delayed); provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single assignee (or to an assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met.

(ii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of Borrower Agent (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default under Section 8.01(a) or 8.01(f) has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that Borrower Agent shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to Administrative Agent within ten (10) Business Days after having received notice thereof; provided, further, that the Borrower Agent's consent shall be required with respect to any assignment to a Disqualified Institution notwithstanding the existence of an Event of Default under Section 8.01(a) or 8.01(f) and Borrower Agent's refusal to consent to an assignment to any Disqualified Institution (to the extent such consent is required) shall not be deemed to be unreasonable;

(B) the consent of Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (i) any Term Loan Commitment (excluding pursuant to Section 2.18), Revolving Credit Commitment or Revolving Loan if such assignment is to a Person that is not a Lender with a Commitment or Loan in respect of the applicable Facility, an Affiliate of such Lender or an Approved Fund with respect to such Lender

or (ii) any Term Loan to a Person that is not a Lender, an Affiliate of a Lender or an Approved Fund except for any assignments pursuant to Section 10.06(g) hereof;

(C) the consent of the L/C Issuer (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) or assignments in respect of any Revolving Credit Commitment or Revolving Loan if such assignment is to a Person that is not a Lender with a Revolving Credit Commitment, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and

(D) the consent of the Swing Line Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment in respect of the Revolving Credit Facility.

(iii) Assignment and Assumption. The parties to each assignment shall execute and deliver to Administrative Agent an Assignment and Assumption, together with (except for any assignments pursuant to Section 10.06(g) hereof) a processing and recordation fee in the amount of $3,500; provided, however, that Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment and provided, further, that such fee shall not be payable in connection with an assignment to an Affiliate of a Lender or an Approved Fund. The assignee, if it is not a Lender, shall deliver to Administrative Agent an Administrative Questionnaire.

(iv) No Assignment to Certain Persons. No such assignment shall be made to (A) any Affiliated Lender, any Borrower or any of a Borrower's Affiliates or Subsidiaries (except as provided in subsection (g) of this Section or Section 2.19), (B) 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), (C) a natural person or (D) without Borrower Agent's consent, any Disqualified Institution. Upon request by any Lender to the Administrative Agent, as to whether a potential assignee is on the Disqualified Institution List, the Administrative Agent is authorized to share the then applicable Disqualified Institution List with such Lender for purposes of such Lender confirming whether such potential assignee is on such Disqualified Institution List. Administrative Agent shall not have any responsibility or liability for monitoring the Disqualified Institution List (or identities of parties on such list), or enforcing provisions relating to such list or Disqualified Institutions. Notwithstanding anything to the contrary herein, any assignment or sale of a participation by a Lender without the consent of the Borrower Agent (solely to the extent such consent is required, including, for the avoidance of doubt, in connection with any assignment to a Disqualified Institution) shall be void *ab initio* and the Borrowers shall be entitled to seek specific performance to unwind any such assignment or participation in addition to, solely in respect of the assignee, any other remedies available to the Borrowers at law or in equity.

(v) 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 Administrative 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 Borrower Agent and Administrative 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 Administrative Agent or any 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 Line Loans in accordance with its Applicable 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 Administrative Agent in the Register pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05 and 10.04 with respect to facts and circumstances occurring prior to the effective date of such assignment). Upon request, each Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection 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 10.06(d); provided that an assignment or transfer not in compliance with Section 10.06(b)(iv) shall be void and of no force or effect.

(c) Register. Administrative Agent, acting solely for this purpose as a non-fiduciary agent of Borrowers (in such capacity, subject to Section 10.17), shall maintain at Administrative Agent's Office in the U.S. a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts and stated interest of the Loans and Obligations 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 Borrowers, Administrative 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, notwithstanding notice to the contrary. In addition, Administrative Agent shall maintain on the Register information regarding the designation, and revocation of designation, of any Lender as a Defaulting Lender. The Register shall be available for inspection by Borrower Agent at any reasonable time and from time to time upon reasonable prior notice. In addition, at any time that a request for a consent for a material or substantive change to the Loan Documents is pending, any Lender may request and receive from Administrative Agent a copy of the Register.

(d) Participations and SPVs. Any Lender may at any time, (x) without the consent of, or notice to, any Borrower or Administrative Agent, sell participations to any Person (other than a natural person, a Defaulting Lender, an Affiliated Lender, a Borrower or any of Borrowers' Affiliates or Subsidiaries (except as provided in subjection (g) of this Section) or a Disqualified Institution) (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 Revolving Credit Commitment and/or the Loans (including such Lender's participations in L/C Obligations and/or Swing Line Loans) owing to it) and (y) with notice to Administrative Agent, grant to an SPV (other than a natural person, a Defaulting Lender, an Affiliated Lender, a Borrower or any of Borrowers' Affiliates or Subsidiaries (except as provided in subjection (g) of this Section) or a Disqualified Institution) the option to make all or any part of any Loan that such Lender would otherwise be required to make hereunder (and the exercise of such option by such SPV and the making of Loans pursuant thereto shall satisfy the obligation of such Lender to make such Loans hereunder) and such SPV may assign to such Lender the right to receive payment with respect to any Obligation; provided that (i) no such SPV or participant shall have a commitment, or be deemed to have made an offer to commit, to make Loans hereunder, and, except as provided in the applicable option or

participation agreement, none shall be liable for any obligation of such Lender hereunder, (ii) such Lender's obligations under this Agreement shall remain unchanged, (iii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iv) Borrowers, Administrative Agent, the Lenders and the L/C Issuer shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation or grants a right to an SPV 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 or the SPV, as applicable, agree to any amendment, waiver or other modification described in the first proviso to Section 10.01 that affects such Participant or such SPV. Subject to subsection (e) of this Section, Borrowers agree that each Participant and each SPV shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section. Each Participant and each SPV agrees to be subject to Section 10.07 as though it were a Lender. Each Lender granting a participation or an option to an SPV shall as a non-fiduciary agent of the Borrowers maintain in the U.S. a register ("***Participation and SPV Register***") with respect to the ownership and transfer of each participation or grant of an option, as applicable, containing the information set forth in the Register described in Section 10.06(c). No Lender shall have any obligation to disclose all or any portion of the Participation and SPV Register (including any such portion containing the identity of any Participant or any SPV or any information relating to a Participant's or an SPV's interest in any rights or obligations under this Agreement) to any Person except to the extent that such disclosure is necessary to establish that the Loans or other rights or obligations under this Agreement are in registered form under Section 5f.103-1(c) or Section 1.871-14(c) of the Treasury Regulations. The entries in the Participation and SPV Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participation and SPV Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participation and SPV Register.

(e) Limitations upon Participant and SPV Rights. A Participant or an SPV shall not be entitled to receive any greater payment under Section 3.01 or 3.04 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant or the option granted to such SPV, as applicblae, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation or the SPV was granted the option, as applicable,. A Participant or an SPV that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 3.01 unless Borrower Agent is notified of the participation sold to such Participant or the option granted to such SPV, as applicable, and such Participant or such SPV, as applicable, agrees, for the benefit of Borrowers, to comply with Section 3.01(e) as though it were a Lender.

(f) 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 (including under its Note, if any) 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.

(g) Assignments to Affiliated Lenders. Subject to clauses (A), (B) and (C) below, any Lender may assign all or a portion of the Term Loan (subject to the limitations contained in Sections 10.06(b)(i)) to Affiliated Lenders (excluding Holdings and its Subsidiaries), without the consent of any Person but subject to acknowledgment by the Administrative Agent; provided that

(i) the assigning Lender and the assignee shall execute and deliver to the Administrative Agent an Assignment and Assumption, (ii) at no time may the aggregate principal amount of the Term Loan held by the Affiliated Lenders (other than Holdings and its Subsidiaries) exceed 25% of the aggregate principal amount of the Term Loans and incremental term loans then outstanding, and (iii) after giving effect to an assignment the number of Affiliated Lenders holding the Term Loans and incremental term loans shall not constitute 50% or more of the aggregate number of Lenders holding a portion of the Term Loans and incremental term loans at the time of such assignment.

(A) Notwithstanding anything to the contrary in this Section 10.06, but subject to the rights contained in clause (C) below, the Affiliated Lenders shall not have any right to (1) attend (including by telephone or electronic means) any meeting or discussions (or portion thereof) among the Administrative Agent and any Lender to which representatives of the Borrowers or the Guarantors are not invited, or (2) receive any information or material prepared by the Administrative Agent or any Lender or any communication by or among the Administrative Agent and/or one or more Lenders, except to the extent such information or materials have been made available to the Borrowers or the Guarantors or their representatives.

(B) Notwithstanding anything to the contrary in this Section 10.06 or the definition of "Required Lenders", for purposes of determining whether the Required Lenders have (1) consented (or not consented) to any amendment, modification, waiver, consent or other action with respect to any of the terms of any Loan Document or any departure by any Borrower or any Guarantor therefrom, (2) otherwise acted on any matter related to any Loan Document, or (3) directed or required the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) with respect to or under any Loan Document, all or any portion of the Term Loan held by the Affiliated Lenders shall be deemed, to the extent not adversely affecting the Affiliated Lenders (other than Holdings and its Subsidiaries) disproportionately as compared to other Lenders, to be not outstanding; provided that no amendment, modification, waiver, consent or other action with respect to any Loan Document shall deprive the Affiliated Lenders of its pro rata share of any payments to which the Affiliated Lenders is entitled under the Loan Documents or any vote which affects the Affiliated Lenders disproportionately without the Affiliated Lenders providing its consent; (x) solely with respect to any amendment, modification, waiver, consent or other action in which fees are paid or otherwise received by consenting Lenders and solely in connection with determining to which Lenders such fees shall be paid, the Affiliated Lenders shall be treated as having consented thereto, (y) the Affiliated Lenders agree to execute and deliver to the Administrative Agent any instrument reasonably requested by the Administrative Agent to evidence the voting of its interest as a Lender in accordance with the provisions of this Section 10.06(g); provided that if any of the Affiliated Lenders fail to promptly execute such instrument such failure shall in no way prejudice any of the Administrative Agent's rights under this paragraph and (z) the Administrative Agent is hereby appointed (such appointment being coupled with an interest) by the Affiliated Lenders as each such Person's attorney in fact, with full authority in the place and stead of such Person and in the name of such Person, from time to time in the Administrative Agent's reasonable discretion to take any action and to execute and instrument that the Administrative Agent may deem reasonably necessary to carry out the provisions of this Section 10.06(g) and (ii) Affiliated Lenders in their capacities as a Lender shall retain the right to consent to an extension of the maturity date of their Term Loans, reduction in the principal amount of their Term Loans, reduction in the interest rate thereof or postponement of the scheduled due date therefor). Affiliated Lenders may, with the consent of Borrower Agent and pursuant to documentation reasonably satisfactory to the Administrative Agent, contribute the Term Loans held by them as an equity contribution to the Borrowers (whether through any of its direct or indirect parent companies or otherwise) in exchange for debt or equity securities of the Borrowers or such parent company that are otherwise permitted to be issued by such Person at such time. If any Borrower or any Guarantor is the subject of any proceeding under any Debtor Relief Laws no Affiliated Lender shall (i) vote in opposition to a

plan of reorganization of such Borrower or Guarantor that has been approved by all Lenders (exclusive of all Affiliated Lenders) unless such plan of reorganization affects such Affiliated Lender in its capacity as a Lender in a disproportionately adverse manner than its effect on other Lenders or (ii) vote in favor of any plan of reorganization of such Borrower or Guarantor that has not been approved by Lenders (exclusive of all Affiliated Lenders) holding a majority of the outstanding principal amount of the Loans (exclusive of the amount held by all Affiliated Lenders).

(C) The Affiliated Lenders (other than Holdings and its Subsidiaries), in its capacity as a Lender of a portion of the Term Loan, in its sole and absolute discretion and with Borrower Agent's consent, may, but is not required to, make one or more capital contributions or assignments of the portion of the Term Loan that it acquires in accordance with this Section 10.06 to Holdings solely in exchange for (x) equity interests of Holdings or (y) to the extent permitted to be incurred under this Agreement, unsecured Subordinated Indebtedness issued by Holdings to Affiliated Lenders, as applicable, in each case, upon no less than 3 Business Days' prior written notice to the Administrative Agent. Immediately upon the acquisition by Holdings of such portion of the Term Loan, it shall transfer such portion to the Borrowers. Immediately upon any Borrower or any of a Borrower's Subsidiaries' acquisition of any portion of the Term Loan, (x) such portion of the Term Loan and all rights and obligations as a Lender related thereto shall for all purposes (including under this Agreement, the other Loan Documents and otherwise) be deemed to be irrevocably prepaid, terminated, extinguished, cancelled and of no further force and effect and such Borrower or such Borrower's Subsidiary shall neither obtain nor have any rights as a Lender hereunder or under the other Loan Documents by virtue of such capital contribution or assignment and (y) Borrowers shall deliver to the Administrative Agent a written acknowledgement and agreement executed by a Responsible Officer and in form and substance reasonably acceptable to the Administrative Agent acknowledging the irrevocable prepayment, termination, extinguishment and cancellation of such portion of the Term Loan and confirming that such Borrowers have no rights as a Lender under this Agreement, the other Loan Documents or otherwise. The parties hereto agree that any prepayment, termination, extinguishment and/or cancellation of any Loans as contemplated by this Section 10.06 shall be disregarded for purposes of calculating each of Adjusted Consolidated EBITDA and Excess Cash Flow for any applicable period of calculation.

(D) No Affiliated Lenders acquiring Loans through an assignment shall be required to make any representation that it is not in possession of material non-public information with respect to Holdings or its Subsidiaries or their respective securities.

(h) [Reserved].

(i) Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(j) Resignation as L/C Issuer and/or Swing Line Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time BMO assigns all of its Revolving Credit Commitment or Revolving Loans pursuant to subsection (b) above, such Person may, (i) upon 30 days' notice to Borrower Agent and the Lenders, resign as L/C Issuer and/or (ii) in the case of BMO, upon 30 days' notice to Borrower Agent, resign as Swing Line Lender. In the event of

any such resignation as L/C Issuer, or Swing Line Lender, Borrower Agent shall be entitled to appoint from among the Lenders willing to serve in such capacity a successor L/C Issuer or Swing Line Lender hereunder, as the case may be; provided, however, that no failure by Borrower Agent to appoint any such successor shall affect the resignation of such Person as L/C Issuer or Swing Line Lender, as the case may be. If BMO resigns as L/C Issuer, such Person shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c)). If BMO resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment of a successor L/C Issuer and/or Swing Line Lender, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as the case may be, and (b) the successor L/C 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 retiring L/C Issuer to effectively assume the obligations of such L/C Issuer with respect to such Letters of Credit.

1.07. Treatment of Certain Information; Confidentiality. Each of the Lender Parties agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, trustees, officers, employees, agents, advisors and representatives on a "need to know" basis (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (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 (in which case such Lender Party agrees to use commercially reasonable efforts (to the extent permitted by law and practical to do so) to notify the Borrower Agent promptly thereof), (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to a written agreement containing provisions substantially the same as those of this Section, to (i) any assignee of, Participant in or SPV, or any prospective assignee of, Participant in or SPV, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to Borrowers and their obligations, (g) with the consent of Borrower Agent, (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Lender Parties or any of their respective Affiliates on a nonconfidential basis from a source other than the Loan Parties other than as a result of a breach of any duty of confidentiality, (i) to rating agencies if requested or required by such agencies in connection with a rating or credit estimate relating to the Loans or Commitments hereunder or (j) to a Person that is (i) an investor or prospective investor in a Securitization that agrees that its access to information regarding the Borrower and the Loans and Commitments is solely for purposes of evaluating an investment in such Securitization and who agrees to treat such information as confidential or (ii) a trustee, collateral agent, collateral manager, servicer, noteholder, equityholder or secured party in a Securitization in connection with the administration, servicing and evaluation of, and reporting on, the assets serving as collateral for such Securitization.

For purposes of this Section, "***Information***" means all information received from any Loan Party or any Subsidiary relating to a Loan Party or any Subsidiary or any of their

respective businesses, other than any such information that is available to any Lender Party on a nonconfidential basis prior to disclosure by a Loan Party or any Subsidiary, provided that, in the case of information received from a Loan Party or any Subsidiary after the date hereof, any information not marked "PUBLIC" at the time of delivery will be deemed to be confidential; provided, that any information marked "PUBLIC" may also be marked "Confidential". Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information but in any event a reasonable level.

Each of the Lender Parties acknowledges that (a) the Information may include material non-public information concerning a Loan Party or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including Federal and state securities Laws.

The Administrative Agent and any Joint Lead Arranger may publish the name and logo of any Loan Party and the amount of the credit facility provided hereunder in any "tombstone" or comparable advertisement which Administrative Agent or such Joint Lead Arranger elects to publish provided the Loan Parties consent in advance in writing to the publication of such tombstone or other advertising materials by the Administrative Agent or such Joint Lead Arranger. Administrative Agent and each Joint Lead Arranger reserves the right to provide to industry trade organizations information necessary and customary for inclusion in league table measurements.

1.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, the L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, only after obtaining the prior written consent of Administrative Agent, 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 but other than any Excluded Accounts) at any time held and other obligations (in whatever currency) at any time owing by such Lender, the L/C Issuer or any such Affiliate to or for the credit or the account of any Loan Party against any and all of the obligations of Borrowers now or hereafter existing under this Agreement or any other Loan Document to such Lender or the L/C Issuer, but only to the extent then due and owing; 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 Administrative Agent for further application in accordance with the provisions of Section 2.17 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to Administrative 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, the L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the L/C Issuer or their respective Affiliates may have. Each Lender and the L/C Issuer agrees to notify Borrower Agent and Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

1.09. Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "***Maximum Rate***"). If Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to Borrowers. In determining whether the interest contracted

for, charged, or received by Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

1.10. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Subject to Section 4.01, this Agreement shall become effective when it shall have been executed by Administrative Agent and when Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement and each other Loan Document by telecopy or other electronic means (including .pdf or .tif files) shall be effective as delivery of a manually executed counterpart of this Agreement.

1.11. Survival. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Lender Parties, regardless of any investigation made by any Lender Party or on their behalf and notwithstanding that any Lender Party may have had notice or knowledge of any Default or Event of Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Loan Obligation (other than contingent indemnification obligations for which no claim has been asserted) hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

Further, the provisions of Sections 3.01, 3.04, 3.05, 9.16, 10.02, 10.03, 10.04, 10.05, 10.06, 10.09, 10.10, 10.11, 10.12, 10.14, 10.15, 10.16, 10.17 and 10.18 shall survive and remain in full force and effect regardless of the repayment of the Obligations, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

1.12. Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 10.12, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by Administrative Agent, the L/C Issuer or the Swing Line Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

1.13. Replacement of Lenders. If any Lender requests compensation under Section 3.04, if Borrowers are required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, if any Lender is a Defaulting Lender, or if any Lender fails to approve any amendment, waiver or consent requested by Borrower Agent pursuant to Section 10.01 that has received the written approval of not less than

the Required Lenders but also requires the approval of such Lender, then in each such case Borrower Agent may, at its sole expense and effort, upon notice to such Lender and Administrative 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 10.06), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) Borrower Agent shall have paid to Administrative Agent the assignment fee specified in Section 10.06(b);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or Borrower Agent (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;

(d) in the case of any such assignment resulting from the refusal of a Lender to approve a requested amendment, waiver or consent, the Person to whom such assignment is being made has agreed to approve such requested amendment, waiver or consent; and

(e) such assignment does not conflict with applicable Laws.

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 Borrowers to require such assignment and delegation cease to apply. Subject to the immediately preceding sentence, any assignment or delegation made in compliance with this Section 10.13 should nonetheless be effective for all purposes hereunder and under the Loan Documents, regardless of whether a Lender being replaced fails to execute and deliver any documents in connection therewith.

1.14. Governing Law; Jurisdiction; Etc.

(a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) SUBMISSION TO JURISDICTION. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS

AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT ADMINISTRATIVE AGENT, ANY LENDER OR THE L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST BORROWERS OR THEIR PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

1.15. Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

1.16. USA PATRIOT Act Notice. Each Lender that is subject to the USA PATRIOT Act and Administrative Agent (for itself and not on behalf of any Lender) hereby notifies Borrowers that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies Borrowers, which information includes the name and address of Borrowers and other information that will allow such Lender or Administrative Agent, as applicable, to identify Borrowers in accordance with the USA PATRIOT Act.

1.17. No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each Loan Party acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Lender Parties are arm's-length commercial transactions between each Loan Party, on the one hand, and the Lender Parties, on the other hand, (B) each Loan Party has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) each Loan Party is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) each Lender Party is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not,

and will not be acting as an advisor, agent or fiduciary for any Loan Party or any of its Affiliates or any other Person and (B) no Lender Party has any obligation to any Loan Party or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents, (iii) the Lender Parties may be engaged in a broad range of transactions that involve interests that differ from those of the Loan Parties and their Affiliates, and no Lender Party has any obligation to disclose any of such interests to any Loan Party or its Affiliates and (iv) the Lender Parties have not provided and will not provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Loan Document) and each of the Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate. Each Loan Party hereby agrees that it will not claim that any of the Lender Parties and their respective Affiliates has rendered advisory services of any nature or respect or owes a fiduciary duty or similar duty to it in connection with any aspect of any transaction contemplated hereby.

1.18. Attachments. Any exhibits, schedules and annexes attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein; except, that, in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail.

1.19. Acknowledgement Regarding any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Contracts or any other agreement or instrument that is a QFC (such support, "QFC Credit Support" and each such QFC a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States.

(b) As used in this Section 10.19, 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:

a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b)

a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

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).

ARTICLE XI
CONTINUING GUARANTEE

1.01. Guarantee.

(a) Holdings and each Subsidiary Guarantor hereby absolutely and unconditionally guarantees, as a guarantee of payment and performance and not merely as a guarantee of collection, prompt payment when due, whether at stated maturity, by required prepayment, upon acceleration, demand or otherwise, and at all times thereafter, of any and all of the Secured Obligations, whether for principal, interest, premiums, fees, indemnities, damages, costs, expenses or otherwise, of Borrowers to the Lender Parties, arising hereunder or under any other Loan Document (including all renewals, extensions, amendments, refinancings and other modifications thereof and all costs, attorneys' fees and expenses incurred by the Lender Parties in connection with the collection or enforcement thereof, subject to the limitations set forth in Section 10.04(a) hereof).

(b) Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of its obligations under this Guarantee in respect of Swap Obligations; provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 11.01(b) for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 11.01(b), or otherwise hereunder, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section 11.01(b) shall remain in full force and effect until Payment in Full of the Obligations. Each Qualified ECP Guarantor intends that this Section 11.01(b) constitute, and this Section 11.01(b) shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

1.02. Rights of Lenders. Holdings and each Subsidiary Guarantor consents and agrees that the Lender Parties may, at any time and from time to time, and without affecting the enforceability or continuing effectiveness hereof and subject only to the terms of this Agreement: (a) amend, extend, renew, compromise, discharge, accelerate or otherwise change the time for payment or the terms of the Loan Obligations or any part thereof; (b) take, hold, exchange, enforce, waive, release, fail to perfect, sell, or otherwise dispose of any security for the payment of this Guarantee or any Secured Obligations; (c) apply such security and direct the order or manner of sale thereof as Administrative Agent, the L/C Issuer and the Lenders in their sole discretion may

determine in accordance with the terms of the Loan Documents; and (d) release or substitute one or more of any endorsers or other guarantors of any of the Loan Obligations. Without limiting the generality of the foregoing, Holdings and each Subsidiary Guarantor consents to the taking of, or failure to take, any action which might in any manner or to any extent vary the risks of Holdings or any Subsidiary Guarantor under this Guarantee or which, but for this provision, might operate as a discharge of Holdings or any Subsidiary Guarantor.

1.03. Certain Waivers.

(a) Holdings and each Subsidiary Guarantor waives, to the fullest extent permitted by law, (i) any defense arising by reason of any disability or other defense of any Borrower or any other Guarantor, or the cessation from any cause whatsoever (including any act or omission of any Lender Party) of the liability of Borrowers; (ii) any defense based on any claim that Holdings' or any Subsidiary Guarantor's obligations exceed or are more burdensome than those of any Borrower; (iii) the benefit of any statute of limitations affecting Holdings' or any Subsidiary Guarantor's liability hereunder; (iv) any right to require any Lender Party to proceed against any Borrower, proceed against or exhaust any security for the Secured Obligations, or pursue any other remedy in the power of any Lender Party whatsoever; (v) any benefit of and any right to participate in any security now or hereafter held by any Lender Party; and (vi) to the fullest extent permitted by law, any and all other defenses (other than a defense of payment in full) or benefits that may be derived from or afforded by applicable law limiting the liability of or exonerating guarantors or sureties. Holdings and each Subsidiary Guarantor expressly waives, to the fullest extent permitted by law, all setoffs and counterclaims and all presentments, demands for payment or performance, notices of nonpayment or nonperformance, protests, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever with respect to the Secured Obligations, and all notices of acceptance of this Guarantee or of the existence, creation or incurrence of new or additional Secured Obligations, except as otherwise expressly set forth in this Agreement.

(b) Holdings and each Subsidiary Guarantor agrees that its obligations hereunder are absolute and unconditional, irrespective of (i) the genuineness, validity, regularity, enforceability, subordination or any future modification of, or change in, any Loan Obligations or Loan Document, or any other document, instrument or agreement to which any Borrower or other Loan Party is or may become a party or be bound; (ii) the absence of any action to enforce this Agreement (including this Section) or any other Loan Document, or any waiver, consent or indulgence of any kind by Administrative Agent or any Lender with respect thereto; (iii) the existence, value or condition of, or failure to perfect a Lien or to preserve rights against, any security or guarantee for the Loan Obligations or any action, or the absence of any action, by Administrative Agent or any Lender in respect thereof (including the release of any security or guarantee); (iv) the insolvency of any Borrower or any other Loan Party; (v) any election by Administrative Agent or any Lender in proceeding under Debtor Relief Laws for the application of Section 1111(b)(2) of the Bankruptcy Code; (vi) any borrowing or grant of a Lien by any Borrower or other Loan Party, as debtor-in-possession under Section 364 of the Bankruptcy Code or otherwise; (vii) the disallowance of any claims of Administrative Agent or any Lender against any Borrower for the repayment of any Obligations under Section 502 of the Bankruptcy Code or otherwise; or (viii) any other action or circumstances that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, except defense of payment in full.

(c) Holdings and each Subsidiary Guarantor expressly waives, to the fullest extent permitted by law, all rights that it may have now or in the future under any statute, at common law, in equity or otherwise, to compel Administrative Agent or Lenders to marshal assets or to proceed against any Borrower, or any other Person or security for the payment or performance of any Secured Obligations before, or as a condition to, proceeding against Holdings or such Subsidiary

Guarantor. Holdings and each Subsidiary Guarantor waives, to the fullest extent permitted by law, all defenses available to a surety, guarantor or accommodation co-obligor other than defense of payment in full. It is agreed among Holdings and each Subsidiary Guarantor, Administrative Agent and Lenders that the provisions of this Article XI are essential to the transaction contemplated by the Loan Documents and that, but for such provisions, Administrative Agent and Lenders would decline to make Loans and issue Letters of Credit. Holdings and each Subsidiary Guarantor acknowledges that its guarantee pursuant to this Section is necessary to the conduct and promotion of its business, and can be expected to benefit such business.

(d) Administrative Agent and Lenders may, in their discretion, pursue such rights and remedies as they deem appropriate, including realization upon Collateral by judicial foreclosure or non-judicial sale or enforcement, without affecting any rights and remedies under this Article XI. If, in taking any action in connection with the exercise of any rights or remedies, Administrative Agent or any Lender shall forfeit any other rights or remedies, including the right to enter a deficiency judgment against any Loan Party or other Person, whether because of any applicable Laws pertaining to "election of remedies" or otherwise, Holdings and each Subsidiary Guarantor consents to such action and waives any claim based upon it, even if the action may result in loss of any rights of subrogation that Holdings or any Subsidiary Guarantor might otherwise have had. Any election of remedies that results in denial or impairment of the right of Administrative Agent or any Lender to seek a deficiency judgment against any Borrower shall not impair Holdings' and each Subsidiary Guarantor's obligation to pay the full amount of the Loan Obligations.

1.04. Obligations Independent. The obligations of Holdings and each Subsidiary Guarantor hereunder are those of primary obligor, and not merely as surety, and are independent of the Loan Obligations and the obligations of any other guarantor, and a separate action may be brought against Holdings and each Subsidiary Guarantor to enforce this Guarantee whether or not any Borrower or any other person or entity is joined as a party.

1.05. Subrogation. Neither Holdings nor any Subsidiary Guarantor shall exercise any right of subrogation or similar rights with respect to any payments it makes under this Guarantee until the Facility Termination Date. If any amounts are paid to Holdings or any Subsidiary Guarantor in violation of the foregoing limitation, then such amounts shall be held in trust for the benefit of the Lender Parties and shall forthwith be paid to Administrative Agent for the benefit of the Lender Parties to reduce the amount of the Secured Obligations, whether matured or unmatured.

1.06. Termination; Reinstatement. This Guarantee is a continuing and irrevocable guarantee of all Secured Obligations now or hereafter existing and shall remain in full force and effect until the Facility Termination Date (or, as to any applicable Guarantor, until the sale or Disposition of such Guarantor in a transaction permitted hereunder). Notwithstanding the foregoing, this Guarantee shall continue in full force and effect or be revived, as the case may be, if any payment by or on behalf of a Borrower or Holdings or any Subsidiary Guarantor is made, or any of the Lender Parties exercises its right of setoff, in respect of the Secured Obligations 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 any of the Lender Parties in their discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Laws or otherwise, all as if such payment had not been made or such setoff had not occurred and whether or not the Lender Parties are in possession of or have released this Guarantee and regardless of any prior revocation, rescission, termination or reduction. The obligations of Holdings and each Subsidiary Guarantor under this paragraph shall survive termination of this Guarantee.

1.07. Subordination. If the Required Lenders so request after the occurrence and during the continuance of any Event of Default, any such obligation or indebtedness of any Borrower owing

to Holdings or any Subsidiary Guarantor, whether now existing or hereafter arising, including but not limited to any obligation of any Borrower to Holdings or any Subsidiary Guarantor as subrogee of the Lender Parties or resulting from Holdings' or any Subsidiary Guarantor's performance under this Guarantee (and, in each case, the payment thereof), shall be subordinated to the Payment in Full of the Obligations and shall be enforced and performance received by Holdings or any Subsidiary Guarantor as trustee for the Lender Parties and the proceeds thereof shall be paid over to the Administrative Agent to be applied to the Secured Obligations, but without reducing or affecting in any manner the liability of Holdings or any Subsidiary Guarantor under this Guarantee.

1.08. Condition of Borrowers. Holdings and each Subsidiary Guarantor acknowledges and agrees that it has the sole responsibility for, and has adequate means of, obtaining from each Borrower and any other guarantor such information concerning the financial condition, business and operations of Borrowers and any such other guarantor as Holdings and each Subsidiary Guarantor requires, and that none of the Lender Parties has any duty, and neither Holdings nor any Subsidiary Guarantor is relying on the Lender Parties at any time, to disclose to Holdings or any Subsidiary Guarantor any information relating to the business, operations or financial condition of Borrowers or any other guarantor (Holdings and each Subsidiary Guarantor waiving any duty on the part of the Lender Parties to disclose such information and any defense relating to the failure to provide the same).

1.09. Limitation of Liability. Notwithstanding any provision of this Article XI to the contrary, it is intended that the provisions of this Article XI not constitute a "Fraudulent Conveyance" (as defined below). Consequently, each Lender Party and Loan Party agrees that if the provisions of this Article XI, or any Liens securing the obligations and liabilities arising pursuant to this Article XI, would, but for the application of this sentence, constitute a Fraudulent Conveyance, this Agreement and each such Lien shall be valid and enforceable only to the maximum extent that would not cause such provisions or such Lien to constitute a Fraudulent Conveyance, and such provisions shall automatically be deemed to have been amended accordingly at all relevant times. For purposes hereof, "***Fraudulent Conveyance***" means a fraudulent conveyance or fraudulent transfer under Section 548 of the Bankruptcy Code or a fraudulent conveyance or fraudulent transfer under the provisions of any applicable fraudulent conveyance or fraudulent transfer law or similar law of any Governmental Authority as in effect from time to time.

1.10. No Novation; Reaffirmation. Notwithstanding anything to the contrary contained herein, this Agreement is not intended to and shall not serve to effect a novation of the Obligations under the Original Credit Agreement, as continued hereunder. Instead, it is the express intention of the parties hereto to reaffirm the indebtedness created under the Original Credit Agreement which is evidenced by the notes provided for therein and secured by the Collateral. Each Borrower and each other Loan Party acknowledges and confirms that (i) the Liens and security interests granted pursuant to the Loan Documents secure the indebtedness, liabilities and obligations of the Borrowers and the other Loan Parties to the Administrative Agent and the Lenders under the Original Credit Agreement, as amended and restated hereby, and that the term "Obligations" as used in the Loan Documents (or any other term used therein to describe or refer to the indebtedness, liabilities and obligations of the Borrowers and the other Loan Parties to the Administrative Agent and the Lenders) includes, without limitation, the indebtedness, liabilities and obligations of the Borrowers under the Notes to be delivered hereunder, and under the Original Credit Agreement, as amended and restated hereby, as the same further may be amended, restated, supplemented and/or modified from time to time and (ii) the grants of security interests, mortgages and Liens under and pursuant to the Loan Documents shall continue unaltered, and each other Loan Document shall continue in full force and effect in accordance with its terms unless otherwise amended by the parties thereto, and the parties hereto hereby ratify and confirm the terms thereof as being in full force and effect and unaltered by this

Agreement. The Loan Documents and all agreements, instruments and documents executed or delivered in connection with any of the foregoing shall each be deemed to be amended to the extent necessary to give effect to the provisions of this Agreement. Cross references in the Loan Documents to particular section numbers in the Original Credit Agreement shall be deemed to be cross references to the corresponding sections, as applicable, of this Agreement. Each Loan Party signatory hereto, in the respective capacities, if any, of such Loan Party under each of the "Loan Documents" (as such term is defined in the Original Credit Agreement), other than the Original Credit Agreement (such Loan Documents other than the Original Credit Agreement are referred to herein as the "Original Loan Documents"), to which such Loan Party is a party (including the respective capacities of accommodation party, assignor, grantor, guarantor, indemnitor, mortgagor, obligor and pledgor, as applicable, and each other similar capacity, if any, in which such Loan Party granted Liens on all or any part of its properties and assets, or otherwise acted as an accommodation party, guarantor, indemnitor or surety with respect to all or any part of the Obligations under the Original Credit Agreement), hereby (i) agrees that the terms and provisions hereof shall not affect in any way any payment, performance, observance or other obligations or liabilities of such Loan Party under any of the Original Loan Documents, all of which obligations and liabilities are hereby ratified, confirmed and reaffirmed in all respects except as amended hereby, and (ii) to the extent such Loan Party has granted Liens on any of its properties or assets pursuant to any of the Original Loan Documents to secure the payment, performance and/or observance of all or any part of the Obligations, acknowledges, ratifies, confirms and reaffirms such grant of Liens, and acknowledges and agrees that all of such Liens are intended and shall be deemed and construed to secure to the fullest extent set forth therein all now existing and hereafter arising Obligations under and as defined in this Agreement, as hereafter amended, restated, amended and restated, supplemented and otherwise modified and in effect from time to time. Notwithstanding the modifications effected by this Agreement of the representations, warranties and covenants of the Loan Parties contained in the Original Credit Agreement, each of the Loan Parties acknowledges and agrees that any causes of action or other rights created in favor of the Administrative Agent or any Lender and their successors arising out of the representations and warranties of any Loan Party contained in or delivered (including representations and warranties delivered in connection with the making of the loans or other extensions of credit thereunder) in connection with the Original Credit Agreement or any Original Loan Document shall survive the execution and delivery of this Agreement, and any and all indemnification obligations of each Loan Party pursuant to the Original Credit Agreement (including any arising from a breach of the representations or warranties thereunder) shall survive the amendment and restatement of the Original Credit Agreement pursuant to this Agreement. EACH LOAN PARTY ACKNOWLEDGES AND AGREES THAT (A) IT HAS NO CLAIMS, COUNTERCLAIMS, OFFSETS, CREDITS OR DEFENSES TO THE LOAN DOCUMENTS AND THE PERFORMANCE OF ITS OBLIGATIONS THEREUNDER, OR (B) IF IT HAS ANY SUCH CLAIMS, COUNTERCLAIMS, OFFSETS, CREDITS OR DEFENSES TO THE ORIGINAL CREDIT AGREEMENT, THE ORIGINAL LOAN DOCUMENTS, THE LOAN DOCUMENTS AND/OR ANY TRANSACTION RELATED TO THE ORIGINAL CREDIT AGREEMENT, THE ORIGINAL LOAN DOCUMENTS, THE LOAN DOCUMENTS AND/OR THE OBLIGATIONS, THE SAME ARE HEREBY WAIVED, RELINQUISHED AND RELEASED IN CONSIDERATION OF THE ADMINISTRATIVE AGENT'S AND LENDERS' EXECUTION AND DELIVERY OF THIS AGREEMENT.

[Remainder of page is intentionally left blank; signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BORROWERS:

E.L.F. COSMETICS, INC., a Delaware corporation

By:
Name:
Title:

J.A. RF, LLC, a Delaware limited liability company

By:
Name:
Title:

W3LL PEOPLE, INC., a Delaware corporation

By:
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

OTHER LOAN PARTIES:

E.L.F. BEAUTY, INC., a Delaware corporation

By:
Name:
Title:

ADMINISTRATIVE AGENT:

BANK OF MONTREAL, as Administrative Agent

By:
Name:
Title:

LENDERS:

BANK OF MONTREAL, as a Lender, an L/C Issuer and Swing Line Lender

By:
Name:
Title:

LENDERS (cont'd):

_____, as a Lender

By:
Name:
Title:

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") is made and entered into on April 20, 2022, by and among e.l.f. Cosmetics, Inc. (together with any successor, the "Company"), e.l.f. Beauty, Inc., the owner of all of the outstanding capital stock of the Company (together with any successor, "e.l.f. Beauty"), and Jennie Laar ("Executive").

WHEREAS, the Company desires to employ Executive on May 16, 2022 (the "Effective Date") on the terms, conditions and other provisions set forth herein; and

WHEREAS, Executive desires to be employed by and render services to the Company upon and subject to the terms, conditions and other provisions set forth herein.

NOW THEREFORE, in consideration of the promises and mutual covenants and agreements contained herein, the adequacy of all of which consideration is hereby acknowledged, the parties hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01 The following words and terms shall have the meanings set forth below for the purposes of this Agreement:

"Board of Directors" means the Board of Directors of e.l.f. Beauty.

"Cause" means (i) a breach by Executive of Executive's obligations under Section 2.02 (other than as a result of physical or mental incapacity) which constitutes material nonperformance by Executive of Executive's obligations and duties thereunder, which Executive has failed to remedy after the Board of Directors has given Executive written notice of, and at least 15 days to remedy, such breach, (ii) commission by Executive of an act of fraud, embezzlement, misappropriation, willful misconduct or breach of fiduciary duty against the Company (other than acts, such as making personal use of Company office supplies, as have only a de minimis effect on the Company), (iii) a material breach by Executive of ARTICLE VI, (iv) Executive's conviction, plea of no contest or nolo contendere, deferred adjudication or unadjudicated probation for any felony or any crime involving moral turpitude, (v) the failure of Executive to carry out, or comply with, in any material respect, any lawful directive of the Board of Directors (other than any such failure resulting from Executive's physical or mental incapacity) which Executive has failed to remedy after the Board of Directors has given Executive written notice of, and at least 15 days to remedy, such failure, or (vi) Executive's unlawful use (including being under the influence) or possession of illegal drugs. For purposes of the previous sentence, no act or failure to act on Executive's part shall be deemed "willful" unless done, or omitted to be done, by Executive not in good faith and without reasonable belief that Executive's action or omission was in the best interest of the Company.

"Disability" means Executive's inability to perform, with or without reasonable accommodation, the essential functions of Executive's position hereunder for a period of 180 consecutive days due to mental or physical incapacity, as determined by mutual agreement of a physician selected by the Company or its insurers and a physician selected by Executive; provided, however, if the opinion of the Company's physician and Executive's physician conflict, the Company's physician and Executive's physician shall together agree upon a third physician, whose opinion shall be binding; provided, however, that Executive shall not be considered to have a Disability unless it is also treated as a disability under the Company's long-term disability policy.

"Good Reason" means: (i) a material default in the performance of the Company's obligations under this Agreement; (ii) a significant diminution of Executive's responsibilities, duties or authority as Senior Vice President, Chief Commercial Officer, or a material diminution of Executive's base compensation, unless such diminution is mutually agreed between Executive and the Company; or (iii) the relocation of Executive's principal office, without Executive's consent, to a location that is in excess of 50 miles from Oakland, CA (it being understood and agreed that Executive's travel for business purposes or requirement to work from home while under work from home orders shall not be considered such a relocation); provided, however, that Executive's termination will not be for Good Reason unless (x) Executive has given the Company at least 30 days prior written notice of Executive's intent to terminate Executive's employment for Good Reason, which notice shall specify the facts and circumstances constituting Good Reason and be given within 90 days of the initial occurrence thereof, (y) the Company has not remedied such facts and circumstances constituting Good Reason within 30 days following the receipt of such notice, and (z) Executive terminates employment within six months following the expiration of such 30-day cure period.

"Notice of Termination" means a dated notice that (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated, (iii) specifies a Termination Date, except in the case of the Company's termination of Executive's employment for Cause, for which the Termination Date may be the date of the notice; provided, however, that Executive has been provided with any applicable cure period, and (iv) is given in the manner specified in Section 7.02. With the exception of termination of Executive's employment due to Executive's death, any purported termination of Executive's employment by the Company for any reason, including without limitation for Cause or Disability, or by Executive for any reason, shall be communicated by a written "Notice of Termination" to the other party. The failure by the Company or Executive to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Cause or Good Reason, as applicable, shall not waive any right of the Company or Executive under this Agreement or preclude the Company or Executive from asserting such fact or circumstance in enforcing the Company's or Executive's rights under this Agreement.

"Termination Date" means (i) if Executive's employment is terminated for Cause or Disability, the date specified in the Notice of Termination, (ii) in the case of termination of employment due to death, the date of Executive's death, or (iii) if Executive's employment is terminated for any other reason, the date on which a Notice of Termination is given or as specified in such Notice.

ARTICLE II
EMPLOYMENT

Section 1.01 Agreement and Term. The Company hereby employs Executive as an employee of the Company, and Executive hereby accepts said employment and agrees to render such services to the Company, on the terms and conditions set forth in this Agreement. The term of employment under this Agreement shall commence on the Effective Date and shall continue until terminated pursuant to ARTICLE V.

Section 1.02 Position and Duties. Except as otherwise provided in this Agreement, Executive shall serve as Senior Vice President, Chief Commercial Officer and shall report directly to the Chief Executive Officer. Executive shall perform duties, undertake the responsibilities, and exercise the authorities customarily performed, undertaken and exercised by persons situated in a similar capacity at a similar company. Executive shall carry out Executive's duties and responsibilities at all times in compliance with the Company's policies promulgated from time to time by the Company. Executive shall also perform such other duties, commensurate with Executive's position, as reasonably requested by the Board of Directors. Executive shall use Executive's best efforts to serve the Company faithfully, diligently and competently and to the best of Executive's ability, and to devote Executive's full time business hours, energy, ability, attention and skill to the business of the Company; provided, however, that the foregoing is not intended to preclude Executive from noncompetitive activities, conducted outside normal business hours permitted under Section 2.03.

Section 1.03 Outside Activities. It shall not be a violation of this Agreement for Executive to (a) deliver lectures or fulfill speaking engagements; (b) manage personal investments; or (c) subject to the prior consent of the Board of Directors (which consent shall not be unreasonably withheld), serve on industry trade, civic, or charitable boards or committees or on for-profit corporate boards of directors and advisory committees, as long as the activities set forth in (a) – (c) (taken together or separately) do not materially interfere with the performance of Executive's duties hereunder and are not in conflict or competitive with, or adverse to, the Company. Executive shall not, however, under any circumstances, provide services or advice in any capacity whatsoever for or on behalf of any entity that competes with or is competitive with the Company.

Section 1.04 Location. Executive shall be based in the Company's Oakland, California offices (or such other San Francisco Bay Area office as the Company occupies).

ARTICLE III
COMPENSATION AND BENEFITS

Section 1.01 Salary. The Company shall compensate and pay Executive for Executive's services at a rate equivalent to $325,000 per year, less payroll deductions and all required tax withholdings ("Base Salary"), which salary shall be payable in accordance with the Company's customary payroll practices applicable to its executives, but no less frequently than monthly.

Section 1.02 Bonus. Executive shall have the opportunity to earn annual performance bonuses based on performance criteria to be established by the Board of Directors (or a committee thereof). Executive shall be

eligible to receive a target cash bonus of 40% of Executive's Base Salary based upon the attainment of performance objectives established by the Board of Directors (or a committee thereof). Unless set forth otherwise herein, Executive must be actively employed with the Company through the date on which the bonus performance percentage is determined by the Board of Directors (or a committee thereof) in order to receive any annual bonus payout pursuant to this subsection. Any bonus payable hereunder in respect of a fiscal year shall be paid at the same time annual bonuses are paid to other senior executives of the Company in respect of such fiscal year; but in any event within the fiscal year following the fiscal year of performance.

Section 1.03 Employee Benefits. To the extent eligible under the applicable plans or programs, Executive shall be entitled to participate in the employee benefits plans and programs made available to executive level employees of the Company generally, such as health, medical, dental and other insurance coverage and group retirement plans. The terms and conditions of Executive's participation in any employee benefit plan or program shall be subject to the terms and conditions of such plan or program, as may be modified by the Company from time to time. Nothing in this Agreement shall preclude the Company from amending or terminating any employee benefit plan or program.

Section 1.04 Flexible Time Off. Executive shall be entitled to flexible time off in accordance with the Company's Flexible Time Off Benefits policy. Executive shall also be entitled to all paid holidays to which executive level employees of the Company are entitled. Time off does not accrue at the Company and therefore no amounts shall be paid for unused time off in the event of termination.

Section 1.05 Equity Award. Subject to requisite corporate approvals, Executive will be granted an equity award consisting of a mix of time-based restricted stock units ("RSUs") and performance share units exercisable for e.l.f. Beauty common stock (NYSE: ELF). The targeted grant date value of the award is $2,000,000, with the number of RSUs and PSUs being determined by dividing the applicable target value for RSUs and PSUs, as applicable, by the per share closing trading price of e.l.f. Beauty common stock as of the date of grant. The parties acknowledge that this reflects targeted value only and the actual value may be different based on a number of factors as determined by the Compensation Committee of e.l.f. Beauty. The definitive terms of all equity awards will be memorialized in the Company's customary agreements and the award will be subject, in all cases, to the terms and conditions of the e.l.f. Beauty 2016 Equity Incentive Award Plan, as amended from time to time.

ARTICLE IV
EXPENSES

Section 1.01 Expenses**.** The Company shall reimburse Executive or otherwise provide for or pay for reasonable out-of-pocket expenses incurred by Executive in furtherance of or in connection with the business of the Company, including, but not limited to, travel and entertainment expenses commensurate with Executive's duties hereunder (including attendance at industry conferences), subject to the Company's policies as periodically reviewed by the Board of Directors and in effect from time to time, including without limitation such reasonable documentation and other limitations as may be established or required by the Company.

ARTICLE V
TERMINATION AND SEVERANCE

Section 1.01 At-Will Employment. The Company and Executive acknowledge that Executive's employment is and shall continue to be at-will, as defined under applicable law. This means that it is not for any specified period of time and can be terminated by Executive or by the Company at any time, with or without advance notice, and for any or no particular reason or cause. It also means that Executive's job duties, title, and responsibility and reporting level, work schedule, compensation, and benefits, as well as the Company's personnel policies and procedures, may be changed with prospective effect, with or without notice, at any time in the sole discretion of the Company (subject to any ramification such changes may have under this ARTICLE V). This "at-will" nature of Executive's employment shall remain unchanged during Executive's tenure as an employee and may not be changed, except in an express writing signed by Executive and a duly-authorized officer of the Company. If Executive's employment terminates for any lawful reason, Executive shall not be entitled to any payments, benefits, damages, award, or compensation other than as provided in this Agreement.

Section 1.02 Termination Due to Death or Disability. If Executive's employment is terminated by reason of Executive's death or Disability, Executive or Executive's estate shall be entitled to receive: (a) Executive's accrued Base Salary through the Termination Date; (b) an amount for reimbursement, paid within 60 days following submission by Executive (or if applicable, Executive's estate) to the Company of appropriate

supporting documentation for any unreimbursed business expenses properly incurred prior to the Termination Date by Executive pursuant to ARTICLE IV and in accordance with Company policy; and (c) such employee benefits, if any, to which Executive (or, if applicable, Executive's estate) or Executive's dependents may be entitled under the employee benefit plans or programs of the Company, paid in accordance with the terms of the applicable plans or programs (the amounts described in clauses (a) through (c) hereof being referred to as the "Accrued Rights"). In addition, Executive or Executive's estate shall be entitled to receive (x) in a lump sum in cash within two and one-half months after the Termination Date (or such earlier date as required by applicable law), the amount of any annual bonus earned for any previously completed fiscal year in accordance with Section 3.02 that has not been paid (the "Accrued Bonus"); and (y) an amount equal to the product of (i) the fraction of the current fiscal year that has elapsed through the date of Executive's termination and (ii) the Board of Directors-approved annual bonus payout for Executive for such fiscal year based on actual Company performance for such fiscal year measured following the completion thereof, payable at the time the annual bonus would have been paid to Executive had he remained employed through the end of the such fiscal year (the "Pro-Rata Bonus").

Section 1.03 Termination by Executive without Good Reason and other than Disability or Death. In the event Executive terminates Executive's employment for any reason other than Good Reason, Disability or death, Executive shall be entitled to receive the Accrued Rights, but following the Termination Date, Executive shall have no further rights to any other compensation or benefits under this Agreement, including without limitation any severance or continuation of benefits or otherwise.

Section 1.04 Termination by the Company for Cause. In the event the Company terminates Executive's employment for Cause, Executive shall be entitled to receive the Accrued Rights, but following the Termination Date, Executive shall have no further rights to any other compensation or benefits under this Agreement, including without limitation any severance or continuation of benefits or otherwise.

Section 1.05 Termination by the Company Other Than for Death, Disability or Cause or by Executive for Good Reason. If Executive's employment is terminated by the Company for reasons other than death, Disability or Cause, or by Executive for Good Reason, Executive shall be entitled to receive (a) an amount equal to twelve (12) months of Base Salary; (b) for a period of twelve (12) months following the Termination Date that Executive is eligible to elect and does elect to continue coverage for Executive and Executive's eligible dependents under the Company's group health plans, as applicable, under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and/or Sections 601 through 608 of the Employee Retirement Income Security Act of 1974, as amended (collectively, "COBRA"), medical and dental coverage as required by COBRA and prompt reimbursement for the premium costs charged to Executive for such COBRA continuation coverage; provided, however, that (i) such COBRA coverage shall terminate if and to the extent Executive becomes eligible to receive medical and dental coverage from a subsequent employer (and any such eligibility shall be promptly reported to the Company by Executive) and (ii) the Company's obligation to reimburse Executive for such premium costs shall cease if, upon the advice of legal counsel, the Company determines that it would reasonably be expected to be subject to any penalty, excise or other tax for providing discriminatory benefits; provided that, in such event, the Company shall implement reasonable comparable alternative payments or benefits to Executive that would avoid such penalty, excise tax or other tax; (c) the Accrued Bonus; (d) the Pro-Rata Bonus, provided that Executive has been employed for at least six months of the fiscal year in which such termination occurs, and (e) the Accrued Rights; provided that the payments described in clauses (a), (b) and (d) shall be subject to Executive's continued compliance with the provisions of ARTICLE VI and of the release delivered under Section 5.08.

Section 1.06 Termination by Mutual Consent. Notwithstanding any of the foregoing provisions of this ARTICLE V, if at any time during the course of this Agreement the parties by mutual consent decide to terminate Executive's employment, they may do so by separate agreement setting forth the terms and conditions of such termination.

Section 1.07 Payment of Severance. Subject to Section 7.13, any severance payments pursuant to Section 5.05(a) shall be paid commencing on the 60th day following the Termination Date (with a lump sum catch-up payment for any installments otherwise payable within 60 days following the Termination Date) and in accordance with the Company's standard payroll schedule and practices.

Section 1.08 Release of Claims; Offsets. As a condition to the receipt of any payments of benefits described hereunder subsequent to the termination of the employment of Executive (other than Accrued Rights), Executive shall be required to execute, and not subsequently revoke, within 60 days following the termination of Executive's employment a release in a form reasonably acceptable to the Company of all claims arising out of Executive's employment or the termination thereof. Subject to the limitations of applicable wage laws, the

Company's obligations to pay the severance benefits hereunder shall be subject to set-off, counterclaim or recoupment of amounts owed by Executive to the Company or any of its affiliates, except to the extent that the severance benefits constitute "nonqualified deferred compensation" for purposes of Section 409A (as defined in Section 7.13) and such offset would result in the imposition of tax or other adverse tax consequences under Section 409A. In no event shall Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not Executive obtains other employment (except as specified in Section 5.05(b)).

Section 1.09 Cooperation with Company after Termination of Employment. Following termination of Executive's employment for any reason, Executive shall reasonably cooperate with the Company in all matters relating to the winding up of Executive's pending work on behalf of the Company including, but not limited to, any litigation in which the Company is involved and the orderly transfer of any such pending work to other employees of the Company as may be designated by the Company. The Company shall reasonably compensate Executive for services rendered pursuant to this Section 5.09 at a rate to be determined by the parties. In addition, the Company shall reimburse Executive for any reasonable out-of-pocket expenses Executive incurs in performing any work on behalf of the Company following the termination of Executive's employment.

ARTICLE VI
NON-SOLICITATION & NON-COMPETITION

Section 1.01 Non-Compete. Executive agrees that during Executive's employment, Executive shall not, anywhere in the areas where the Company conducts business during Executive's employment (the "Restricted Territory"), directly or indirectly, own, manage, operate, join, control or participate in the ownership, management, operation or control of, or be an officer or an employee of any business or organization that, directly or indirectly, develops, processes, packages, markets, promotes or sells color cosmetics or related services in the Restricted Territories (each, a "Restricted Business"). The foregoing shall not restrict Executive from owning up to 5% of any class of securities of any person engaged in a Restricted Business if such securities are listed on any national or regional securities exchange or have been registered under Section 12(g) of the Securities Exchange Act of 1934, as amended, as long as such securities are held solely as a passive investment and not with a view to influencing, controlling or directing the affairs of such person.

Section 1.02 Non-Solicitation. Executive agrees that during the Executive's employment and for one year following the Termination Date, Executive will not, directly or indirectly, for Executive's self or on behalf of or in conjunction with any other person, (a) solicit or attempt to solicit any employee of the Company; provided, however, this Section 6.02 (including clause (b)) shall not be breached by a solicitation to the general public or through general advertising or (b) solicit, advise or encourage any person, firm, government agency or corporation to withdraw, curtail or cancel its business with the Company.

Section 1.03 Non-Disparagement. During Executive's employment and thereafter, Executive agrees that Executive will not, at any time, make, directly or indirectly, any oral or written statements (including in social media, by tweet or via online job review boards, whether anonymous or not) that are disparaging of the Company, its products or services, or any of its present or former officers, directors, stockholders or employees (or any of their respective affiliates), and the Company shall instruct the Board of Directors and executives not to disparage Executive orally or in writing; provided that either party may confer in confidence with its legal representatives and make truthful statements as required by law.

Section 1.04 Reasonable Limitation and Severability. The parties agree that the above restrictions on competition are (a) reasonable given Executive's role with the Company and are necessary to protect the interests of the Company and (b) completely severable and independent agreements supported by good and valuable consideration and, as such, shall survive the termination of this Agreement for any reason whatsoever. The parties further agree that any invalidity or unenforceability of any one or more of such restrictions on competition shall not render invalid or unenforceable any remaining restrictions on competition. Additionally, should a court of competent jurisdiction determine that the scope of any provision of this ARTICLE VI is too broad to be enforced as written, the parties hereby authorize the court to reform the provision to such narrower scope as it determines to be reasonable and enforceable and the parties intend that the affected provision be enforced as so amended.

Section 1.05 Confidentiality.

(a) Company Confidential Information. Executive acknowledges and agrees that the customers, suppliers, business connections, consumer lists, procedures, operations, techniques, marketing campaigns,

innovation program, product costs and other costs of goods, product ingredients, products in development, lines of business and geographies the Company is considering and other aspects of and information about the business of the Company (the "Confidential Information") are established at great expense and protected as confidential information and provide the Company with a substantial competitive advantage in conducting its business. Executive further acknowledges and agrees that by virtue of Executive's employment with the Company, Ex has had access to, and will have access to, and has been entrusted with, and will be entrusted with, Confidential Information, and that the Company would suffer great loss and injury if Executive were to disclose Confidential Information or use it in a manner not specifically authorized by the Company. Therefore, Executive agrees that during Executive's employment and thereafter, Executive will not, directly or indirectly, either individually or as an employee, agent, partner, shareholder, owner trustee, beneficiary, co-venturer distributor, consultant or in any other capacity, use or disclose or cause to be used or disclosed any Confidential Information, unless and to the extent (i) that any such information becomes generally known to and available for use by the public other than as a result of Executive's acts or omissions, (ii) such disclosure is authorized in writing by the General Counsel of the Company, (iii) such disclosure is compelled by legal process (provided that Executive provides the Company with advance notice adequate to afford the Company reasonable opportunity to limit or prevent such disclosure), or (iv) use or disclosure is to an employee of the Company or a person to whom disclosure is reasonably necessary or appropriate in connection with the performance by Executive of Executive's duties as an employee of the Company.

(b) Return of Information. Executive shall deliver to the Company at the termination or cessation of Executive's employment with the Company, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer files, printouts and software and other documents (whether in paper, electronic, or other format) and data (and all copies thereof) that (i) Executive created or acquired during the course of Executive's employment, or (ii) relate to the Confidential Information or Work Product (as defined below), which Executive may then possess or have under Executive's control.

(c) Third Party Information.

(i) Executive agrees that during employment with the Company, Executive will not improperly use, disclose, or induce the Company to use any proprietary information or trade secrets of any former or concurrent employer or other person or entity. Executive further agrees that Executive will not bring onto the premises of the Company or transfer onto the Company's technology systems any non-public document, proprietary information, or trade secrets belonging to any such employer, person, or entity.

(ii) Executive recognizes that the Company may have received, and in the future may receive, confidential or proprietary information from third parties associated with the Company. By way of example, third party confidential information may include the habits or practices of the third parties, and technology, requirements, or information related to the business conducted between the Company and such third parties. Executive agrees, at all times during Executive's employment with the Company and thereafter, to hold in the strictest confidence, and not to use or to disclose to any person, firm, or corporation, any third-party confidential information, except as is reasonably necessary or appropriate in connection with the performance by Executive of Executive's duties as an employee of the Company.

Section 1.06 Inventions Assignment.

(a) Disclosure of Inventions. Executive will promptly disclose to the Company all inventions, innovations, improvements, original works of authorship, developments, methods, designs, analyses, drawings, reports and all similar or related information (whether or not patentable or registrable under patent, copyright, or similar laws) ("Inventions") that could constitute Work Product (as defined in Section 6.06(b)).

(b) Assignment of Work Product. Executive acknowledges and agrees that all Inventions that relate to the Company's actual or anticipated business and that are authored, conceived, developed, or made by Executive while employed by the Company (including during Executive's off-duty hours) or by the use of the Company's equipment, supplies, facilities, or the Company's Confidential Information (such Inventions, "Work Product"), and all intellectual property rights therein, belong to the Company, except as provided for in Section 6.06(g). Executive will assign, and hereby assigns, to the Company, or its designee, without royalty or any other future consideration, all of Executive's right, title, and interest in, and to, any and all Work Product (and all intellectual property rights therein), except as provided for in Section 6.06(g). Executive hereby waives, and agrees to waive, any moral rights Executive may have in any copyrightable work Executive creates or has created on behalf of the Company. Executive understands and agrees that the decision whether or not to commercialize or market any Work Product is within the Company's sole discretion and for the Company's sole benefit and that no

royalty or other consideration will be due to Executive as a result of the Company's efforts to commercialize or market any such Work Product. For the avoidance of doubt, Prior Inventions (as defined in Section 6.06(f)) are not assigned to the Company hereby.

(c) Works Made for Hire. Executive acknowledges that all original works of authorship which are made by Executive (solely or jointly with others) within the scope of Executive's employment with the Company and which are eligible for copyright protection are "works made for hire" as that term is defined in the United States Copyright Act (17 U.S.C., Section 101).

(d) Assistance. Executive agrees to assist the Company in obtaining, maintaining, and enforcing patents, invention assignments and copyright assignments, and other proprietary rights in connection with any Work Product covered, and will otherwise assist the Company as reasonably required by the Company to perfect in the Company the rights, title and other interests in any Work Product granted to the Company under this Agreement (both in the United States and foreign countries). Executive further agrees that Executive's obligations under this Section 6.06(d) shall continue beyond termination or cessation of Executive's employment with the Company, but if Executive is requested by the Company to render such assistance after such time, Executive shall be entitled to a fair and reasonable rate of compensation for such assistance, and to reimbursement of any expenses incurred at the request of the Company relating to such assistance. If the Company is unable for any reason, after reasonable effort, to secure Executive's signature on any document needed in connection with the actions specified above, Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Executive's agent and attorney in fact, which appointment is coupled with an interest, to act for and in Executive's behalf to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section 6.06(d) with the same legal force and effect as if executed by Executive.

(e) Maintenance of Records. Executive agrees to keep and maintain adequate, current, accurate, and authentic written records of all Work Product authored, conceived, developed, or made by Executive (solely or jointly with others) during the term of employment with the Company. The records will be in the form of notes, sketches, drawings, electronic files, reports, or any other format that may be specified by the Company. The records are, and will be available to and remain, the sole property of the Company at all times.

(f) Prior Inventions. Exhibit A includes a list of all Inventions, if any, (i) that are owned by Executive or in which Executive has an interest and were authored, conceived, developed, made, or acquired by Executive prior to Executive's date of first employment with the Company, (ii) that may relate to the Company's current or anticipated business, and (iii) that are not to be assigned to the Company (such Inventions, "Prior Inventions"). If no Prior Inventions are listed on Exhibit A, Executive represents and warrants that Executive has no Prior Inventions. If, in the course of employment with the Company, Executive incorporates any Prior Invention into, or uses any Prior Invention in connection with, any product, process, service, technology, or other work by, or on behalf of, the Company, Executive hereby grants to the Company a nonexclusive, royalty-free, fully paid-up, irrevocable, perpetual, worldwide license, with the right to grant and authorize sublicenses, to make, have made, modify, use, import, offer for sale, and sell such Prior Invention as part of, or in connection with, such product, process, service, technology or other work and to practice any method related thereto.

(g) Non-Assignable Inventions. Executive understands that the provisions of this Agreement requiring assignment of Work Product to the Company do not apply to any invention which qualifies fully for exemption from assignment under the provisions of California Labor Code Section 2870 (which is set forth on Exhibit B) and if Executive believes that any invention qualifies under California Labor Code Section 2870, Executive will provide to the Company, at the time of disclosure of such invention, evidence in writing to substantiate such belief.

ARTICLE VII
GENERAL PROVISIONS

Section 1.01 Assignment. The Company shall assign this Agreement and its rights and obligations hereunder in whole, but not in part, to any company or other entity with or into which the Company may hereafter merge or consolidate or to which the Company may transfer all or substantially all of its assets, and in any such case said company or other entity shall by operation of law or expressly in writing assume all obligations of the Company hereunder as fully as if it had been originally made a party hereto. Such assignment will not release the Company from any payment obligations hereunder. Executive may not assign or transfer this Agreement or any rights or obligations hereunder.

Section 1.02 Notice. For the purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by certified or registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth on the signature pages hereto.

Section 1.03 Amendment and Waiver. No provision of this Agreement may be amended or waived unless such amendment or waiver is in writing and signed by each of the parties hereto.

Section 1.04 Non-Waiver of Breach. No failure by either party to declare a default due to any breach of any obligation under this Agreement by the other, nor failure by either party to act quickly with regard thereto, shall be considered to be a waiver of any such obligation, or of any future breach.

Section 1.05 Severability. In the event that any provision or portion of this Agreement shall be determined to be invalid or unenforceable for any reason, the remaining provisions of this Agreement shall be unaffected thereby and shall remain in full force and effect.

Section 1.06 Governing Law. To the extent not preempted by federal law, the validity and effect of this Agreement and the rights and obligations of the parties hereto shall be construed and determined in accordance with the law of California.

Section 1.07 Arbitration.

(a) Except with respect to disputes and claims under ARTICLE VI (which the parties hereto may pursue in any court of competent jurisdiction as specified herein and with respect to which each party shall bear the cost of its own attorneys' fees and expenses, except to the extent otherwise required by applicable law), each party hereto agrees that arbitration, pursuant to the procedures set forth in the National Rules for the Resolution of Employment Disputes of the American Arbitration Association ("AAA") as adopted and effective as of June 1, 1997 or such later version as may then be in effect) (the "AAA Rules"), a copy of which can be found at www.adr.org/employment, shall be the sole and exclusive method for resolving any claim or dispute ("Claim") arising out of or relating to the rights and obligations of the parties under this Agreement and the employment of Executive by the Company (including any Claim regarding employment discrimination, sexual harassment, termination and discharge), whether such Claim arose or the facts on which such Claim is based occurred prior to or after the execution and delivery of this Agreement.

(b) The parties hereto agree that (i) one arbitrator shall be appointed pursuant to the AAA Rules to conduct any such arbitration, (ii) all meetings of the parties and all hearings with respect to any such arbitration shall take place in Oakland, California and (iii) each party to the arbitration shall bear its own costs and expenses (including all attorneys' fees and expenses, except to the extent otherwise required by applicable law) and all costs and expenses of the arbitration proceeding (such as filing fees, the arbitrator's fees, hearing expenses, etc.) shall be borne equally by the parties hereto; provided, however, that the arbitrator shall, in the award, allocate all such costs and expenses against the party who did not prevail.

(c) In addition, the parties hereto agree that (i) the arbitrator shall have no authority to make any decision, judgment, ruling, finding, award or other determination that does not conform to the terms and conditions of this Agreement (as executed and delivered by the parties hereto), (ii) the arbitrator shall have no greater authority to award any relief than a court having proper jurisdiction and (iii) the arbitrator shall have no authority to commit an Error of Law (as defined below) in its decision, judgment, ruling, finding, award or other determination, and on appeal from or motion to vacate or confirm such decision, judgment, ruling, finding, award or other determination, a court having proper jurisdiction may vacate any such decision, judgment, ruling, finding, award or other determination to the extent containing an Error of Law. For purposes of this Agreement, an "Error of Law" means any decision, judgment, ruling, finding, award or other determination that is inconsistent with the laws governing this Agreement pursuant to Section 7.06. Any decision, judgment, ruling, finding, award or other determination of the arbitrator and any information disclosed in the course of any arbitration hereunder (collectively, the "Arbitration Information") shall be kept confidential by the parties subject to Section 7.07(d), and any appeal from or motion to vacate or confirm such decision, judgment, ruling, finding, award or other determination shall be filed under seal if permitted by the court.

(d) In the event that any party or such party's affiliates, associates or representatives is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Arbitration Information (the "Disclosing Party"), such Disclosing Party shall notify the other party promptly of the request or requirement so that the other

party may seek an appropriate protective order or waive compliance with the provisions of this Section 7.07. If, in the absence of a protective order or the receipt of a waiver hereunder, the Disclosing Party or any of its affiliates, associates or representatives believes in good faith, upon the advice of legal counsel, that it is compelled to disclose any such Arbitration Information, such Disclosing Party may disclose such portion of the Arbitration Information as it believes in good faith, upon the advice of legal counsel, it is required to disclose; provided that the Disclosing Party shall use reasonable efforts to obtain, at the request and expense of the other party, an order or other assurance that confidential treatment shall be accorded to such portion of the Arbitration Information required to be disclosed as the other party shall designate. Notwithstanding anything in this Section 7.07 to the contrary, the parties shall have no obligation to keep confidential any Arbitration Information that becomes generally known to and available for use by the public other than as a result of the disclosing party's acts or omissions or the acts or omissions of such party's affiliates, associates or representatives. The parties agree that, subject to the right of any party to appeal or move to vacate or confirm any decision, judgment, ruling, finding, award or other determination of an arbitration as provided in this Section 7.07, the decision, judgment, ruling, finding, award or other determination of any arbitration under the AAA Rules shall be final, conclusive and binding on all of the parties hereto; provided, however, nothing in this Section 7.07 shall prohibit any party hereto from instituting litigation to enforce any final decision, judgment, ruling, finding, award or other determination of the arbitration.

Section 1.08 Entire Agreement. This Agreement contains all of the terms agreed upon by the Company and Executive with respect to the subject matter hereof and supersedes all prior agreements, arrangements and communications between the parties dealing with such subject matter, whether oral or written.

Section 1.09 Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the transferees, successors and assigns of the Company, including any company with which the Company may merge or consolidate.

Section 1.010 Headings. Numbers and titles to Sections hereof are for information purposes only and, where inconsistent with the text, are to be disregarded.

Section 1.011 Counterparts. This Agreement may be executed in any number of counterparts, including by facsimile or other electronic transmission, each of which shall be deemed an original, but all of which when taken together, shall be and constitute one and the same instrument.

Section 1.012 Specific Enforcement; Remedies. The provisions of ARTICLE VI are to be specifically enforced if not performed according to their terms. Without limiting the generality of the foregoing, the parties acknowledge that the Company would be irreparably damaged and there would be no adequate remedy at law for Executive's breach of ARTICLE VI and further acknowledge that the Company may seek entry of a temporary restraining order or preliminary injunction, in addition to any other remedies available at law or in equity, to enforce the provisions thereof, without the Company being required to post a bond or other security therefor. In addition, in the event of a material violation by Executive of the provisions of ARTICLE VI, any severance being paid to Executive pursuant to this Agreement or otherwise shall immediately cease, and any severance previously paid to Executive shall be immediately repaid to the Company.

Section 1.013 Taxes & IRC Section 409A Matters. The Company may withhold from any payment hereunder such state, federal or local income, employment or other taxes and other legally mandated withholdings as it reasonably deems appropriate. The Company makes no representation about the tax treatment or impact of any payment(s) hereunder. The intent of the parties is that payments and benefits under this Agreement comply with Section 409A of the Code, as amended ("Section 409A"), to the extent subject thereto, and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted and administered to be in compliance therewith. Notwithstanding anything herein to the contrary: (a) if at the time of Executive's termination of employment with the Company, Executive is a "specified employee" as defined in Section 409A and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent any accelerated or additional tax under Section 409A, then the Company will defer the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to Executive) until the date that is six months following Executive's termination of employment with the Company (or the earliest date as is permitted under Section 409A); (b) if any other payments of money or other benefits due to Executive hereunder could cause the application of an accelerated or additional tax under Section 409A, such payments or other benefits shall be deferred if deferral will make such payment or other benefits compliant under Section 409A, or otherwise such payment or other benefits shall be restructured, to the extent possible, in a manner determined by the Company that does not cause such an accelerated or additional tax; (c) to the extent required in order to avoid accelerated

taxation and/or tax penalties under Section 409A, Executive shall not be considered to have terminated employment with the Company for purposes of this Agreement and no payment shall be due to Executive under this Agreement until Executive would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A; and (d) each amount to be paid or benefit to be provided to Executive pursuant to this Agreement, which constitutes deferred compensation subject to Section 409A, shall be construed as a separate identified payment for purposes of Section 409A. To the extent required to avoid an accelerated or additional tax under Section 409A, amounts reimbursable to Executive under this Agreement shall be paid to Executive on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to Executive) during any one year may not affect amounts reimbursable or provided in any subsequent year, or be subject to liquidation or exchange for another benefit. Neither the Company nor any of its employees or representatives shall have any liability to Executive with respect to Section 409A.

Section 1.014 Survival. Except as otherwise expressly provided in this Agreement, all covenants, representations and warranties, express or implied, in addition to the provisions of ARTICLE VI and ARTICLE VII, shall survive the termination of this Agreement.

Section 1.015 Indemnification and Insurance. The Company shall indemnify Executive to the full extent provided for in its corporate Bylaws and to the maximum extent that the Company indemnifies any of its other directors and senior executive officers, and Executive will be entitled to the protection of any insurance policies the Company may elect to maintain generally for the benefit of its directors and senior executive officers against all costs, charges, liabilities and expenses incurred or sustained by Executive in connection with any action, suit or proceeding to which he may be made a party by reason of Executive's being or having been a director, officer or employee of the Company or any of its affiliates or Executive's serving or having served any other enterprise, plan or trust as a director, officer, employee or fiduciary at the request of the Company or any of its affiliates (other than any dispute, claim or controversy arising under or relating to this Agreement (except for this Section 7.15)). The Company will enter into an indemnification agreement with Executive in the standard form that it has or will adopt for the benefit of its other directors and senior executive officers. The provisions of this Section 7.15 shall survive any termination of Executive's employment or any termination of this Agreement.

Section 1.016 Section 280G.

(a) In the event that it shall be determined that any payment or distribution to or for the benefit of Executive under this Agreement or under any other Company plan, contract or agreement would, but for the effect of this Section 7.16, be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties with respect to such excise tax (collectively, such excise tax, together with any such interest or penalties, the "Excise Tax"), then in the event that the after-tax value of all Payments to Executive (such after-tax value to reflect the deduction of the Excise Tax and all income or other taxes on such Payments) would, in the aggregate, be less than the after-tax value to Executive of the Safe Harbor Amount, (i) the cash portions of the Payments payable to Executive under this Agreement shall be reduced, in the order in which they are due to be paid, until the Parachute Value of all Payments paid to Executive, in the aggregate, equals the Safe Harbor Amount, and (ii) if the reduction of the cash portions of the Payments, payable under this Agreement, to zero would not be sufficient to reduce the Parachute Value of all Payments to the Safe Harbor Amount, then any cash portions of the Payments payable to Executive under any other plans shall be reduced, in the order in which they are due to be paid, until the Parachute Value of all Payments paid to Executive, in the aggregate, equals the Safe Harbor Amount, and (iii) if the reduction of all cash portions of the Payments, payable pursuant to this Agreement and otherwise, to zero would not be sufficient to reduce the Parachute Value of all Payments to the Safe Harbor Amount, then non-cash portions of the Payments shall be reduced, in the order in which they are due to be paid, until the Parachute Value of all Payments paid to Executive, in the aggregate, equals the Safe Harbor Amount.

(b) As used herein, (i) "Payment" shall mean any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of Executive, whether paid or payable pursuant to this Agreement or otherwise, (ii) "Safe Harbor Amount" shall mean 2.99 times Executive's "base amount," within the meaning of Section 280G(b)(3) of the Code, and (iii) "Parachute Value" of a Payment shall mean the present value as of the date of the Change in Control for purposes of Section 280G of the Code of the portion of such Payment that constitutes a "parachute payment" under Section 280G(b)(2) of the Code for purposes of determining whether and to what extent the Excise Tax will apply to such Payment. All calculations under this section shall be made reasonably by the Company and the Company's outside auditor at the Company's expense and at the times reasonably requested by Executive.

Section 1.017 Protected Rights. Executive understands that nothing contained in this Agreement limits Executive's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). Executive further understands that this Agreement does not limit Executive's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Agreement does not limit Executive's right to receive an award for information provided to any Government Agencies. Executive, however, is not permitted to disclose any Company attorney-client privileged communications, unless permitted by Rule 21F-17 under the Securities Exchange Act of 1934, as amended, or other applicable law. In making any such disclosures or communications, Executive agrees to take all reasonable precautions to prevent any use or disclosure of information that may constitute Confidential Information to any parties other than the Government Agencies.

Section 1.018 Defend Trade Secrets Act Notice of Immunity Rights. Executive acknowledges that the Company has provided Executive with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (a) Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of Confidential Information that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, (b) Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of Confidential Information that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and (c) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the Confidential Information to Executive's attorney and use the Confidential Information in the court proceeding, if Executive files any document containing the Confidential Information under seal, and does not disclose the Confidential Information, except pursuant to court order.

[signatures on next page]

IN WITNESS WHEREOF, the parties hereto have caused this Employment Agreement to be duly executed on the date and year first written above.

e.l.f. Cosmetics, Inc.

By: /s/ Scott K. Milsten
Name: Scott K. Milsten
Title: SVP, GC

e.l.f. Beauty, Inc.

By: /s/ Scott K. Milsten
Name: Scott K. Milsten
Title: SVP, GC

Address for Notices

e.l.f. Cosmetics, Inc.
570 10th Street
Oakland, CA 94607
Attn: General Counsel
Email: smilsten@elfcosmetics.com

Executive

/s/ Jennie Laar
Jennie Laar

Address for Notices

Address on file with Company HR
Email:

Exhibit A

List of Prior Inventions

[***]

Exhibit B

Laws Concerning Employment Agreements and Intellectual Property Assignment

California Labor Code Section 2870

(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-213818, 333-216718, 333-223383, 333-230027, 333-238909, 333-256631 and 333-265225 on Form S-8 of our reports dated May 25, 2023, relating to the financial statements of e.l.f. Beauty, Inc. and the effectiveness of e.l.f. Beauty, Inc.'s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended March 31, 2023.

/s/ *DELOITTE & TOUCHE LLP*

San Francisco, CA
May 25, 2023

Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO
SECURITIES EXCHANGE ACT RULES 13A-14(A) AND 15D-14(A)
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Tarang P. Amin, certify that:

1. I have reviewed this Annual Report on Form 10-K of e.l.f. Beauty, 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 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 25, 2023

/s/ Tarang P. Amin

Tarang P. Amin
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO
SECURITIES EXCHANGE ACT RULES 13A-14(A) AND 15D-14(A)
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mandy Fields, certify that:

1. I have reviewed this Annual Report on Form 10-K of e.l.f. Beauty, 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 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 25, 2023

/s/ Mandy Fields

Mandy Fields
Chief Financial Officer
(Principal Financial Officer and Accounting Officer)

Exhibit 32.1

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 Annual Report of e.l.f. Beauty, Inc. (the "Company") on Form 10-K for the fiscal year ended March 31, 2023, as filed with the Securities and Exchange Commission (the "Report"), Tarang P. Amin, Chief Executive Officer of the Company, and Mandy Fields, Chief Financial Officer of the Company, do each hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- The information in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 25, 2023

/s/ Tarang P. Amin
Tarang P. Amin
Chief Executive Officer
(Principal Executive Officer)

/s/ Mandy Fields
Mandy Fields
Chief Financial Officer
(Principal Financial Officer and Accounting Officer)